



Shaping the face
of retail in Poland



SUSTAINABILITY STATEMENT

EPP N.V. Group

2024

for the year ended 31 August





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1. GENERAL INFORMATION

1.1. ESRS 2 GENERAL DISCLOSURES

BASIS FOR PREPARATION

BP-1 General basis for preparation of sustainability statements

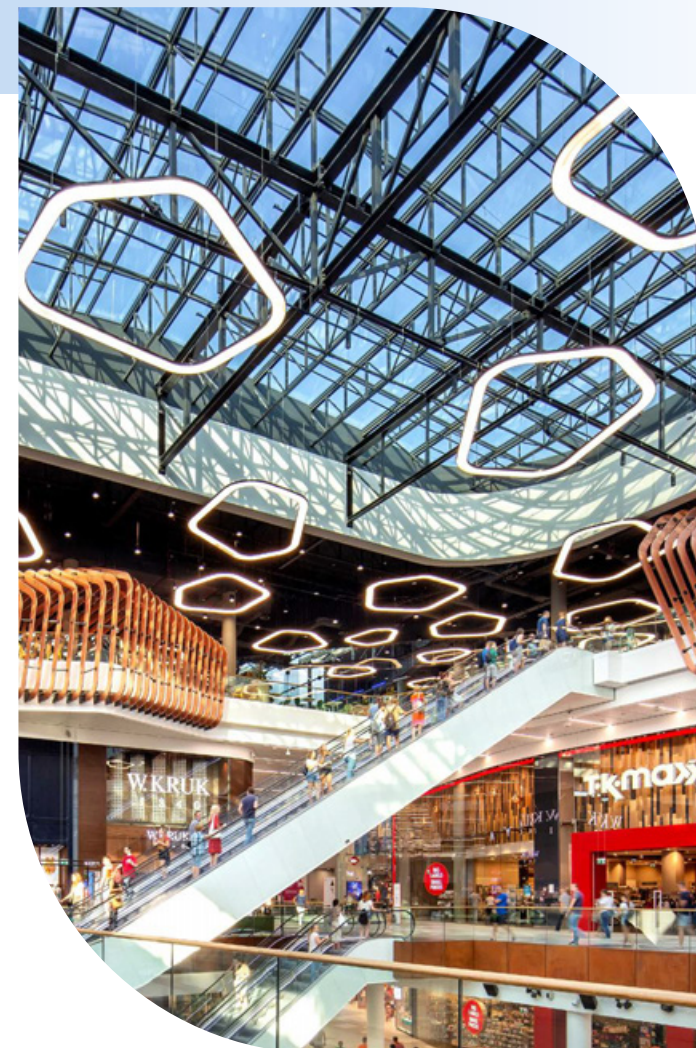
EPP N.V. Group publishes its Sustainability Statement (further: statement, report) for its fiscal year 1.09.2023-31.08.2024.

This document has been prepared in accordance with the European Sustainability Reporting Standards (ESRS - European Sustainability Reporting Standards) following the adoption of European Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting).

The sustainability statement has been prepared in a consolidated basis for EPP N.V. and all its subsidiaries. In this statement, “EPP N.V.,” “EPP CORE” and “EPP” stands for the parent company EPP N.V. together with its consolidated subsidiaries. None of the subsidiaries were excluded from consolidation

The scope of the sustainability statement covers EPP’s own operations as well as its activities in upstream and downstream of the value chain. The value chain provided a model for materiality assessment, that resulted in identification of material impacts, risks and opportunities. The main purpose of the value chain analysis was to understand during materiality assessment the impact of EPP’s activities on key elements of the value chain – own workforce, workers in the value chain, society, customers and environment. In result this sustainability statement describes efficient management of cooperation with stakeholders in upstream (suppliers and sub-contractors) and downstream (consumers, end-users and tenants) as well as EPP’s environmental impact and activities management in the whole value chain, especially in the area of climate change, where EPP N.V. discloses data on GHG emissions for scope 1, 2 and 3.

In this report, EPP N.V. does not disclose information on intellectual property, know-how or results of innovation efforts. It also does not disclose any information regarding impending developments or matters in course of negotiations.



1.1. ESRS 2 GENERAL DISCLOSURES

BASIS FOR PREPARATION

BP-2 Disclosures in relation to specific circumstances

In this report EPP refers to the short- medium- and long-term horizons defined by ESRS 1 regarding vast majority of topics and data.

For the purposes of the climate risk analysis presented in this report, the time horizons specified in the standard were waived. The horizons for the analysis of climate risks are defined as follows:

Short-term horizon – 5 years

The 5-year horizon focuses on current ESG risks and opportunities and includes an assessment of current changes in ESG regulations. EPP has included its strategic activities in a 5-year plan, implementing short-term (5-year) sustainable development/ESG strategy in 2021. It is also a horizon strongly related to financial planning - from CAPEX budgets to real estate valuations that EPP performs for five years.

Medium-term horizon – 5 to 10 years

This timeframe allows to balance short-term financial objectives with long-term ESG goals while maintaining flexibility to adapt to changing market conditions and regulatory developments.

Long-term horizon – above 10 years

For real estate companies, a long-term horizon for financial planning and ESG risk-opportunity analysis typically ranges from 10+ years. Real estate assets, especially buildings, have a long lifespan, often exceeding 30-50 years and a 10-year horizon allows to consider the environmental and social impact of properties throughout a significant portion of their life cycle. EPP develops long-term financial projections which include incorporating ESG considerations into long-term investment decisions and portfolio management. This time perspective also reflects current limitations in assessing climate risks and opportunities for EPP's buildings beyond the next decade.

A part of the metrics disclosed in the report were based on estimation or were obtained from indirect sources, including upstream and downstream value chain data. The information about specific estimations, their sources, resulting level of accuracy, and planned actions of improvement are described along each ESRS topic.

Quantitative metrics and monetary amounts that are subject to high level of measurement uncertainty have been disclosed according to ESRS E1-6, where methods of estimation are described.

This is the first sustainability statement based on ESRS published by EPP N.V. Following CSRD requirements, the scope of consolidated entities in the sustainability report is now consistent with the financial statement. No other changes in the preparation or presentation of the sustainability statement or errors for previous periods have been reported.

Apart from ESRS, no other legislation or sustainable reporting standards or frameworks were used to write this statement. No information was disclosed by reference.

Topics addressed in ESRS S1, S2, and S4 were considered material as a result of the materiality assessment and information regarding how EPP's business model and its strategy includes the material impacts, specific targets, policies and actions to identify, monitor, prevent, mitigate, remediate or bring to end matters related to those ESRS are included in corresponding chapters. The topic of topic of ESRS E4, ESRS E2, and ESRS S3 have been concluded to be non-material. In the first year of reporting on ESRS EPP omits information regarding anticipated financial effects, in line with ESRS 1 app. C.

1.1. ESRS 2 GENERAL DISCLOSURES

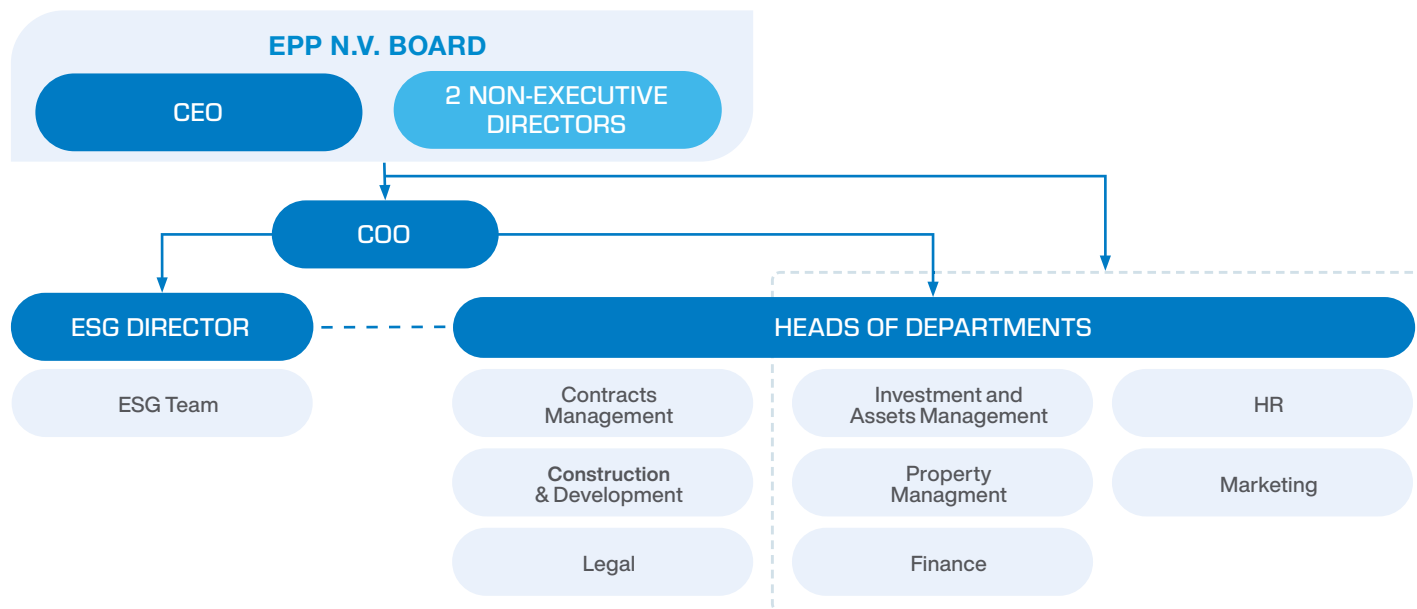
GOVERNANCE

GOV-1 The role of the administrative, management and supervisory bodies

The governance structure of EPP N.V. (incorporated as a public non-listed company under Dutch law) is based on a one-tier Board of Directors which constitutes administrative, management and supervisory body.

As of 31.08.2024 the Board of Directors of EPP N.V. consists of 3 persons, all 3 being men (100%). The composition of the Board of Directors changed in 2024 when Mr. Jacek Bagiński (CFO) stepped down from the Board Member position as of 31.08.2024. None of the Board of Directors members is a representative of employees or other workers. The Directors are responsible for the overall strategic management of the Company, creating its strategic framework and making decisions regarding significant investments and divestments, key policies, and critical operational matters. Furthermore, the Board is responsible for regular oversight of the economic, social and environmental performance of the Company, including the impacts, risk and opportunities management.

ESG priorities and sustainability goals are fundamentally integrated into the Board's decision-making framework. One of the major priorities of the Board of Directors of EPP N.V. is to oversee the sustainability performance of the company against the strategy and targets, including ambitious net-zero carbon reduction goals. They are involved in setting strategic goals and their implementation, as well as ensuring the company's efficiency and security, and supervising the implementation of appropriate solutions.



POSITION	RESPONSIBILITY	FREQUENCY
CHAIRMAN OF THE BOARD EPP N.V.	Setting up the strategic ESG targets for the Board and COO.	QUARTERLY
BOARD OF DIRECTORS	Overseeing the ESG performance of the EPP N.V. Group against the strategy and targets outlined in ESG report. Reviewing and updating the risk matrix.	QUARTERLY
COO	Assessing and managing ESG risks and opportunities on an ongoing basis.	MONTHLY

1.1. ESRS 2 GENERAL DISCLOSURES

GOVERNANCE

All members of the Board have a strong understanding of the key concepts and principles of sustainability, including environmental, social, and governance (ESG) factors as well as the company's industry and the specific sustainability challenges and opportunities that it faces. This includes understanding the company's environmental footprint, social impacts, and governance practices.

In addition to their own knowledge and expertise, Board Members participate in sustainability trainings and receive support from market experts who share their knowledge of the latest regulations and best practices. This helps them to stay up-to-date with the latest developments in sustainability and to get expert advice on specific sustainability issues.

The overall responsibility for managing environmental, social and governance (ESG) impacts, risks and opportunities at EPP N.V. lies with the Board of Directors. The Board is accountable for overseeing the ESG performance of the company against the strategy and targets. The oversight of the CEO includes setting up the strategic targets for the management and review of the company's performance against the strategic targets included in the ESG strategy. The ESG responsibility is strongly connected to ESG KPI's assigned to senior management and disclosed in GOV-3.

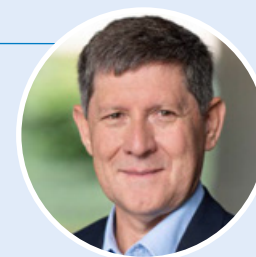
EPP's ESG strategy is operationalized through the assignment of specific KPIs to senior management responsible for relevant areas. CEO in support of Chief Operating Officer (COO) oversees the ESG related issues based on reports prepared by ESG Director, technicians, HR and legal department on monthly basis. The ESG Director, who reports to the COO oversees the implementation of strategic KPIs, ensuring alignment and coordination across the organization. This structure fosters accountability and collaboration, enabling to effectively achieve ESG goals.

The current members of the Board of Directors and their experiences are following:

PIETER PRINSLOO

Chairman of the Board EPP N.V., Non-Executive Director

Pieter Prinsloo serves as CEO of Redefine Europe B.V., a subsidiary of Redefine Properties Ltd. Previously, Pieter held the position of CEO of Hyprop Investments Ltd in South Africa, which brought him extensive real estate experience in a JSE listed REIT for more than 15 years. Earlier, Pieter was involved in private property development and management for New Africa Developments and gained extensive know-how in commercial and structured property finance with ABSA Bank and Standard Bank in South Africa. Pieter holds a Bachelor of Science (Quantity Surveyor) cum laude degree of the University of Pretoria and has received awards from the Association of South African Quantity Surveyors.



TOMASZ TRZÓŚŁO

CEO, Board Member, Executive Director

Tomasz Trzósło has over 25 years of experience in the CEE real estate markets. Before joining EPP N.V., he was the Managing Director of JLL for Poland and Central Europe, where he managed the company's operations in Poland and oversaw JLL business in the Czech Republic, Romania, Hungary and Slovakia. He was also a member of the legal & compliance board of Tetris design and build business for EMEA. Before managing JLL, he ran the capital markets teams of JLL for both Poland and Central and Eastern Europe, and as such was involved in numerous transactions across the CEE, including portfolio and property disposals and acquisitions, fund raising and debt deals, or structured equity transactions.



ANDREW KÖNIG

Board Member, Non-Executive Director

Andrew König is a chartered accountant with more than 25 years of commercial and financial experience. He currently holds the position of Chief Executive Officer at Redefine Properties Limited and is responsible for all aspects of regulatory compliance, corporate activity and communications, and ensuring the board's strategy is implemented. Prior to his appointment as CEO in August 2014, Andrew served as Redefine's Financial Director. He was appointed to the board of Redefine in January 2011. Previously, he was Group Financial Director at Independent News & Media. Andrew holds a bachelor's degree in commerce and a Bachelor's degree in Accounting and is a CA (SA).



Additionally, during term from 1.09.2023 to 31.08.2024, the Board of Directors included Jacek Bagiński as the CFO, Board Member, and Executive Director. Mr. Bagiński stepped down on 31.08.2024 and is no longer part of the EPP Group.

1.1. ESRS 2 GENERAL DISCLOSURES

GOVERNANCE

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The management of material impacts, risks and opportunities is in the responsibility of ESG Director, who reports to COO and takes part in quarterly Board meetings.

ESG Director is actively involved in monthly ESG status meetings organized with all employees responsible for ESG strategy implementation and monitoring of ESG targets. Items like: control of GHG emissions in Scope 1, 2, 3, management of certifications dedicated for green buildings and governance of climate-related risks are discussed. Regular monitoring ensures that areas are being managed effectively and that strategic targets will be achieved in the agreed timeline.

The Board of Directors is being informed about material impacts, risks and opportunities, due diligence processes, active policies, completed and planned actions and adopted targets during quarterly meetings by ESG Director or by CFO. During the meetings the material ESG matters are discussed and the decisions are made based on the information obtained. The Board of Directors is committed to making sustainable decisions, taking into account the significant impacts, risks and opportunities associated with the company's operations.

Within last year the key ESG topics discussed during board meetings were climate change mitigation and climate risks management strategies, which included individual properties upgrades and increasing energy efficiency, as well as increasing energy use from renewable sources. Board of Directors was also informed about the materiality assessment results and validated them.

GOV-3 Integration of sustainability-related performance in incentive schemes

EPP N.V. manages sustainability-related matters through management KPIs. It rewards achieving the KPIs in allocation of annual bonuses, which are based on company and individual performance measured against a predetermined set of goals. On the Board level the terms of the incentive schemes are approved and updated at the level of the owner, Redefine Properties. The bonus awards in the form of STIs and LTIs. are governed by Remuneration strategy and policy.

LTI – long-term targets are set in 3-year perspective, and include LTI for CEO and CFO, among other management. The 25% of the incentive relates to ESG matters. Targets for 2024 comprised a number of KPIs, including environmental (weighting 9%), governance (weighting 8%) and social (weighting 8%), and the indicators reflect metrics to measure performance of the ESG strategy implementation. In 2024 ESG targets for 2026 concluded again 25% of the incentives, with changed weights, redirecting more emphasis to the en-

vironmental targets and weighting: environmental 17%, governance 4% and social 4%.

Among the environmental KPIs there was a target of CO₂ emissions reduction in Scope 2 for portfolio under EPP N.V. operational control. GHG reduction measure, in tonnes of scope 2 CO₂ emissions KPI target of 10.0 thousand tonnes reduction of scope 2 CO₂ emissions by end 2024 (stretch of 13.5 thousand tonnes), with a base year 2019.

Governance goals included also management of relationships with suppliers and share of key suppliers (contract value above EUR 100K) who completed the ESG assessment.

Within social matter, among others, the target set the share of assets that include accessibility measures, ex. ablution facilities, architectural facilities, designated parking places, toilets and information systems adapted for disabled persons.

STI – are short-term incentives and annual awards. In 2024 the short-term incentive KPIs for the CEO and CFO included a 20% ESG component comprising several KPIs, including realization of 21 ESG strategy targets and proceeding with implementation of PV panels installation plan. solar program, that aims to increase the % of properties with design documentation completed and application for the connection conditions submitted.

1.1. ESRS 2 GENERAL DISCLOSURES

GOVERNANCE

GOV-4 Statement on due diligence

Due diligence is implemented in many ways and related disclosures can be found in the table below.

Table 1: Statement on due diligence

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
→ Embedding due diligence in governance, strategy and business model	S1-1, S2-1, S4-1
→ Engaging with affected stakeholders in all key steps of the due diligence	S1-2, S2-2, S4-2
→ Identifying and assessing adverse impacts	IRO-1, SBM-3
→ Taking actions to address those adverse impacts	S1-3, S2-3, S4-3
→ Tracking the effectiveness of these efforts and communicating	S1-17, S2-4, S4-4

GOV-5 Risk management and internal controls over sustainability reporting

The process of risk management and internal controls related to sustainability reporting at EPP has been under development within the organization since 2021. EPP has established internal controls throughout the organization to ensure the identification and mitigation of risks to sustainability reporting by setting metrics, policies, assigning responsibilities for specific areas and providing related data. Data collection is carried out using effective IT systems. Metering and media billing systems are used to aggregate environmental data. Enhanced control is in place for electricity usage, thanks to the electricity metering system that provides automatic remote readings of consumption, which are compared with physical readings. In the case of data on employment, external payroll systems are used.

The preparation of sustainability reports is entrusted to the ESG team, which collects and consolidates data from across the organization. For more complex issues, this team seeks the expert support of external consultants.

EPP financial reporting is audited by an independent audit firm and since FY2023, the GHG data has been subject to limited assurance by the same independent auditor. The FY2024 report was also subject to EU Taxonomy readiness assessment by the same company. All observations in the external auditor's report will be addressed through action plans with allocated responsibilities.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

SBM-1 Strategy, business model and value chain

EPP N.V. is headquartered in Amsterdam, the Netherlands and since 2022 is owned by Redefine Properties, the second largest Real Estate Investment Trust (REIT) listed on the Johannesburg Stock Exchange (JSE).

EPP N.V. Group ("EPP CORE") provides strategic management of a real estate investment platform that is entirely invested in Poland.

As of August 31, 2024, EPP N.V. owns 5 retail assets:

Galaxy

located at al. Wyzwolenia 18/20,
70-554 Szczecin



Galeria Echo

located at ul. Świętokrzyska 20,
25-406 Kielce



King Cross Marcelin

located at ul. Bukowska 156,
60-198 Poznań



Outlet Park

located at ul. Andrzeja Struga 42,
70-784 Szczecin



Pasaż Grunwaldzki

located at pl. Grunwaldzki 22,
50-363 Wrocław



and also manages 25 retail and 7 office assets operating as joint ventures, divided into following portfolios:

- EPP Community Properties JV B.V. (Community JV)
- Horse Group S.a.r.l (M1 JV)
- Henderson JV
- Power Park Olsztyn JV
- Młociny JV

On May 1st, 2024, EPP took over the management of nine M1 shopping centers and three Power Parks from METRO PROPERTIES Polska. A portion of METRO PROPERTIES Polska's employees, including local property management teams, also joined EPP. On the 10 April 2024, EPP disposed its 50% share in the property company EPP- Retail PowerPark Olsztyn sp. z o.o. As a result, EPP lost control over the PowerPark Olsztyn with the effective date 31 March 2024.

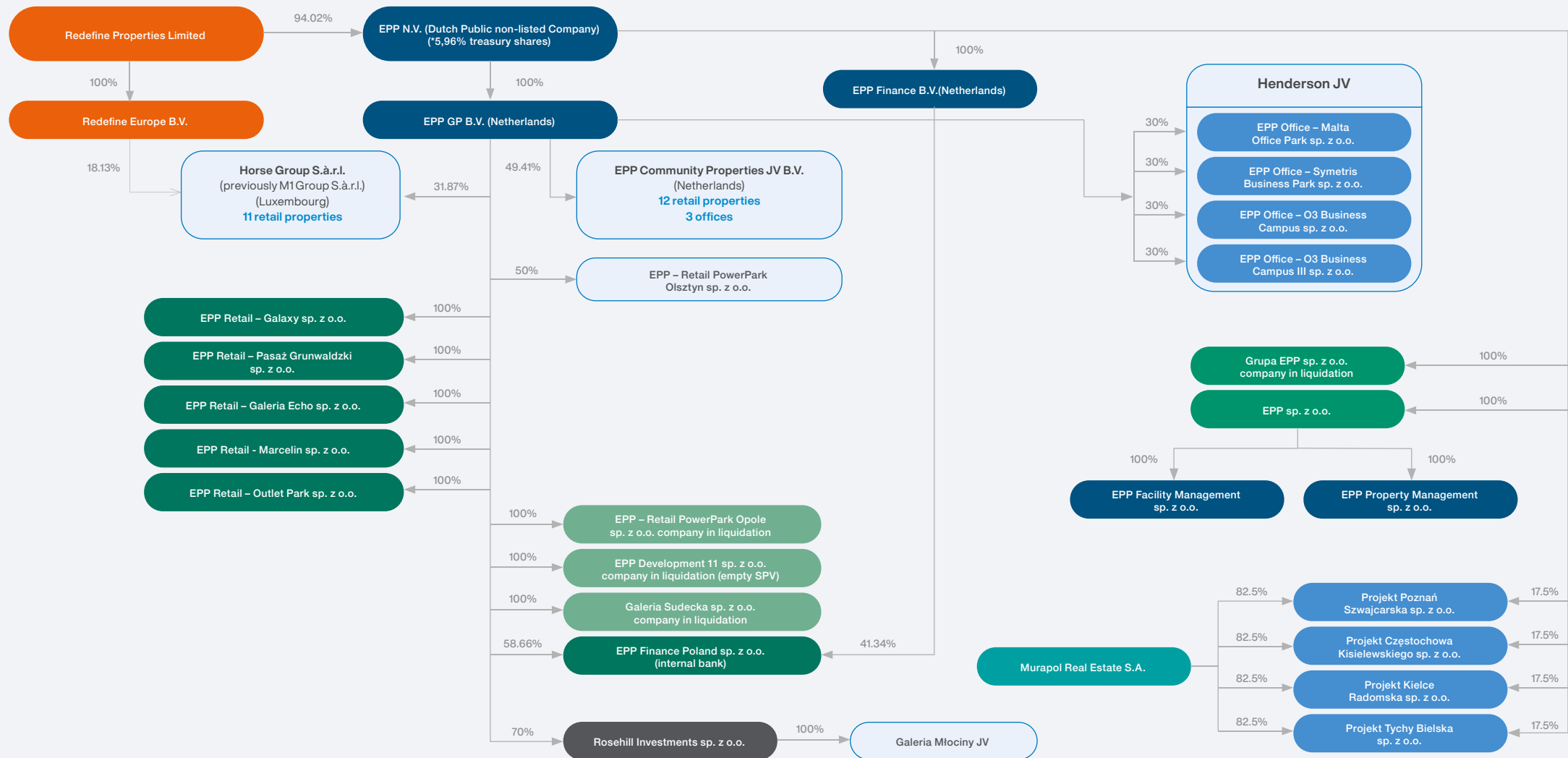
Considering full portfolio (together with JVs, which data is not consolidated in this report), EPP is the largest asset manager of retail real estate located in Poland in terms of retail gross leasable area ('GLA'). EPP N.V. portfolio as of 31.08.2024 consists of 5 retail assets with a total value of approximately 915 million EUR and leasable area over 246 thousand sqm. The assets managed in Joint Ventures (25 retail properties and 7 office complexes) have a total value of approximately EUR 2 billion and a leasable area of approx. 967 thousand sqm.

Most of EPP N.V. Group's employees are based in Poland, with some located in the Netherlands. The total number of employees per country is provided in Chapter S1-1.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

The Structure of the Group, as of 31.08.2024 is demonstrated below:



1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

- EPP N.V. Group
- EPP Community Properties JV B.V. Group (Community JV)
- Horse Group S.à r.l. (M1 JV)
- Henderson JV
- Galeria Młociny JV
- Power Park Olsztyn JV

- Office
- R Retail

EPP N.V. Group (Core):
6 retail assets

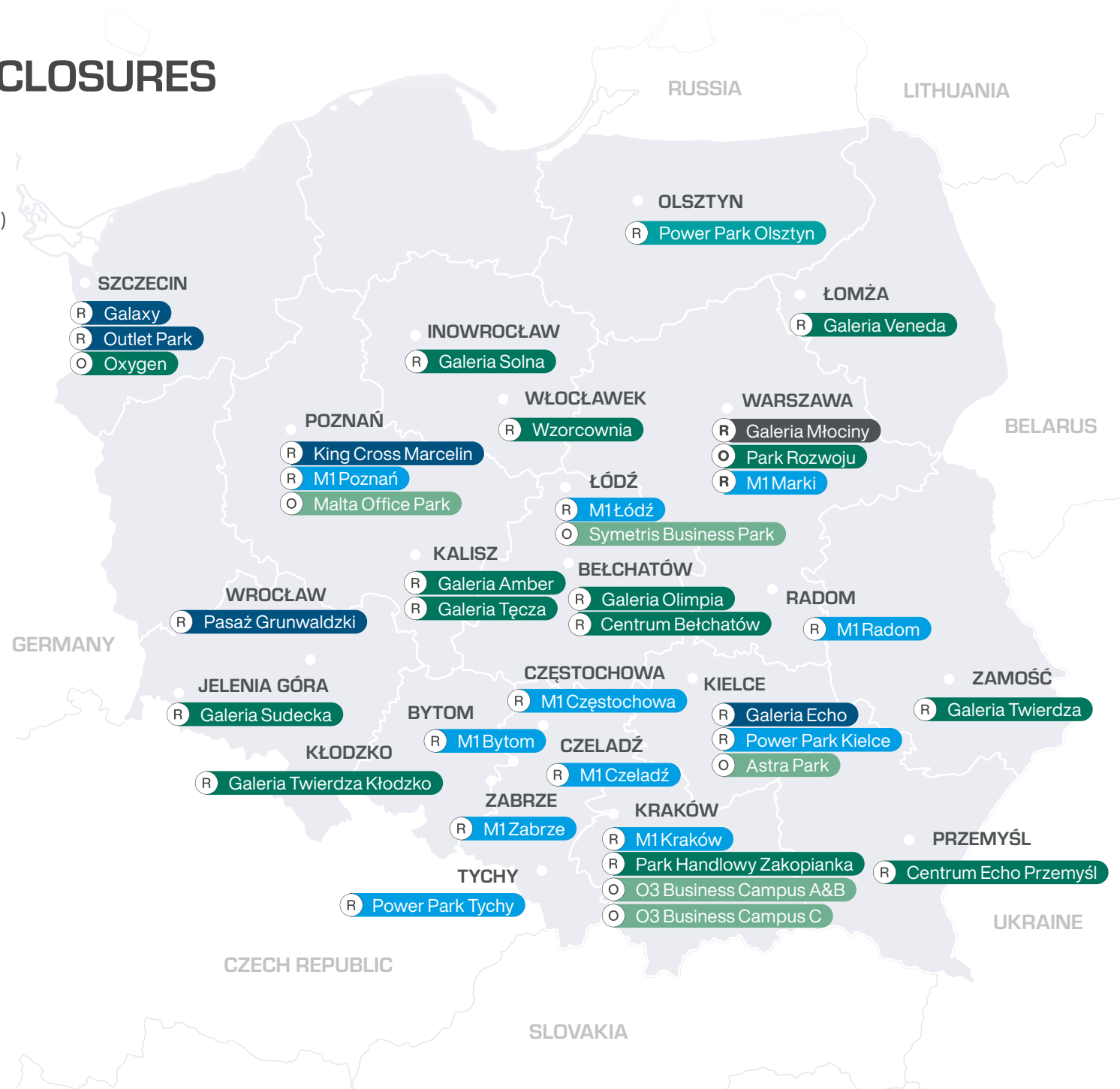
COMMUNITY JV:
12 retail and 3 office assets

M1 JV:
11 retail assets

Henderson JV:
4 office assets

MŁOCINY JV:
1 retail asset

Power Park Olsztyn JV
1 retail asset



1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

BUSINESS STRATEGY

EPP aims to achieve sustainable growth and long-term value creation by implementing strategic initiatives tailored to its key stakeholders requirements. The asset management decisions are focused on creating attractive environments that cater to the needs of building users. For example, EPP aims to deliver an enhanced experience for visitors of managed shopping centres by providing diversified retail offerings and adding food courts, leisure and entertainment areas. To align with evolving shopping habits, EPP continually upgrades the shopping centres and develops new digital solutions to support omnichannel retail. EPP is the largest retail landlord in Poland with dominant, solid and sustainable portfolio. It is present in the majority of key cities through the country, covering 40% of the national catchment area. Its competitiveness is built through experienced internal assets and property management, strong, long-term relations with tenants, own management information systems enhancing asset and property management, driving innovation to strengthen tenant and client relations (ex. tenant and consumer apps) and its focus on ESG including strong governance principles.

ESG STRATEGY

ESG is an integral part of EPP's business strategy. Sustainability is the core principle guiding EPP's operations. EPP follows the ESG policy, that since 2021 has been an integral part of EPP's business strategy, and it is based on the premise of being responsible towards the planet and people.

EPP's mission is to be the leading retail landlord in Poland that leverages both its scale and relationships to deliver consistent returns to shareholders through: asset management, acquisitions, developments and extensions and asset recycling.

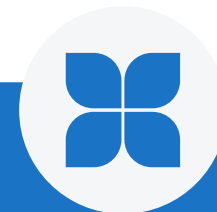
EPP strives to run its business responsibly, focusing on four pillars that are linked to the Sustainable Development Goals (SDGs) set by the United Nations. Those four pillars are: **Earth citizen, Trust through transparency, Mindful management, Space for everyone.**

The ESG strategy encompasses both EPP-owned and managed properties, with the exception of Power Park Olsztyn and the Horse Group Sarl portfolio whose management transitioned to EPP in 2024.



1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL



TRUST THROUGH TRANSPARENCY:

We transparently communicate matters important to us to build trust in relationship with our stakeholders.



Considering fast changing business environment and tightening regulatory constraints, including ESG requirements, tracking regulatory changes and being compliant with them is a must. EPP aims to act as a role model in terms of governance and encourage its employees to follow the ethical principles.

Excellent governance and transparency are an essential part of the company's ESG strategy. To build trust through transparency, EPP's Management wishes to be transparent beyond what is required by law. Accordingly, EPP's operations are reviewed by leading and independent third parties. EPP also aims to work with responsible companies that share similar values and ensure ethical supply chain operations. Therefore, key business partners (above 100k EUR contract) sign a EPP's Suppliers Code of Conduct.

In addition, the company implements a number of internal practices, such as EPP's Code of Conduct and all employees are being trained on ethics issues.

Key topics related to "Trust through transparency" correspond to ESRS G1.

Key targets*

STRATEGIC AREA	2025 TARGET
Compliance with laws and regulations	0 (zero) of legal proceedings, significant fines and non-monetary sanctions associated with non compliance with laws and regulations
Business ethics	100 % of employees trained on business ethics issues
	100 % of key suppliers signed the Code of Conduct
Market presence	At least once a year Annual ESG performance reporting

*Key targets cover both EPP-owned and managed properties, with the exception of the Horse Group Sarl portfolio and Power Park Olsztyn, whose management transitioned to EPP in 2024.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL



MINDFUL MANAGEMENT:

We develop forward thinking and resilient organization to create value in sustainable manner.



Focusing on internal growth, EPP increases its knowledge in property and asset management expertise. One of the ESG reporting requirements is to disclose on the management approach, therefore the management mindset should be also directed towards inclusion of non-financial aspect in decision making process. Since 2022, ESG issues are included in the internal risk management system and the risk matrix which is regularly reviewed and updated. Mindful management also encompasses cybersecurity, where EPP prioritizes employee awareness and risk mitigation. It also covers health & safety area, as portfolio assets are places where people come to manage their day-to-day businesses. Through a combination of proactive measures and ongoing assessments, EPP strives to create safe and healthy environments for all tenants and visitors.

Key topics related to “Mindful management” correspond to ESRS 2 (ESG risk management) and ESRS S1, S2, S4 (Health & Safety).

Key targets*

STRATEGIC AREA	2025 TARGET
ESG risk management	100 % of key suppliers (contract value above EUR 100K) going through ESG assessment
	100 % of new investments going through ESG due diligence
	ESG risks are periodically (At least annually) monitored and managed within ERM
Cyber security	100% of employees trained on cyber security issues
	Till 2025, cybersecurity maturity assessment score (NIST) score 4
Health & Safety	0 (zero) accidents of employes
	0 (zero) accidents of visitors, tenants and subcontractors
	100% of assets under health and safety external audits

*Key targets cover both EPP-owned and managed properties, with the exception of the Horse Group Sarl portfolio and Power Park Olsztyn, whose management transitioned to EPP in 2024.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL



SPACE FOR EVERYONE:

We promote an attitude of inclusiveness to create space where everyone can feel comfortable.



EPP’s ambition is to become recognised as an employer of choice and industry benchmark. EPP cares strongly about their wellbeing and offers them regular training sessions and an extensive benefits package. In addition, EPP was included in the Diversity IN Check, a list of employers that support diversity and inclusion in Poland. EPP also focuses on increasing the positive impact of activities on local communities. EPP aims to strengthen local economies, analyze and respond to local social challenges, while taking care of the environment and human rights in the supply chain. Another strategic area is accessibility and creating spaces that are friendly to everyone. EPP designs its properties to be accessible to people with varying degrees of ability. In 2024 EPP implemented “Social Value Strategy” which focuses on measuring and improving the positive impact of the properties EPP manages on key stakeholders: its employees, local communities, tenants, visitors, local authorities, local suppliers of services and the Planet. EPP strives to ensure that the operations of the assets under the management responds to the stakeholders’ needs, and its business activities maximize the positive social impact.

Key topics related to “Space for everyone” correspond to ESRS S1, S2, and S4.

Key targets*

STRATEGIC AREA	2025 TARGET
Accessibility	100 % of assets independently audited on accessibility
Relations with local communities and business partners	120 community involvement interactions annually
	6 hour per year volunteering hours per employee
	100 % of retail assets where annual visitor satisfaction survey was performed
	100 % of retail assets where annual tenant satisfaction survey was performed
Care of our people	100 % of strategic tenants evaluated on annual basis
	Annual employee satisfaction and engagement survey
	Employee Turnover Rate at 8-12%
	100 % of employees covered by employee development program
	16h of training hours by employee
	48-52% of women in key managerial positions

*Key targets cover both EPP-owned and managed properties, with the exception of Power Park Olsztyn and the Horse Group Sarl portfolio and, whose management transitioned to EPP in 2024.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

EARTH CITIZEN:

We reduce our environmental impact to operate in harmony with planet Earth.



Understanding of broader environmental footprint perspective is a must in order to reduce the company's impact. This means reduction in areas of energy intensity, enhancement of waste management system and measurement of EPP's carbon footprint. As part of EPP's work on the 2021-2025 strategy, EPP set a target for reducing Scope 1 and 2 GHG emissions (13.5 thousand tons of CO2 reduction compared to the base of 2019). Between 2021 and 2023 EPP has already achieved this target, therefore last year (2023) the new decarbonization targets for 2030 and 2050 were set. One of the key priorities is now to reduce GHG emissions in order to achieve net zero by 2050 in facilities under its management. In 2023, EPP committed to reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030 and by 90% by 2050 compared to a 2019 baseline. These targets were reviewed and validated by the Science Based Targets initiative (SBTi). As part of the commitment to its long-term plans, in 2024 EPP acquired guarantees of origin for 100% energy used in offices and 25% of energy used in retail assets. More about the decarbonization strategy in ESRS E1 chapter.

Key topics related to "Earth citizen" corresponds to ESRS E1.

Key targets*

STRATEGIC AREA	2025 TARGET	2030 TARGET
Utilities management		Reduction of absolute Scope 1 and 2 GHG emissions by 50% in FY2030 (90% by FY 2050) from a FY2019 base year
		Reduction of absolute Scope 3 GHG emissions from fuel and energy-related activities and downstream leased assets 30% by FY2030 (90% by FY 2050) from a FY2019 base year
Green buildings	100 % of buildings with BREEAM 'Excellent' - office	100 % of buildings with BREEAM 'Excellent' - office
	100 % of buildings with BREEAM 'Very Good' - retail	100 % of buildings with BREEAM 'Very Good' - retail
	100 % of electricity from renewable energy sources - offices	100 % of electricity from renewable energy sources - offices
	35 % of electricity from renewable energy sources - retail	35 % of electricity from renewable energy sources - retail

* Key targets cover both EPP-owned and managed properties, with the exception of Power Park Olsztyn and the Horse Group Sarl portfolio and whose management transitioned to EPP in 2024.

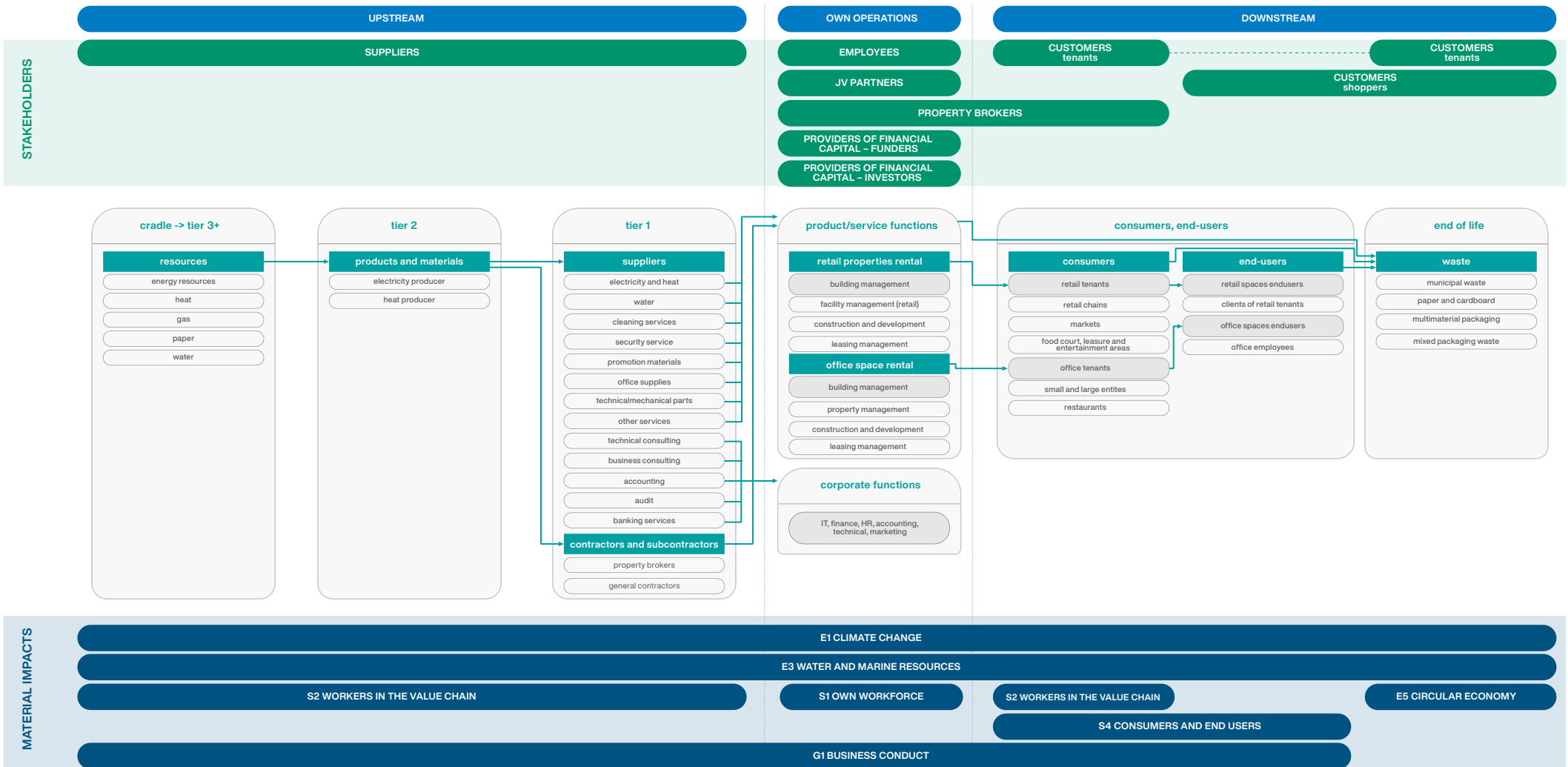
In the financial year 2024, EPP N.V. recorded 100% of its revenues in the Real Estate and Services sector, in the amount of 109,6 mln EUR. EPP is not undertaking any activities in sectors of fossil fuels, chemical production, weapons production or cultivation or production of tobacco.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

VALUE CHAIN OF EPP N.V.

The EPP N.V. value chain model was prepared during materiality assessment, taking into account the most important material flows and services that are necessary for business activities. Its scope covers own operations, upstream and downstream activities with specific focus on key stakeholders as well as EPP's impacts on material ESG issues that were mapped in the value chain after the results of the materiality assessment.



1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

OWN OPERATIONS

Own operations are the core of EPP N.V. activities. They cover service functions that allow for business model functioning. They are supported by corporate functions.

Main activities in EPP's own operations are:

Retail properties rental



Office space rental



Key processes to ensure operations in those areas of EPP's business are similar and cover:

building management, including facility management



construction and development



leasing management



To sustain the own operations services in both activities, corporate functions cover IT, finance, HR, accounting, technical and marketing.

UPSTREAM

Upstream part of value chain covers significant activities and impacts of EPP N.V. in regard of all previous operations conducted by other utilities, from obtaining raw materials, manufacturing of materials, components and products to direct supply of those products as well as subcontracting activities.

The value chain analysis in upstream allowed for determination of key groups of direct suppliers and subcontractors for EPP N.V. They include:

- Electricity and heat suppliers,
- Water suppliers,
- Cleaning services,
- Security services,
- Promotional materials suppliers,
- Office materials suppliers,
- Technical-mechanical parts suppliers,
- Technical consulting,
- Business consulting,
- Accounting services,
- Banking services,
- Audit services,
- Property brokers,
- General contractors,
- And others.

The second important part of upstream activities are materials that are used to sustain EPP N.V. activities are energy resources that allow for electricity and heat production. Other significant materials used in EPP's value chain is water. Besides that, EPP N.V. is not directly responsible for using significant amounts of other materials.

DOWNSTREAM

Downstream is connected to those activities that are result of EPP N.V. business model functioning. They cover mainly activities of the tenants and end-users as well as the end-use phase, which especially covers waste management.

The key groups of consumers/ clients are:

- Retail tenants that are renting spaces in shopping malls. The main groups are:
 - Retail chains,
 - Markets,
 - Food court areas.
- Office tenants – those renting office spaces. Main types include:
 - Small and large entities, renting office space for their employees
 - Restaurants that are renting space for support functions.
- Key end-users for above mentioned are:
 - Retail spaces end-users which mean clients of shopping centres that are potential clients of retail tenants and retail tenants employees.
 - Office end-users are mainly office employees.

In terms of downstream activities, the key area of impact identified in the value chain analysis was waste management. Significant waste groups of EPP's activities include:

- Municipal waste,
- Paper and cardboard,
- Multi-material packaging
- Mixed packaging waste

Management of waste is different regarding each group of waste and is described in ESRS E-5.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

SBM-2 Interests and views of stakeholders

In 2023 EPP developed a transparent Stakeholder Engagement Strategy that is supported by a tailored approach to diverse stakeholder base. This allows to understand the position of EPP's stakeholders and consider their needs at the earliest possible decision-making stage. It shortens the entire process and makes decisions much more aligned with stakeholder demands.

Effective communication with the stakeholders allows EPP to successfully discover and manage their needs and expectations. Constant, mutual dialogue is a guarantee of business success for both sides. This approach flows from values and reflects the corporate principles with the Code of Conduct and ESG Strategy above all.

EPP wants to ensure that transparency efforts are based on information from the most important stakeholder groups. Therefore, EPP has implemented a regular process of stakeholder engagement in the selection of material topics.

This includes the following five stages:

- Stakeholder Mapping,
- Stakeholder Weighting,
- Stakeholder Prioritisation,
- Stakeholder Engagement Strategy, and
- Stakeholder Dialogue for Materiality Assessment and Prioritisation.

In the stakeholder mapping process, the impact of each stakeholder group on EPP was considered, EPP impact on the respective stakeholder group, and the materiality of stakeholder groups for peers in the commercial real estate market. EPP stakeholder groups have an interest that is impacted or could be potentially impacted by EPP's activities (alignment with the OECD Due Diligence Guidance for responsible Business Conduct).

The EPP stakeholder matrix was developed based on the average from the evaluation sheets completed by internal experts, including Management Board of EPP Polska sp z o.o. and ESG Director. EPP material stakeholders were grouped by their level of influence on EPP and EPP's impact on them.

The evaluators were asked to rate on a scale of 1-5:

- the impact of each stakeholder group on EPP and EPP managed properties,
- the interest in EPP and the EPP-managed properties of the various stakeholder groups.

EPP business environment is changing, affecting the needs, concerns and ways in which EPP engage with stakeholders. Therefore, the stakeholder analysis is to be reviewed once a year and when the environment changes significantly.

The list of the key stakeholders for the purpose of materiality assessment was established based on those that fall into “manage closely and collaborate” category in stakeholder importance matrix and consists of:

- JV partners,
- Providers of financial capital – investors,
- Providers of financial capital – funders,
- Customers – tenants,
- Suppliers.

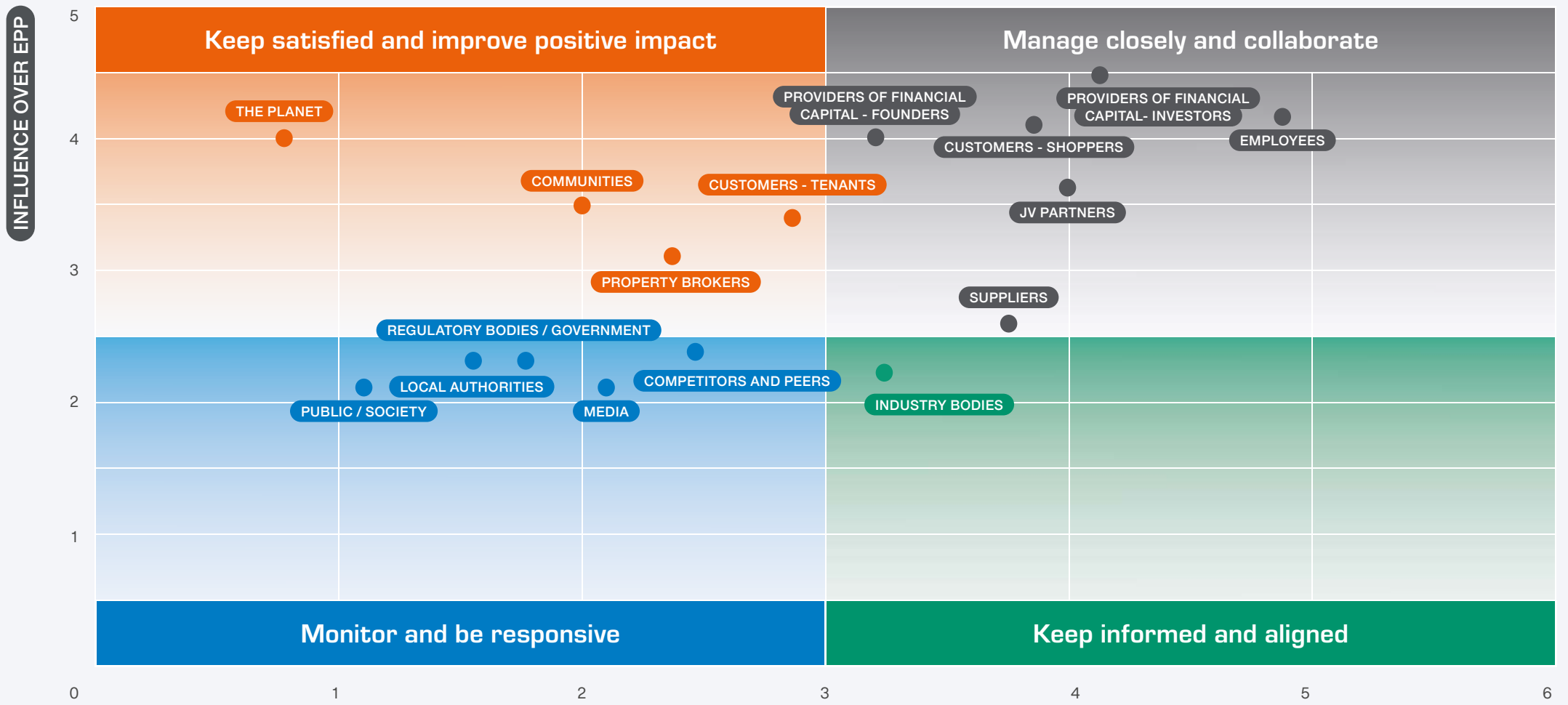
The representants of each of the stakeholder participated in this year materiality assessment through on-line survey and in-depth interview.

EPP is shaping the face of retail in Poland. Its motto is a promise to enhance the market and provide shoppers with the best quality of service. To deliver this, EPP invests in understanding stakeholders' views and needs. EPP values the quality of these relationships, as it determines business performance and the ability to adapt to a changing environment. Property is EPP's commodity, but people are the business. By creating and implementing stakeholder strategy, EPP intends to ensure a systematic approach to stakeholder engagement. The key groups of stakeholders are described below with due regard for their engagement strategy and multiple ways of collaboration that allow to maintain perfect collaboration.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

EPP STEAKHOLDER IMPORTANCE MATRIX



1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

EMPLOYEES

STAKEHOLDER GROUP DEFINITION

All EPP's current and potential, permanent and temporary employees.

PURPOSE OF THE ENGAGEMENT

Employee engagement is vital to maintain an innovative, motivated and committed workforce. The employees are fundamental to the delivery of EPP's strategic priorities and the future development of EPP's business.

WAYS OF COLABORATION

Regular employee survey (eNPS), Ask CEO platform, annual meetings for directors, quarterly meetings for all employees, annual site visits by HR Director, Annual development talks with EPP staff.

ENGAGEMENT STRATEGY

- Maintain two-way open and honest communication about business objectives, values and employee expectations to ensure the EPP strategy and targets are met
- Consult with employees and encourage their feedback on relevant matters relating to working conditions in order to understand and address concerns and maintain the relationship

PROVIDERS OF FINANCIAL CAPITAL – INVESTORS

STAKEHOLDER GROUP DEFINITION

Retail and institutional equity investors, including Redefine Properties.

PURPOSE OF THE ENGAGEMENT

By understanding the requirements of EPP's investors and meeting their expectations for value creation, EPP increase confidence in EPP's organization's ability to sustainably grow total return. In doing so, EPP secure access to funding at competitive market conditions.

WAYS OF COLABORATION

Quarterly business update Materiality assessment stakeholder survey, strategy meetings, Weekly status meetings, including working groups meetings. Annual ESG and financial reports.

ENGAGEMENT STRATEGY

- Stay in constant and direct contact with investors' representatives
- Demonstrate delivery of business, social, legal and ethics targets through reporting, communications and other suitable ways
- Engage to understand issues/concerns and communicate how these have been addressed

CUSTOMERS – SHOPPERS

STAKEHOLDER GROUP DEFINITION

All current and potential shoppers at EPP-managed retail properties.

PURPOSE OF THE ENGAGEMENT

Shoppers are the foundation of existence for shopping centers. Visitors and their purchases determine not only the success of a given property, but above all, the EPP business feasibility of its existence. The purpose of engagement is creating safe, accessible, inclusive and attractive environments for all.

WAYS OF COLABORATION

Regular shopper surveys performed by external entities on behalf of EPP, industry meetings, market reports, joint industry research, feedback on social media platforms.

ENGAGEMENT STRATEGY

- Ensure a good visiting experience by:
 - Introduction of new solutions and improvements in response to customer feedback and changes in the market
 - Quickly respond to undesirable trends and observations
- Proactive communication and engagement with shoppers and wider with communities
- Marketing activities including mechanisms for increasing customer loyalty
- Collect regular feedback from customers, analysing it and responding concerns and maintain the relationship

JV PARTNERS

STAKEHOLDER GROUP DEFINITION

Partners in JV companies (current and potential) in which EPP participates.

PURPOSE OF THE ENGAGEMENT

Collaborating with EPP's JV partners allows EPP to develop and optimize EPP's business and source additional funding. By understanding their requirements and meeting expectations, EPP directly benefits from having the desired financing and debt structure.

WAYS OF COLABORATION

Regular status meetings and one-to-one interactions; Operational performance reporting; Quarterly JV Board Meeting Annual ESG and financial reports.

ENGAGEMENT STRATEGY

- Stay in constant and direct contact with the partners representatives
- Demonstrate delivery of business targets through reporting and communication
- Engage to understand issues/concerns and communicate how these have been addressed

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

PROVIDERS OF FINANCIAL CAPITAL – FUNDERS

STAKEHOLDER GROUP DEFINITION

Banks.

PURPOSE OF THE ENGAGEMENT

Access to debt funding is critical for equity returns on EPP's capital-intensive property portfolio. Funders expect EPP to honour the agreements with them, which in turn builds trust and supports EPP's ongoing access to and cost of debt funding.

WAYS OF COLLABORATION

Meetings and One-to-one interactions Confirmation of covenant compliance Annual ESG reports and special questionnaires, ESG materiality interviews.

ENGAGEMENT STRATEGY

- Stay in constant and direct contact with funders' representatives
- Demonstrate delivery of business, social, legal and ethics targets through reporting, communications, and other suitable ways
- Engage to understand issues/concerns and communicate how these have been addressed

CUSTOMERS – TENANTS

STAKEHOLDER GROUP DEFINITION

All current and potential users of retail and office space managed by EPP.

PURPOSE OF THE ENGAGEMENT

The commercial value of a building is driven by its occupancy levels and lease terms. Tenant development is at the heart of considerations, as EPP's business would not survive without its tenants. EPP must attract the best tenants matching requirements and spending power of respective catchment areas. Together EPP want to create safe, accessible, inclusive and attractive spaces for tenants and their clients.

WAYS OF COLLABORATION

Regular tenant surveys performed by external entities on behalf of EPP, industry meetings and events and trade fairs, EPP Connect (digital app allowing communication from and to tenants).

ENGAGEMENT STRATEGY

- Maintain a high level of tenant satisfaction by providing the best possible conditions for running and developing their business
- Proactive, personalized communications on strategic, business and operational topics
- Feedback collection system and improvement of feedback's quality
- Prompt response and resolution of reported issues
- Conducting cost-effective marketing activities to increase footfall and turnover
- Supporting the process of encouraging employees to work from offices
- Providing additional support to tenants as needed (e.g. marketing)

SUPPLIERS

STAKEHOLDER GROUP DEFINITION

Providers of services and goods for EPP operations and properties.

PURPOSE OF THE ENGAGEMENT

Suppliers, especially service providers, are an extension of the EPP brand. They are often the first point of contact for many of the key stakeholders, such as tenants or shoppers. EPP's supplier engagement strategy is in line with the company's ESG strategy, which obliges EPP to share know-how and best practices with them.

WAYS OF COLLABORATION

One-to-one interactions, Feedback and status meetings EPP Connect app ESG questionnaires, EPP's Code of Conduct.

ENGAGEMENT STRATEGY

- Communicate, support and require ethical behaviour in accordance with the EPP values and requirements set out in the EPP Suppliers Code of Conduct
- Communicate proactively plans and demands (including necessary strategy, business and operational updates), share information to improve planning and collaboration
- Create feedback mechanisms to understand needs, issues and concerns
- Actively drive ESG transformation in the real estate sector by cooperation and knowledge-sharing

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

PROPERTY BROKERS

STAKEHOLDER GROUP DEFINITION

Brokers who originate new deals for leasing office space and negotiate renewals on behalf of tenants or – in some cases – on behalf of EPP.

PURPOSE OF THE ENGAGEMENT

Property brokers are essential for leasing EPP-managed office buildings. As such, in an area related to their tasks, they represent EPP's tenants. Their performance and behaviour has a significant impact on our business results.

WAYS OF COLABORATION

One-on-one meetings, property tours and presentations, external panels and events, industry bodies and experts, industry meetings.

ENGAGEMENT STRATEGY

- Communicate proactively plans and demands (including necessary strategy, business and operational updates)
- Share information to improve planning and collaboration
- Deliver attractive marketing materials for properties

COMMUNITIES

STAKEHOLDER GROUP DEFINITION

The communities surrounding properties managed by EPP.

PURPOSE OF THE ENGAGEMENT

In addition to commercial functions, our properties are also centres of local interactions. EPP appreciate this because it benefits both EPP and the people living and active in the neighborhood. A solid relationship with the community is key to playing a tailored local social role.

WAYS OF COLABORATION

Cooperation with local authorities and NGOs, review of publicly available reports on nationwide and local social challenges and needs diagnoses (conclusions gathered in the EPP Social Value Strategy), dialogue with local communities for Galeria Młociny.

ENGAGEMENT STRATEGY

- Provide regular updates on events and initiatives relevant to the property
- Consult on important decisions where they affect local communities
- Collaborate on local initiatives and events where appropriate
- Develop programme to explore local needs and expectations – communicate how these have been addressed

THE PLANET

STAKEHOLDER GROUP DEFINITION

The Planet is the silent stakeholder introduced by the Corporate Sustainability Reporting Directive. This includes the impact of climate change on the properties managed and the environmental impact of our firm and portfolio.

PURPOSE OF THE ENGAGEMENT

The activities and people – EPP are all elements of the environment. EPP draw from it, use its resources and contribute to its degradation. As a Group, EPP are aware of this, which is why EPP have made efforts to reduce our impact and help the Planet to survive.

WAYS OF COLABORATION

European, Polish and local diagnoses and recommendations of the environment condition, current and planned EU and Polish legislation, analyses, diagnoses and recommendations of organisations involved in monitoring the state of the environment and climate change. Regular review of environmental legislation (European and country level) and best practices above the regulatory requirements concerning climate change, third party verifications (ISO 14001, BREEAM certifications, etc.).

ENGAGEMENT STRATEGY

- Implement actions to reduce our environmental impact and encourage all our stakeholders to undertake similar efforts
- EPP consider the Planet feedback to be the latest research and scientific achievements, showing both the condition of our environment and possible solutions to stop the destruction of its resources

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In 2024 EPP conducted materiality assessment which allowed to identify material matters in seven topical ESRS. The table below covers detailed description of impacts with identification of the place of impact and priority of management that is connected to those impacts.

MATERIAL ESG MATTERS		IMPACT DESCRIPTION	MANAGEMENT PRIORITY	PLACE OF IMPACT
ESRS E1 Climate change	Climate change adaptation	The real estate sector plays a pivotal role in global efforts to reduce greenhouse gas emissions and adapt to climate change. Its impact on the environment is significant, particularly regarding energy usage and greenhouse gas emissions generated by buildings. Effective energy management is a key industry challenge. The transition to a low-carbon economy necessitates significant investments and adaptations to business models. To address these challenges, EPP has implemented an ESG strategy that aims to decarbonize its real estate portfolio and achieve carbon neutrality in 2050	Top priority	Throughout entire value chain, including own operations, upstream and downstream
	Climate change mitigation		Top priority	
	Energy		Top priority	
ESRS E3 Water and marine resources	Water consumption	EPP properties are generally connected to the public water and sewage networks, and water is consumed in the Group properties mainly through usage in restroom areas by visitors of the shopping centres. However, EPP still monitors the impact and risks in water withdrawal area. Although water is a renewable resource, its availability and quality are increasingly threatened by climate change and growing demand. Excessive water usage in buildings can lead to the depletion of local water resources, especially during droughts. Through appropriate technical solutions and education, it is possible to significantly reduce the negative impact on the environment.	Medium priority	Throughout entire value chain, including own operations, upstream and downstream
	Water withdrawals		Medium priority	

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

MATERIAL ESG MATTERS		IMPACT DESCRIPTION	MANAGEMENT PRIORITY	PLACE OF IMPACT
ESRS E5 Circular economy	Waste	At EPP, the normal course of business generates various types of waste in both common and tenant areas. Therefore, waste management has been identified as a material issue from an impact perspective. Our goals are focused on improving waste sorting and recycling through the management of waste generated within our assets and indirectly by engaging with value chain partners. EPP strongly encourages recycling to minimize the amount of avoidable waste sent to landfill. EPP's aim is to reduce our carbon footprint by effectively monitoring resource consumption and waste generation. This applies to both tenants and visitors within managed buildings, as well as own corporate operations.	Medium priority	Downstream, mainly end of life phase
ESRS S1 Own workforce	Working conditions, including secure employment, working time, adequate wages, social dialogue, work-life balance, health and safety	The group maintains a significant and direct impact on its workforce. EPP prioritizes employee working conditions, health and safety procedures, prevention of discrimination, and the implementation of appropriate procedures and policies. EPP provides our employees with a secure and equitable work environment characterized by transparent and compliant employment terms and benefits. EPP is committed to fostering a workplace that promotes equality of opportunity, regardless of ethnic background, race, religion, age, gender, disability, sexual orientation, outlook, or social status.	Top priority	Own operations
	Equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, diversity		Top priority	
ESRS S2 Workers in the value chain	Working conditions, including secure employment, health and safety	EPP recognizes our responsibility to the workers throughout our value chain the well-being of these workers, focusing on their working conditions, health and safety, and human rights. Committed to ethical sourcing, EPP only partners with suppliers who meet our stringent ESG standards. As part of our supplier selection process, all potential partners must complete an ESG questionnaire and adhere to our Code of Conduct. This code outlines specific requirements for supplier practices, including fair labor standards, safe working conditions, and equal employment opportunities. In 2024, EPP introduced a code of conduct for our tenants, which EPP attaches to every new lease agreement. This code outlines EPP's expectations regarding tenant employment practices. It covers working conditions, occupational safety, and equal treatment in employment and cooperation.	Medium priority	Upstream and downstream

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

MATERIAL ESG MATTERS		IMPACT DESCRIPTION	MANAGEMENT PRIORITY	PLACE OF IMPACT
ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users, including privacy, access to (quality) information	The Group's influence on consumers and end-users is multidimensional. This impact is connected to current customer service practices, particularly in the areas of personal data management and information security. The company provides customers with information about commercial offers, events, promotions, and practical details like opening hours and store locations. As such, the company has a responsibility to ensure that the information provided is accurate, up-to-date, accessible, and ethically communicated. At the same time, due to the stringent regulations like GDPR, it is essential to implement robust data protection measures to safeguard sensitive information and ensure compliance.	Normal priority	Downstream
	Personal safety of consumers and/or end-users, including health and safety, security of a person	The H&S conditions prevailing in our operated assets directly impact the well-being of consumers and end-users. Inadequate management of these conditions could result in severe injuries or compromised health. Furthermore, lapses in H&S and security can severely damage our reputation and undermine our ability to effectively position our assets as secure and desirable lifestyle destinations. The potential financial repercussions include compensation claims, regulatory fines for non-compliance, and diminished business opportunities due to reputational harm.	Normal priority	
	Social inclusion of consumers and/or end-users, including access to products and services, responsible marketing practices	The Group's commitment to social inclusion is reflected in our focus on asset accessibility. A strong ethical culture is crucial for attracting and retaining top talent, fostering innovation, and safeguarding our long-term reputation. EPP strives to create properties that are easily reachable for all tenants and visitors, fostering open and inclusive environments. By designing spaces that cater to the needs of individuals with diverse abilities, EPP aims to provide a comfortable and welcoming shopping experience for everyone.	Medium priority	

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL




MATERIAL ESG MATTERS		IMPACT DESCRIPTION	MANAGEMENT PRIORITY	PLACE OF IMPACT
ESRS G1 Business conduct	Corporate culture	Corporate culture is a key area that affects every other environmental and social issues. EPP's impact in the business conduct area is managed by and reflected in framework of implemented policies and procedures. The Group is enhancing its impact on business practices by promoting a strong corporate culture, protecting whistleblowers, and fostering sustainable supplier relationships.	Normal priority	Throughout entire value chain, including own operations, upstream and downstream
	Protection of whistle-blowers		Normal priority	
	Management of relationships with suppliers including payment practices		Normal priority	
	Corruption and bribery		Normal priority	

Given the substantial value of physical assets, EPP prioritizes sustainability as a core strategic imperative. EPP's commitment to integrating sustainability into business operations is underpinned by environmental excellence, social responsibility, and transparent governance. The shift towards a sustainable economy presents a prime opportunity to generate both financial and social returns. As a retail property owner, EPP has identified a range of sustainability-related risks and opportunities across the operations. These include energy efficiency, climate change resilience, adapting to evolving environmental regulations and taxonomies, responsible supply chain management, green financing, and societal impacts. Sustainability challenges pose long-term threats to the Group, with potential direct or indirect consequences.

1.1. ESRS 2 GENERAL DISCLOSURES

STRATEGY AND BUSINESS MODEL

Listed below are the main risk factors in each of E, S and G areas as well as ways to mitigate them. The details of risks and opportunities for each material ESRS matters are described along their respective chapters, including their direct and indirect impact, anticipated effects and management strategies.

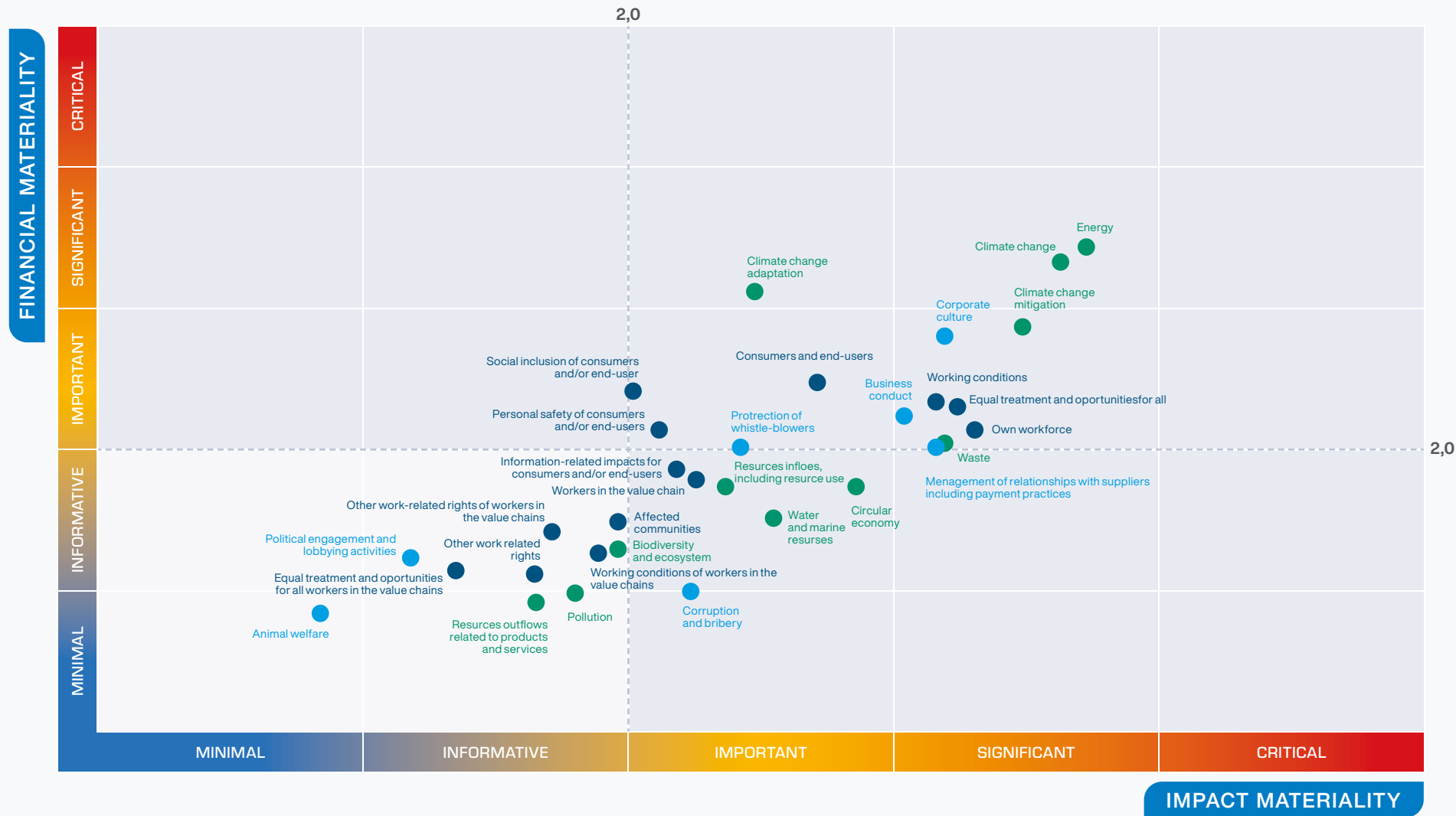
AREAS	MAIN RISK FACTORS	MANAGEMENT ACTIONS
 ENVIRONMENTAL RISKS	<ul style="list-style-type: none"> → Inability to provide climate resilience to our portfolio (physical risks). → Risk of new regulations and measures being imposed to limit GHG emission for buildings (responsible for one of the largest carbon footprint in the world). → Transition risk for older assets that fail to introduce technological improvements (innovative buildings management systems or solar panels) and more efficient resource and waste management. → Risk of increased energy prices (increase in own costs) and resource shortages. → Risk of failure to meet investors' expectations with regard to the implementation of pro-environmental measures. 	<ul style="list-style-type: none"> → Conducting detailed climate risk analysis for all of EPP's properties. → Comprehensive adaptation plan. → Improving energy efficiency. → Adopting green building practices. → Switching to renewable energy sources (PV and PPAs). → Integrating low-carbon technologies.
 SOCIAL RISKS	<ul style="list-style-type: none"> → Conducting detailed climate risk analysis for all of EPP's properties. → Comprehensive adaptation plan. → Improving energy efficiency. → Adopting green building practices. → Switching to renewable energy sources (PV and PPAs). → Integrating low-carbon technologies. 	<ul style="list-style-type: none"> → Continuously assess and enhance compensation and benefits to maintain employee satisfaction. → Conduct regular employee satisfaction surveys to develop and execute initiatives fostering a positive work environment. → Develop and execute comprehensive strategies promoting flexible work arrangements, employee well-being, diversity, inclusion, and a sustainable workplace. → Offer ongoing learning and development programs to support employee growth and advancement.
 GOVERNANCE RISKS	<ul style="list-style-type: none"> → Inability to maintain strong, ethical and supporting sustainable development culture. → Inability to detect and anticipate new regulations. → Non-compliance of supply chain related obligations (due diligence, modern slavery, etc.). 	<ul style="list-style-type: none"> → Applying ethical conduct in the course of business, in particular through the introduced Code of Ethics and the improvement of due diligence processes. → Engage and collaborate with stakeholders, government agencies, and industry associations. → Enforce a company-wide code of conduct for all contractors. → Evaluating potential business partners.

This year EPP identified only material opportunities in the area of climate change, and they were described in chapter E1SBM-3. Opportunities in other 8 material areas will be identified and introduction to EPP's risk management system will be decided in the following year.

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

DOUBLE MATERIALITY MATRIX



1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, EPP N.V. carried out a comprehensive materiality assessment. The methodology of the assessment was adapted to the requirements of the CSRD and the new European Sustainability Reporting Standards (ESRS). The methodology took into account the double materiality principle, which means that the materiality of matters was addressed during the assessment both from the perspective of the materiality of EPP's impact on sustainability matters and from the perspective of financial materiality, i.e. the impact of a sustainability matter on EPP's financial performance in the future. The assessment was carried out in collaboration with the external consulting company MATERIALITY, in line with the MAX 4 – MATERIALITY ASSESSMENT MATRIX version four methodology.

The materiality assessment identified:

- 27 material matters,
- 9 areas of material risks,
- 9 areas of material opportunities.

The methodology of the study is based on a matrix analysis of the results of assessing individual impacts of risks and opportunities from the perspective of impact materiality and financial materiality. The subject of the study was the impacts, risks and opportunities related to all 90 sustainability matters included in the table included in AR16 of ESRS 1.

The assessment considered, among other sources of information, the following:

- analysis of the source data,
- analysis of EPP's business model, strategy and value chain,
- peer review of 11 companies from the industry in Poland and abroad in terms of what material impacts, risks and opportunities these entities identify in their sustainability reports,
- comprehensive survey conducted on a group of 17 people including the representatives from different EPP's Departments and internal experts,
- surveys and structured interviews with 5 representatives of external key stakeholders, including representatives of: suppliers, investors, J.V. partners, clients, suppliers, and financial institutions,
- expert evaluation conducted by MATERIALITY consulting company.

The results of the different stages of the assessment were consolidated. The assessment followed the principle of double materiality.

The assessment did include the results of the internal risk management and control system (ERM) to identified ESG risks and opportunities connected to material impacts on the business. This includes relevant internal procedures and processes as well as the risk matrix with inherent and residual risk ratings. The Board of Directors reviews and updates the risk matrix on a quarterly basis.

The supporting material for the materiality assessment was the value chain model, developed taking into account the EPP's activities and those of its subsidiaries. The materiality assessment was accompanied by the process of developing the organisation's value chain, and the analysed impacts, risks and opportunities were located on different steps of the value chain. The value chain model served as supporting material for the internal experts involved in the study. Impact materiality param-

eters were investigated for the five stages of the value chain (1) Earlier upstream stages, from sourcing of primary raw materials through their processing, (2) Direct suppliers, subcontractors and service providers (Tier 1 of the supply chain), (3) Operational activities of the company/group, (4) Customers, consumers, end users, (5) Further downstream stages, up to the end of the product/service life cycle and waste generated.

According to the principle of double materiality, matter was considered material and reported if it was considered material from the perspective of impact materiality, financial materiality or from the perspective of both parameters.

Impact materiality parameters were assessed in terms of four indicators:

- scale of the impact,
- scope of the impact,
- likelihood of the impact,
- irremediable character of the impact.

The materiality assessment process examined the level of risk in relation to material matters. The financial materiality was analysed using two dimensions: the risk level and the opportunity level taking into account magnitude and likelihood of risk or opportunity.

Financial materiality in relation to the risks were assessed in terms of indicators:

- Critical or very significant risk,
- Significant risk,
- Above average,
- Below average,
- Minimal or minor risk,
- No risks.

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Financial materiality in relation to the opportunities were assessed in terms of indicators:

- Very significant opportunities,
- Significant opportunities,
- Above average,
- Below average,
- Minimal or minor opportunities,
- No opportunities.

When comparing the levels of risks and opportunities, each matter was given a consolidated financial materiality, identified by the following indicators:

- Critical,
- Significant,
- Important,
- Informative,
- Minimal.

Matters that received a rating of "Important" or above were considered material from a financial perspective.

Matters that were identified as material from financial or impact perspective were considered material and are included in this report. Each material matter was given one of 3 levels of the management priority: top, medium or normal, based on the EPP business model, identified risks and opportunities, level of impact and current level of the management in the company.

The process of materiality assessment was supervised by the Board of Directors which approved the outcomes of the materiality assessment. The next steps, in which the Board of Directors actively participates, are aimed at operationalizing the results of

materiality assessment and implement them into day-to-day business decision-making processes.

Analyzing the correlation between environmental impacts and risks or opportunities was part of the materiality assessment. Starting from determining specific aspects relevant to EPP's organization by taking into account industry, location and processes, EPP analyzed what impacts it has or can have on this matter as an organization within the entire value chain. Following the double materiality EPP considered impacts separately for positive and negative impact, taking into account possible tradeoffs. In parallel EPP identified risks and or opportunities by assessing whether they are related to the impact or dependence on given natural resources. For example, the identified risks related to rising energy prices result from EPP's dependence on energy sources and at the same time actions to minimize this risk translate into the impact EPP has on mitigating climate change.

The results of the materiality assessment, including impacts, risks and opportunities, were analyzed and mapped with areas already monitored in the overall risk management (ERM) process. The risk register already contained risks that were matched with some of the results of the materiality assessment. Some risk categories were renamed or adjusted of descriptions was made to clarify or make them consistent with ESRS. In 2024, the internal risk control system did not fully integrate all material matters identified in the materiality assessment as risk categories.

These issues fall under 2 strategic areas:

- Operational efficiency – to optimize and improve the efficiency of operations resulting in improved margins and higher return to capital.

- Reputation growth – to reinforce the Company's reputation and the value of the brand, which EPP views as a key differentiating factor in the success in a competitive market. Effective management of this risk is a chance to improve service delivery to all stakeholders.

Risk response as provided for in the risk management system includes controls to mitigate the key risks. The control matrix is created with three lines of defence to manage the risk.

A complete list of the main risks along with the method of mitigation is presented in SBM-3.

ESG, sustainability, and impact management issues are embedded into the Group's business strategy and annual goals. The Board analyzes these topics as part of its business conduct and expects employees to consistently report on material matters. The results of the materiality assessment, including identified risks and opportunities are addressed in conjunction with business and strategic considerations.

The materiality assessment drew on the experience and expertise of external stakeholders, the working group, and project team experts assembled for the materiality assessment process.

Since previous report was based on GRI standards, materiality was then assessed only from the point of impact materiality, but it was taking into account topics proposed by ESRS. This year EPP conducted materiality assessment in line with ESRS requirements, including double materiality. In the next reporting period, accordingly to ESRS requirements, EPP plans to review the materiality assessment to update the results.

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Table 4: List of Disclosure Requirements

DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE IN THE REPORT
ESRS 2 GENERAL DISCLOSURES		
BP-1	General basis for preparation of the sustainability statements	3
BP-2	Disclosures in relation to specific circumstances	4
GOV-1	The role of the administrative, management and supervisory bodies	5
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	7
GOV-3	Integration of sustainability- related performance in incentive schemes	7, 40
GOV-4	Statement on sustainability due diligence	8
GOV-5	Risk management and internal controls over sustainability reporting	8
SBM-1	Market position, strategy, business model(s) and value chain	9
SBM-2	Interests and views of stakeholders	19, 75, 87, 91
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode(l)s	24, 40, 76, 87, 91
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	30
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	32

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 4: List of Disclosure Requirements

DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE IN THE REPORT
ESRS E1 CLIMATE CHANGE		
E1-1	Transition plan for climate change mitigation	46
E1-2	Policies related to climate change mitigation and adaptation	48
E1-3	Actions and resources in relation to climate change policies	49
E1-4	Targets related to climate change mitigation and adaptation	51
E1-5	Energy consumption and mix	53
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	54
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	58
E1-8	Internal carbon pricing	58
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	58
ESRS E3 WATER AND MARINE RESOURCES		
E3-1	Policies related to water and marine resources	59
E3-2	Actions and resources related to water and marine resources	60
E3-3	Targets related to water and marine resources	61
E3-4	Water consumption	61
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	61

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 4: List of Disclosure Requirements

DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE IN THE REPORT
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY		
E5-1	Policies related to resource use and circular economy	62
E5-2	Actions and resources related to resource use and circular economy	62
E5-3	Targets related to resource use and circular economy	63
E5-5	Resource outflows	63
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	64
ESRS S1 OWN WORKFORCE		
S1-1	Policies related to own workforce	77
S1-2	Processes for engaging with own workers and workers' representatives about impacts	78
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	79
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	79
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	81
S1-6	Characteristics of the undertaking's employees	82
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	83
S1-8	Collective bargaining coverage and social dialogue	83
S1-9	Diversity metrics	84
S1-10	Adequate wages	84

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 4: List of Disclosure Requirements

DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE IN THE REPORT
ESRS S1 OWN WORKFORCE		
S1-11	Social protection	84
S1-12	Persons with disabilities	85
S1-13	Training and skills development metrics	85
S1-14	Health and safety metrics	85
S1-15	Work-life balance metrics	86
S1-16	Compensation metrics (pay gap and total compensation)	86
S1-17	Incidents, complaints and severe human rights impacts	86
ESRS S2 WORKERS IN THE VALUE CHAIN		
S2-1	Policies related to value chain workers	88
S2-2	Processes for engaging with value chain workers about impacts	88
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	89
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	89
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	90

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 4: List of Disclosure Requirements

DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE IN THE REPORT
ESRS S4 CONSUMERS AND END-USERS		
S4-1	Policies related to consumers and end-users	92
S4-2	Processes for engaging with consumers and end-users about impacts	93
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	93
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	94
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	94
ESRS G1 BUSINESS CONDUCT		
G1-1	Corporate culture and business conduct policies and corporate culture	95
G1-2	Management of relationships with suppliers	98
G1-3	Prevention and detection of corruption and bribery	98
G1-4	Confirmed incidents of corruption or bribery	99
G1-6	Payment practices	99

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 5: Datapoints in ESRS 2 and topical ESRS that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE
ESRS 2 GOV-1 Board's gender diversity - paragraph 21 (d)	5
ESRS 2 GOV-1 Percentage of board members who are independent - paragraph 21 (e)	5-6
ESRS 2 GOV-4 Statement on due diligence - paragraph 30	8
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities - paragraph 40 (d) i	16
ESRS 2 SBM-1 Involvement in activities related to chemical production - paragraph 40 (d) ii	16
ESRS 2 SBM-1 Involvement in activities related to controversial weapons - paragraph 40 (d) iii	16
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco - paragraph 40 (d) iv	16
ESRS E1-1 Transition plan to reach climate neutrality by 2050 - paragraph 14	46
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks - paragraph 16 (g)	Not applicable
ESRS E1-4 GHG emission reduction targets - paragraph 34	51
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) - paragraph 38	53

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE
ESRS E1-5 Energy Consumption and mix - paragraph 37	53
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors - paragraphs 40 to 43	53
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions - paragraph 44	56
ESRS E1-6 Gross GHG emissions intensity - paragraphs 53 to 55	58
ESRS E1-7 GHG removals and carbon credits - paragraph 56	58
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks - paragraph 66	Not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk - paragraph 66 (a)	Not applicable
ESRS E1-9 Location of significant assets at material physical risk - paragraph 66 (c)	Not applicable
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes - paragraph 67 (c)	Not applicable
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities - paragraph 69	Not applicable
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation. (European Pollutant Release and Transfer Register) emitted to air, water and soil - paragraph 28	Not applicable

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 5: Datapoints in ESRS 2 and topical ESRS that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE
ESRS E3-1 Water and marine resources - paragraph 9	59
ESRS E3-1 Dedicated policy - paragraph 13	59
ESRS E3-1 Sustainable oceans and seas - paragraph 14	Not applicable
ESRS E3-4 Total water recycled and reused - paragraph 28 (c)	61
ESRS E3-4 Total water consumption in m3 per net revenue on own operations - paragraph 29	61
ESRS 2- IRO 1 - E4 - paragraph 16 (a) i	Not applicable
ESRS 2- IRO 1 - E4 - paragraph 16 (b)	Not applicable
ESRS 2- IRO 1 - E4 - paragraph 16 (c)	Not applicable
ESRS E4-2 Sustainable land / agriculture practices or policies - paragraph 24 (b)	Not applicable
ESRS E4-2 Sustainable oceans / seas practices or policies - paragraph 24 (c)	Not applicable
ESRS E4-2 Policies to address deforestation - paragraph 24 (d)	Not applicable
ESRS E5-5 Non-recycled waste - paragraph 37 (d)	63
SRS E5-5 Hazardous waste and radioactive waste - paragraph 39	63

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE
ESRS 2- SBM3 - S1 Risk of incidents of forced labour - paragraph 14 (f)	76
ESRS 2- SBM3 - S1 Risk of incidents of child labour - paragraph 14 (g)	76
ESRS S1-1 Human rights policy commitments - paragraph 20	77
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 - paragraph 21	77
ESRS S1-1 processes and measures for preventing trafficking in human beings - paragraph 22	Not applicable
ESRS S1-1 workplace accident prevention policy or management system - paragraph 23	78
ESRS S1-3 grievance/complaints handling mechanisms - paragraph 32 (c)	79
ESRS S1-14 Number of fatalities and number and rate of work-related accidents – paragraph 88 (b) and (c)	85
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness - paragraph 88 (e)	85
ESRS S1-16 Unadjusted gender pay gap - paragraph 97 (a)	86
ESRS S1-16 Excessive CEO pay ratio - paragraph 97 (b)	86
ESRS S1-17 Incidents of discrimination - paragraph 103 (a)	86

1.1. ESRS 2 GENERAL DISCLOSURES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

Table 5: Datapoints in ESRS 2 and topical ESRS that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD - paragraph 104 (a)	Not applicable
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain - paragraph 11 (b)	87
ESRS S2-1 Human rights policy commitments - paragraph 17	88
ESRS S2-1 Policies related to value chain workers - paragraph 18	88
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines - paragraph 19	Not applicable
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 - paragraph 19	88
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain - paragraph 36	89
ESRS S3-1 Human rights policy commitments - paragraph 16	Not applicable
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines - paragraph 17	Not applicable
ESRS S3-4 Human rights issues and incidents - paragraph 36	Not applicable
ESRS S4-1 Policies related to consumers and end-users - paragraph 16	92

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines - paragraph 17	Not applicable
ESRS S4-4 Human rights issues and incidents - paragraph 35	94
ESRS G1-1 United Nations Convention against Corruption - paragraph 10 (b)	95-96
ESRS G1-1 Protection of whistleblowers - paragraph 10 (d)	96-97
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws - paragraph 24 (a)	99
ESRS G1-4 Standards of anti-corruption and anti-bribery - paragraph 24 (b)	99

2. ENVIRONMENTAL INFORMATION

2.1. E1 CLIMATE CHANGE

STRATEGY AND BUSINESS MODEL

In the process of materiality assessment, as summarized in SBM-3 the topic of climate change was assessed as material in terms of each sub-topic: climate change adaptation, climate change mitigation and energy, therefore disclosures in E-1 are connected to all of those sub-topics.

GOV-3 Integration of sustainability-related performance in incentive schemes

EPP N.V. manages sustainable-related matters, including climate-related considerations and reduction goals through management KPIs. All the incentives related to climate change has been described in detail in chapter ESRS 2 GOV-3.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with strategy and business model are described in detail in section SBM-3 in ESRS 2.

In relation to climate matters, EPP as the largest asset manager of retail real estate located in Poland is aware of its responsibility to manage the environmental impacts resulting from business activities. Within the ESG strategy, EPP focuses on reducing the environmental impact placing particular emphasis on managing climate-related impacts, risks and opportunities. EPP believes that it is fundamental



for the real estate industry to invest in low carbon and energy efficient buildings. Therefore, EPP has undertaken strategic initiatives, calculated and monitored data, and implemented targets that support the company in managing risks and opportunities relating to the material environmental topics. EPP strongly believes that the transition to climate neutrality creates opportunities – for responsible investment and sustainable development that respects society and the Planet.

EPP N.V. conducted a detailed analysis of climate-related risks with scenario analysis that considered the climate-related hazards indicated by the TCFD framework and it was carried out at both the Group and property levels.

2.1. E1 CLIMATE CHANGE

STRATEGY

The assessments were conducted to integrate climate-related risks and opportunities into strategic decision-making, identify key areas where the company needs to adapt and to develop initial action plans to improve the company's resilience, while also ensuring compliance with the upcoming regulations. (more about the plans and actions in section E1-1 and E1-3). Additionally, the input from the analysed scenarios have helped to define the carbon reduction targets. In 2023 EPP has expanded its GHG emissions strategy and has gone through a validation process with the SBTi (the targets have been described in sections E1-1 and E1-4).

In alignment with the various regulations and sustainability frameworks such as the EU Taxonomy and the TCFD, the following risks were identified relevant for EPP N.V.'s business operations and further analysed.

Physical climate risks - stem from the direct impacts of climate change. These risks can be categorized as acute or chronic. Acute risks are caused by sudden, severe weather events like cyclones, droughts, or floods. Chronic risks arise from gradual, long-term changes in climate patterns, such as rising temperatures, sea level increase, or water scarcity.

Transition climate risks - arise from an organization's ability to manage and adapt to the changing landscape of reducing greenhouse gas emissions and adopting renewable energy sources, both internally and externally.

PHYSICAL RISKS

Temperature-related	Heat stress	High temperatures occurring more frequently in the summer season
	Forest/wildfires	Fires can affect properties' operations due to fire-related blackouts
Wind-related	Extratropical storm/ Tornado/ Hail	Storms may cause damages and impair properties' operations also due to blackouts
	Drought	Limitations in water availability potentially affecting building operations
Water-related	Heavy precipitation	Flooding due to heavy rainfall causing damage of equipment and lifts and affecting satisfaction of tenants and visitors
	Flood	Floods can cause damage of equipment and disrupt properties' operations

TRANSITIONAL RISKS

Regulatory (Policy and legal)	Risk of new regulations and measures being imposed to limit GHG emission for buildings
Technological changes	Transition risk for older assets that fail to introduce technological improvements (innovative buildings management systems or solar panels) and more efficient resource and waste management
Reputational	Risk of failure to meet investors' and tenants' expectations in terms of implementing climate friendly technical solutions and reducing GHG emissions (including in the context of Taxonomy alignment).
Market	Risk of a decrease in the availability or an increase in prices for the implementation of strategic targets. There might be increased regulatory pressure, potential future significant costs and potential sudden necessity to purchase guarantees of origin at higher prices to achieve strategic targets. EPP considers also increases in energy prices as a high risk to our business.

2.1. E1 CLIMATE CHANGE

STRATEGY

At the Group level, the analysis EPP performed aimed to identify and prioritize climate related risks the Group could be exposed to as resulting from climate events physical risks and as part of transitional risks. EPP used two potential future scenarios based on different global emissions trajectories and their corresponding impacts on average global temperature: a <math><2^{\circ}\text{C}</math> warming scenario (RCP 2.6) and 4°C warming scenario (RCP 8.5) and performed the assessment in the short, medium and the long term.

EPP recognizes that climate risks may impact the operations and business strategy over a longer period. Based on guidance from the TCFD framework, EPP explores climate risks and opportunities within three-time frames:

- **Short-term 0-5 years**
- **Medium-term 5-10 years**
- **Long-term 10+ years**

This time perspective also reflects the current limitations in assessing climate risks and opportunities for EPP's buildings beyond the next decade. EPP recognizes that the average lifespan of a concrete building can be 75 to 100 years or more, depending on the preservation techniques employed and the way the building is used. However, at this point, a longer perspective (that would consider the age of the buildings, particularly after 2050) is beyond the scope. Following the Group's approach, the risks and opportunities are annually revised within these time frames to cater for the latest climate science and internal research and development.

<math><2^{\circ}\text{C}</math> SCENARIO

- **International collaboration to reduce greenhouse gas emissions in accordance with the Paris Agreement's goals**
- **Full enforcement of existing EU climate regulations and implementation of future policies**
- **Poland adopts and meets the goal of climate neutrality or experiences a minor delay in reaching this target**
- **Rapid improvement in renewable energy technologies and decline in cost of key green energy technologies**
- **Notable increase in energy costs**

4°C SCENARIO

- **The EU might not achieve its ambitious goals of cutting emissions by 2030 and 2050**
- **Persistent reliance on fossil fuels and industries with high energy demands**
- **Poland experiencing a substantial gap between its current climate performance and the required level of carbon neutrality**
- **More visible physical effects of climate change**
- **Renewable energy technologies advance at a slower pace than anticipated**

2.1. E1 CLIMATE CHANGE

STRATEGY

The key climate related risks and their potential impacts on the Group's financial results:

RISK GROUP CATEGORY	RISK DESCRIPTION	INFLUENCE IN SHORT TERM	TREND IN MEDIUM TERM	TREND IN LONG TERM	BUSINESS IMPACT (QUALITATIVE)	MITIGATING ACTIONS
Transitional (Market) Risk of increased energy prices	Increasing price of fossil fuels and green energy has an adverse impact on our direct operations. EPP use energy primarily to provide lighting and air conditioning in our shopping centres and offices. Energy from fossil sources currently constitutes the majority of our energy mix (72,5% based on data published by our electricity supplier) and at the same time, due to the entry into force of EU ETS 2 (new emissions trading scheme), EPP expect significant increases in energy prices.	High	<2°C No change	<2°C Increase	The increase in energy prices directly translates into an increase in our operating costs. The consequences of increasing energy prices may even result in resignation from the floor space by our tenants in favour of transitioning to e-commerce.	Our mitigation strategy for the risk of increasing energy prices includes following initiatives: (i) introduction of energy savings by modernization of Building Management Systems (BMS) and its connection with CO ₂ sensors; (ii) investments in photovoltaic panels, whereas installation of photovoltaic panels on buildings could cover up to 5% of energy due to limited roof load; (iii) replacement of lighting with LED (iv) regular cooperation with tenants via Connect platform enables sharing of ways to reduce energy consumption in order to control energy-use at individual areas using BMS system.
Transitional (Regulatory -Policy and legal) Risk of new regulations and measures being imposed to limit GHG emission for buildings	Not meeting the new regulation regime by Company's assets can become a factor in divestment eligibility of selected assets. Overall bankability may be affected in the case where the Company is unable to demonstrate to the market that affected assets are being prioritized for capital expenditures.	High	<2°C No change	<2°C Increase	New regulations could significantly impact the Company's operating costs and financial performance. Primarily, expenses associated with real estate management are likely to increase due to the need to comply with new legal requirements. Additionally, the Company will have to invest additional financial resources in low-carbon technologies to meet the new standards. Assets that do not comply with new regulations may become difficult to sell or divest. Furthermore, the Company's ability to secure financing could be hindered if it cannot demonstrate that it is investing in modernizing its assets to meet new legal requirements.	Net zero decarbonization targets and transition plan. Climate risk analysis and resilience assessment at property level and risk monitoring. Modernization plan for assets.

The above table outlines the significant climate risks EPP identified at this time, although it is important to note that these risks could evolve. While there are additional climate risks (including physical risks), the table focuses on those that are currently regarded the most significant (high/extreme). Climate change creates challenges and risks but also growth opportunities for responsible investment towards net zero and sustainable development. EPP focuses on the transition to green energy and green building practices as well as on measures to improve energy and resource efficiency. Projects supporting net-zero transition may also benefit from attractive green financing options.

2.1. E1 CLIMATE CHANGE

STRATEGY

Due to a growing regulatory and investor-led pressures, financial institutions are also redirecting resources increasingly towards sustainable economic activities. EPP identifies the following climate-related opportunities that shape its strategy and lead EPP in its journey to net zero.

OPPORTUNITY GROUP CATEGORY	OPPORTUNITY DESCRIPTION	INFLUENCE IN SHORT TERM	TREND IN MEDIUM TERM	TREND IN LONG TERM	ANTICIPATED EFFECT OF THE OPPORTUNITY ON THE FINANCIALS (QUALITATIVE)	REINFORCING ACTIONS
Modernization of buildings to reach required level of energy efficiency	EPP owns and manages shopping centres, which are large-space buildings, usually consuming a lot of energy. EPP is focusing its actions on operational efficiency (shortening of AC hours, shortening lighting operational hours, which leads to increased savings in operating costs. EPP invests in the transition to LED lighting, replacement of HVAC equipment with more energy-efficient devices. More efficient buildings and equipment consume less energy annually, directly reducing the Group's annual OPEX. Additionally, more energy-efficient operations mean less dependence on the rising prices of fossil fuels.	High	<2°C Increase 4°C No change	<2°C Increase 4°C No change	In order to better its environmental performance, EPP intends to improve the energy efficiency of common areas of the assets by 5-15%. Ensuring more efficient use of resources generates savings in operating costs as more energy-efficient buildings and equipment consume less energy, thus reducing the annual OPEX.	The improvement of energy efficiency is a part of several processes relating to the technical management of assets and it includes activities such as: increasing the share of assets equipped with LED lighting inside and outside of the buildings in common areas; buildings' management with the use of the BMS system and cooperation with tenants in order to enable consumption control in individual properties as part of the BMS system (cooperation takes place through the Connect platform, which enables to share the ways of reducing energy consumption.)

2.1. E1 CLIMATE CHANGE

STRATEGY

Climate Risk Property Level Analysis:

In 2023 EPP performed site-specific screening of the climate related hazards, that provided a deep dive on physical risks that could impact the assets. The assessment was obtained from Munich RE database, a source of well-established risk assessment scores widely used in the financial sector. It was made in 3 time horizons: 2030, 2050 and 2100 and covered 100% of managed assets (7 Office and 30 Retail facilities), and provided EPP with the view on the future risks of climate change for entire portfolio.

Temperature- and water-related risks (drought and heavy precipitation) were assessed under three ICPP scenarios:

- **RCP 2.6** – the scenario of reaching Paris Agreement goals (of limiting warming to below 2°C) by drastically cutting GHG emissions,
- **RCP 4.5** – the scenario of slowly declining GHG emissions, leading to a rise in global average temperatures by approx. 2.4° C by 2100,
- **RCP 8.5** – “business as usual” scenario that assumes continued rising GHG emissions, leading to much higher levels of warming (approx. 4.3° C).

Risk of flood (under water-related risks) refers to future river flood risk and was based on river flood models for current conditions and assessment of flood risk changes derived from climate and hydrological models.

The assessment of risk refers to flood zones:

- **Zone 0** – minimal flood risk,
- **Zone 500 – 500-year** extreme flood return period (0.2% annual flood chance),
- **Zone 100 – 100-year** extreme flood return period (1% annual flood chance).

The assessment was based on 2 indices: River Flood Undefended (not accounting for dykes and flood walls) and River Flood Defended (accounting for dykes and flood walls).

Wind-related risks were based on Munich RE's NATHAN risk assessment tool (Natural Hazards Edition), which is based on the comprehensive collection of natural hazards data over 140 years of Munich RE's experience as a global leading reinsurer.

For wind related risks more than a half of EPP N.V.'s owned and managed assets have low risk score and the remaining assets have medium risk score. The majority of assets has low or low moderate score for water related risks. But even high physical risk assessment however does not imply directly high risk for the business. In the risk analysis, EPP confronts the assessment for the relevant risk in a specific location with materiality of this risk for operations and mitigation measures that reflect the strategy of transition to net zero.

The Climate Risk Report with detailed Climate Risk Property Level Analysis is available on EPP's website.

2.1. E1 CLIMATE CHANGE

STRATEGY

E1-1 Transition plan for climate change mitigation

EPP N.V. has not officially adopted a formal Transformation Plan, but being aware of the significance of the climate change issue, it has set goals and plans to implement measures that will reduce the group's impact on climate change. EPP will start to work on its Transformation Plan after publication of official guidelines by European Financial Reporting Advisory Group.

The EPP Group has committed to reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030 and by 30% for Scope 3 emissions from fuel and energy related activities, compared to a 2019 baseline. By 2050, the Group aims to achieve an absolute reduction in all three scopes by 90%, compared with the base year. At the same time, the EPP Group aims to have zero net GHG emissions across the value chain by 2050. These short and long-term targets have been reviewed and approved by the SBTi and are compatible with a global 1.5°C pathway, the most ambitious objective of the Paris Agreement.

The targets and net zero commitment cover the Group's owned and managed retail and offices activities, i.e. portfolios of EPP N.V., CP JV, Horse Group, Henderson and Galeria Młociny – according to the operational control approach.

Starting in 2019, which EPP N.V. is treating as a base year, carbon footprint assessment was conducted, taking into account both direct emissions (Scope 1) resulting from the combustion of fuels in stationary and mobile sources and refrigerant losses in air conditioning systems, and indirect emissions (Scope 2) from purchased electricity and heat, as well as organization's value chain (Scope 3). Due to the nature of EPP's operations, EPP define as significant sources of emissions in the value chain purchased goods and services, capital goods, emissions related to the extraction, production, transportation and distribution of fuels and electricity, the management of generated waste, business travel, employees' commuting, but also emissions from the use of the buildings EPP manages.

In order to meet the ambitious goals, a decarbonization strategy, encompassing Scopes 1, 2, and 3 emissions, was developed through a scenario analysis of all business areas and all assets owned and managed by EPP Group. A particular focus was placed on activities contributing significantly to the Group's GHG emissions and subject to reduction targets, including tenant operations. EPP's decarbonisation plan incorporates both short and long-term projections to evaluate and validate GHG emission reduction goals and trajectories aligned with the Paris Agreement. Key assumptions for this plan on which relies its successful implementation, include a growing sustainable energy market, supportive government policies, and technological progress, which are anticipated to enhance renewable energy affordability and efficiency.

2.1. E1 CLIMATE CHANGE

STRATEGY

MAIN DECARBONIZATION LEVERS

SCOPE 1 EMISSIONS:

Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from sources owned or controlled by an organization. In the context of the provided information, these emissions primarily originate from two key activities:

Natural gas

Decarbonization of emission stream: moderate

The consumption of natural gas for heating generates direct GHG emissions. To mitigate these emissions, the company is implementing various actions, depending on what is technically and economically feasible:

- **Usage Optimization:** Implementing measures to optimize natural gas usage, such as adjusting heating schedules, improving insulation, and adopting energy-efficient practices.
- **Heat Source Replacement:** Upgrading existing heating systems in older facilities with cleaner and more efficient options.
- **Heat Pump and Trigenation Installation:** Incorporating heat pumps or trigenation systems into new buildings can significantly reduce reliance on natural gas for heating. These technologies offer more energy-efficient and environmentally friendly alternatives.

Refrigerant Leakage

Decarbonization of emission stream: moderate

Refrigerant leaks from equipment such as air conditioning and refrigeration systems release potent greenhouse gases into the at-

mosphere. To address this issue, the company is focusing on:

- **Refrigeration Infrastructure Optimization:** Centralizing refrigeration systems and conducting regular inspections can help to identify and repair leaks promptly, minimizing refrigerant emissions.
- **Refrigerant Replacement:** Gradually phasing out refrigerants with high global warming potentials (GWPs) in favor of lower-GWP alternatives is crucial for reducing the overall environmental impact.

The company is also committed to complying with the new EU regulation (EU) 2024/57 on fluorinated greenhouse gases, which will accelerate the transition to more environmentally friendly refrigerants.

SCOPE 2 EMISSIONS FROM ELECTRICITY AND HEATING

Scope 2 emissions are indirect greenhouse gas emissions resulting from the consumption of purchased energy. These emissions occur when electricity, heat, or cooling is generated off-site and then used by a company. This category includes energy derived from district heating and cooling networks.

Electricity

Decarbonization of emission stream: moderate

The company plans to reduce Scope 2 emissions from electricity consumption through a combination of demand reduction and sourcing renewable energy:

- **Demand Reduction:** Optimizing energy use through building upgrades, such as modernizing HVAC systems, installing LED lighting, and updating building management systems.
- **On-site Renewable Generation:** Increasing the production of renewable electricity by installing photovoltaic (PV) panels. On the way to achieving the goals set as part of the decarbonization strategy, EPP is rolling out a solar photovoltaic installation program across the sites to generate electricity onsite on the roofs of the buildings. EPP has a program of photovoltaic solar installations for the sites with 6,534 kWp to be installed (already operational as of August 31, 2024 – 622 kWp).
- **Renewable Energy:**
 - Purchasing electricity from renewable sources through direct contracts (Power Purchase Agreements or PPAs) or by using Guarantees of Origin (GOs). EPP has entered also into a 3-year agreement to secure green energy, primarily sourced from wind farms. The contract, set to begin in 2025, will initially deliver up to 16% green energy for retail and offices. This share will increase to 25% in both 2026 and 2027.
 - In 2025, alongside its 3-year agreement for wind-generated green energy, EPP will continue its policy of acquiring guarantees of origin (GoOs) for all conventional electricity used in its offices. Additionally, 35% of the electricity consumed across its retail spaces will be covered by guarantees of origin.

This strategy reflects EPP's ongoing commitment to sustainability by ensuring that a significant portion of its energy consumption is aligned with renewable energy sources.

2.1. E1 CLIMATE CHANGE

STRATEGY

District Heating

Decarbonization of emission stream: hard

To reduce emissions from district heating and cooling, depending on what is technically and economically feasible, the company is taking the following steps:

- **Decentralization:** Shifting towards generating heat using HVAC systems or heat pumps, reducing reliance on district networks.
- **Optimization:** Improving the efficiency of district heating usage.
- **Network Evaluation:** Monitoring the carbon footprint of district networks and considering phasing out those with high emissions that hinder carbon reduction goals.

Overall, the company is adopting a multifaceted approach to decarbonize its Scope 2 emissions by reducing electricity consumption, increasing renewable energy generation and procurement, and transitioning away from carbon-intensive heating and cooling sources.

SCOPE 3:

A major challenge EPP faces is reducing emissions resulting from the value chain (Scope 3). EPP's main challenge in decarbonization comes from reduction of emissions coming from energy used by the tenants. It requires careful planning and close collaboration with tenants.

In the base year, EPP's value chain contributed nearly 195,000 tCO_{2e} of emissions. The main areas of impact, accounting for 92.6% of Scope 3 emissions, are energy-related emissions and emissions from leased assets. Therefore, these categories receive the most attention in the decarbonization strategy.

These emissions will be mainly cut through:

- **Renewable Energy Transition:** Shifting the electricity consumption within the value chain towards renewable sources.
- **Tenant Engagement and Optimization:** Collaborating with tenants to enhance energy efficiency in their store operations. This includes implementing green lease agreements with energy-efficiency requirements for new tenants and monitoring tenant energy consumption through sub-metering. The use of sub-meters enables EPP to monitor the tenants' energy consumption and evaluate the success of their energy-saving measures.

EPP's carbon footprint includes 'locked-in' GHG emissions from existing gas boilers and associated stationary combustion processes. Due to technical and economic constraints, these cannot currently be replaced by alternative heating sources like HVAC, heat pumps, or district heating. These emissions are already factored into the carbon reduction plan and strategies as outlined above.

Besides meeting emission reduction targets, EPP also aims to bring all the owned properties into compliance with the technical criteria of the EU taxonomy. This requires efforts to increase the energy efficiency of buildings and reduce their primary energy demand. EPP conducts energy audits through which it determines the modernization measures to be taken. This is the starting point to accurately determine the required capital expenditures.

E1-2 Policies related to climate change mitigation and adaptation

The purpose of EPP N.V. and each of the companies belonging to the group is the management of commercial real estate at a high-quality level in harmony with the natural environment, including climate change. Aware of the importance of ecological issues and the need for further development, EPP ensures that the services are provided in accordance with legal requirements, mandatory standards and other conditions, and undertakes activities considering environmental aspects. By following this approach, EPP wants to minimize environmental risks and the impact of operations on the environment.

EPP has Environmental Policy that applies both to the Group and properties owned and managed by EPP N.V. The Policy is available to all employees on EPP's website and it is communicated during annual training sessions with all employees.

The policy includes EPP's commitment to decarbonization targets by improving the energy efficiency and increasing the rational use of all energy sources, and reduction of GHG emissions. EPP aims to improve the energy efficiency of all 37 properties that manages through installing energy efficient technologies and solutions and monitoring the energy consumption by EPP's tenants to improve the rational use. EPP's goal is to achieve its reduction targets through on-site photovoltaic (PV) installations, Power Purchase Agreements (PPAs), or Guarantees of Origin (GOs) GHG emissions reduction is conducted in line with calculated targets (described in details in E-14). The reduction targets are set in all 3 scopes.

2.1. E1 CLIMATE CHANGE

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

All the employees are responsible for implementing the Environmental Policy in their everyday work, and since it reflects the strategic objectives, the highest level of responsibility for its implementation is the Board of Directors.

E1-3 Actions and resources in relation to climate change policies

Climate change actions play the important part in EPP's operations. The key actions resulted in improving the energy efficiency and reducing the energy consumption by -20% compared to the base year involved BMS modernization and LED lighting installation.

EPP managed also to achieve significant GHG emissions reduction, in part due to the energy consumption reduction, but primarily because of the obtained guarantees of origin (market-based). 25% energy in retail facilities and 100% in office locations comes from renewable resources. Further reduction is expected also because of the gas consumption is decreasing, due to warmer winters and a gradual shift to other heating sources where possible.

In last couple of years, EPP N.V. installed PVs of entire capacity of 249,2kWp (at owned properties), that started the production of own energy at Pasaż Grunwaldzki, Galeria Echo and King Kross Marcelin.

In terms of EU taxonomy main efforts were put to implement the improvement of energy efficiency of each of the building and contrib-

ute to the Technical Screening Criteria, and some of the solutions included LED lighting and modernization of BMS systems in buildings, PV installations.

Additionally, since 2021, all newly signed lease agreements include a green lease annex. The goal of green leases is to enhance tenants' environmental sustainability during by implementing specific requirements. This collaborative approach, built on open communication, knowledge sharing, and best practices, empowers tenants to contribute to the environmental performance of the assets while simultaneously reducing utility and waste management costs.

Green leases prioritize aspects that directly impact tenants' environmental behaviour and performance, such as adhering to technical specifications for tenant space fit-out (particularly maximum lighting power) and implementing measures to conserve energy, water, and properly dispose of waste. To foster stronger community engagement, a clause has been introduced to encourage tenants to participate in Group-led initiatives, including community-focused campaigns promoting recycling, health, and well-being.

NUMBER OF GREEN LEASES SIGNED:

276

EPP N.V. owned assets

721

for all assets managed

SHARE OF GREEN LEASES AT THE END OF 2024:

33,6%

EPP N.V. owned assets

26,6%

of all assets managed

2.1. E1 CLIMATE CHANGE

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

BREEAM

EPP takes measures to adopt green building practices and improve the climate resilience of its assets. These measures concentrate on improving the energy efficiency of the buildings and include adopting management standards as well as participating in building efficiency certification programs, such as BREEAM. These programs provide reliable and transparent third-party assessment of our buildings by external accreditation bodies.

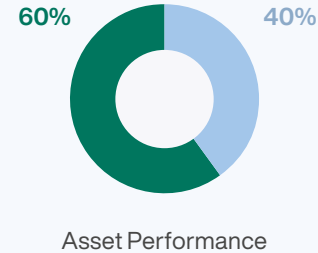
Environmental building certifications are essential tools for measuring and enhancing the sustainability of both new and existing properties. By adhering to established industry benchmarks, these certifications provide a comprehensive assessment of a building's environmental impact.

EPP's goal is to achieve environmental certifications for all owned and managed shopping centres and offices, while consistently maintaining the highest standards. In line with industry best practices, EPP continues the certification journey using the BREEAM and WELL frameworks. BREEAM, widely recognized as the leading building certification system in Poland, offers a robust method for evaluating and improving a building's sustainability performance over its entire lifecycle. It assesses buildings across a wide range of criteria, including energy efficiency, resource management, health and well-being, and ecological impact. By identifying areas for improvement, BREEAM empowers EPP to optimize the assets' sustainability and reduce their environmental footprint. Building on its commitment to sustainability, EPP has continued to certify properties in 2024, with a goal to achieve 100% of office assets accredited by BREEAM In-Use at 'Excellent' and 100% of retail assets accredited by BREEAM In-Use at 'Very Good' or higher level in 2025.

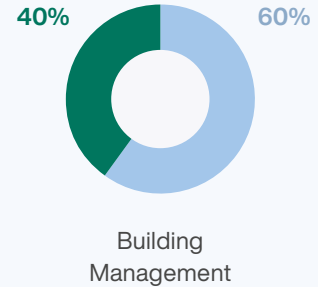
On 100 % of EPP N.V. owned assets

- Excellent
- Very good

BREEAM In-Use Part 1



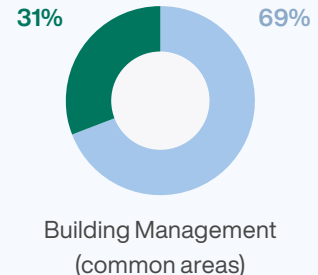
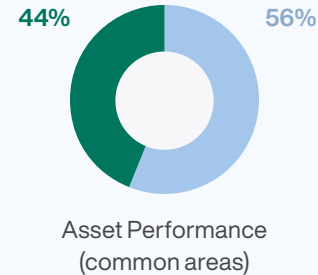
BREEAM In-Use Part 2



On 100% of total owned and managed retail assets

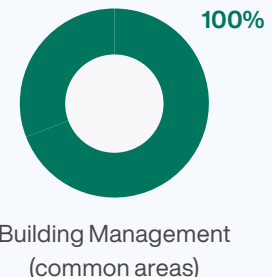
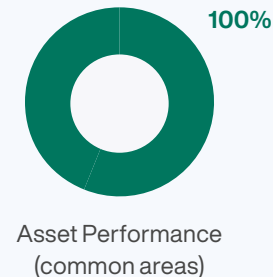
*with the exception of the Horse Group Sarl portfolio and Power Park Olsztyn, whose management transitioned to EPP in 2024, as well as properties without common areas

- Excellent
- Very good



On 86% of total owned and managed office assets

- Excellent
- Very good



2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

E1-4 Targets related to climate change mitigation and adaptation

In line with EPP's Environmental policy, the group set and committed to the decarbonization goals, that were approved by SBTi. These efforts are compatible with a global 1.5°C pathway, the most ambitious objective of the Paris Agreement. The GHG emission data and goals presented in this chapter are calculated using the market-based approach, unless specified differently. This method emphasizes the Group's commitment to responsible energy sourcing.

EPP N.V. commits to reduce absolute scope 1 and 2 GHG emissions 50% by FY2030 from a FY2019 base year. The diagram on the next page shows EPP's minimum ambitions and their emissions in recent year in combined scope 1 and 2. The target is organization wide and covers all activities and facilities retail and office.

90% of EPP's GHG emissions comes from cat. 3 and 13 in scope 3 that constitutes 92,62% of whole scope 3 emissions, and EPP N.V. commits to reduce absolute scope 3 GHG emissions from fuel and energy-related activities and downstream, leased assets 30% by FY2030 from a FY2019 base year. The diagram shows EPP's minimum ambitions and their emissions in recent year in scope 3.

NEAR TERM TARGETS:

TARGET WORDING	BASE YEAR	TARGET YEAR	TYPE	TARGET VALUE
EPP N.V. commits to reduce absolute scope 1 and 2 GHG emissions 50% by FY2030 from a FY2019 base year	2019	2030	absolute	50%
EPP N.V. commits to reduce scope 3 GHG emissions from fuel and energy-related activities and downstream leased assets 30% by FY2030 from a FY 2019 base year	2019	2030	absolute	30%

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

By 2050 the Group aims to achieve an absolute reduction in all three scopes by 90% compared with the base year. At the same time the EPP Group aims to have zero net GHG emissions across the value chain by 2050.

The target values (tCO₂e) for 2030 are:

- Scope 1+2: 41 741,2
(reduction -41741,2)
- Scope 3 (cat 3 & 13): 125 432,1
(reduction - 53 756,6)

The target values (tCO₂e) for 2050 are:

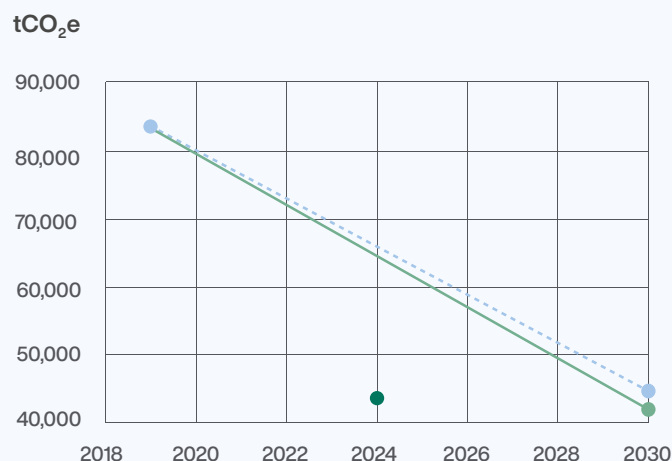
- Scope 1+2: 8 348,2
(reduction -75 134,1)
- Scope 3 (cat 3 & 13): 17 918,9
(reduction -161 269,8)

Detailed information about the reductions achieved in FY 1.09.2023-31.08.2024 are available in disclosure requirement E1-6. In general, the decarbonization goals for EPP N.V. and its joint ventures are almost achieved – the reductions for scope 1, scope 2 (market-based) are 48,68% and scope 3 categories 3 and 13 are almost 34,3% versus base year 2019.

Taking into account that EPP N.V. is close to achieve its GHG emission reduction targets in scope 1 and 2 and has already achieved scope 3 targets for 2030 it plans to revise its targets in the next FY 1.09.2024-31.08.2025. It is also connected with the revision of the SBTi guidelines for the real estate sector which were released in 2024.

SCOPE 1 AND 2: 1.5°C

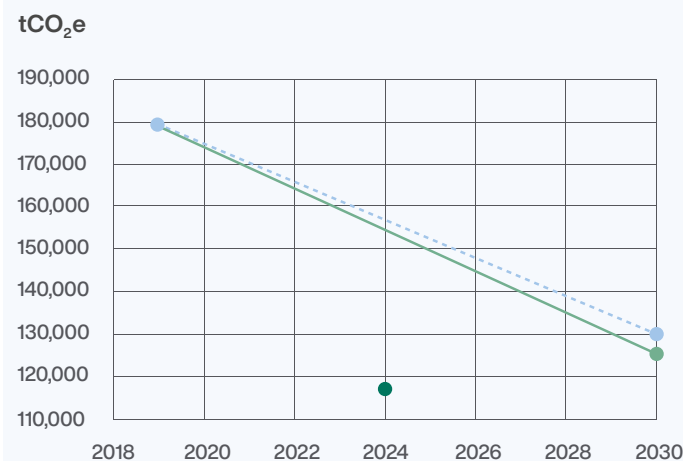
Absolute emission



- Company's ambition
- Company's emission in the most recent financial year
- Minimum ambition

SCOPE 3

Absolute emission



- Company's ambition
- Company's emission in the most recent financial year
- Minimum ambition

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

E1-5 Energy consumption and mix

To reduce energy consumption in properties under its own management, EPP works towards ensuring they are equipped with environmentally safe and energy efficient technologies. EPP is focused on providing efficient systems and management controls to minimize the energy use by the tenants and visitors, where possible. Energy consumption should be reduced, as its utilization contributes to the impact on the climate through GHG emissions. EPP uses energy in its offices for maintenance and to provide optimal working conditions for EPP's employees. The energy EPP consumes is distributed throughout the offices and shopping centres, provided to the visitors and tenants. EPP is responsible for energy supply across offices and retail assets (which do not have their own connection to the grid), therefore it is also responsible for managing controls to minimize its use.

In 2024, to support the decarbonization strategy, EPP acquired 100% of guarantees of origin of green energy for offices and 25% for retail assets.

EPP will continue the policy of 100% electricity from renewable energy sources for all office buildings. For the retail assets EPP manages, the aim is to increase the share of electricity from renewable energy sources to 35% in 2025.

EPP also aims to generate solar energy onsite, where possible. In 2024, EPP has produced and consumed 240,6 MWh of self-generated renewable energy.

The energy consumption in the following table applies to own operations and common areas of EPP N.V. own buildings.

E1-5 Energy consumption and mix	UNIT	FY 1.09.2022-31.08.2023	FY 1.09.2023-31.08.2024	Y/Y CHANGE
Fuel consumption from coal and coal products	MWh	0,00	0,0	-
Fuel consumption from crude oil and petroleum products	MWh	564,6	734,4	30,08%
Fuel consumption from natural gas	MWh	1 113,43	1 472,3	32,23%
Fuel consumption from other fossil sources	MWh	0,00	0,0	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	20 176,01	18 716,6	-7,23%
Total fossil energy consumption	MWh	21 854,04	20 923,4	-4,26%
Share of fossil sources in total energy consumption	%	82,38%	79%	-3,82
Consumption from nuclear sources	MWh	0,00	0,0	-
Share of consumption from nuclear sources in total energy consumption	%	0,00%	0,0	-
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0,00	0,0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	4 525,62	5 472,9	20,93%
The consumption of self-generated non-fuel renewable energy	MWh	150,23	240,6	+60,14%
Total renewable energy consumption	MWh	4 675,84	5 713,5	22,19%
Share of renewable sources in total energy consumption	%	18%	21%	+3,82
Total energy consumption	MWh	26 529,89	26 636,9	0,40%

Energy intensity per net revenue	UNIT	FY 1.09.2022-31.08.2023	FY 1.09.2023-31.08.2024	Y/Y CHANGE
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/EUR 1thous.	0,2414	0,2432	0,76%

NET REVENUE	UNIT	1.09.2022-31.08.2023	1.09.2023-31.08.2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity	EUR 1thous.	109 914,43	109 526,90
Net revenue (other)	EUR 1thous.	0,00	0,00
Total net revenue	EUR 1thous.	109 914,43	109 526,90

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

The table presents the GHG emissions of the core assets owned by EPP N.V., as consolidated in the financial statement. In FY 1.09.2023-31.08.2024, EPP N.V. noted a significant decrease in emissions comparing to the base year 2019. The total emissions in scope 1, 2 and 3 decreased by almost 48% when taking into account scope 2 and 3 emissions calculated market-based and almost 25% when taking into account the location-based method. Significant reductions were achieved in scope 3, where the GHG emissions, calculated according to market-based method were decreased by almost 46%.

The overall GHG emission reduction was achieved thanks to decrease in electricity consumption in EPP N.V. facilities of 20% together in common areas and the tenants spaces. Reductions were also supported by purchase of the guarantees of origin for 25% of electricity consumed in 2024 and by activities of electricity suppliers. The electricity emission factors are decreasing year to year thanks to modernization and decarbonization of electricity production in Poland. Those activities are mainly visible in scope 2 and scope 3 categories 3 and 13.

E1-6 GHG emissions for EPP N.V.	UNIT	BASE YEAR (2019)	FY 1.09.2022- 31.08.2023	FY 1.09.2023- 31.08.2024	Y/y change (%)	FY 1.09.2023- 31.08.2024/ base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions	MgCO ₂ e	618,19	418,67	600,79	43,50%	-2,82%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	%	-	-	-	-	-
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	MgCO ₂ e	21729,44	15 908,26	15 053,57	-5,37%	-30,72%
Gross market-based Scope 2 GHG emissions	MgCO ₂ e	21544,79	12 547,09	9 816,20	-21,77%	-54,44%
Significant scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions market-based	MgCO ₂ e	56 011,23	35 641,55	30 281,21	-15,04%	-45,94%
Total Gross indirect (Scope 3) GHG emissions location-based	MgCO ₂ e	56 320,19	43 643,23	43 606,91	-0,08%	-22,57%
1 Purchased goods and services	MgCO ₂ e	754,98	1265,97	1131,79	-10,60%	49,91%
2 Capital goods	MgCO ₂ e	8 036,78	2 323,34	3 532,69	52,05%	-56,04%
3 Fuel and energy-related activities (not included in Scope 1 and Scope 2) market-based	MgCO ₂ e	9 774,80	9 321,00	6,862,52	-26,38%	-29,79%
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) location-based	MgCO ₂ e	9 774,80	11 553,88	10 641,37	-7,90%	8,87%
5 Waste generated in operations	MgCO ₂ e	539,48	432,11	407,07	-5,80%	-24,54%
6 Business traveling	MgCO ₂ e	25,02	39,81	18,53	-53,45%	-25,91%
7 Employee commuting	MgCO ₂ e	212,51	220,78	255,35	15,66%	20,16%
13 Downstream leased assets market-based	MgCO ₂ e	36 667,66	22 038,54	18 073,26	-17,99%	-50,71%
14 Downstream leased assets location-based	MgCO ₂ e	36 976,62	27 807,34	27 620,11	-0,67%	-25,30%
Total GHG emission						
Total GHG emissions scope 1+2 (location-based)	MgCO ₂ e	22 347,63	16 326,93	15 654,36	-4,12%	-29,95%
Total GHG emissions scope 1+2 (market-based)	MgCO ₂ e	22 162,98	12 965,76	10 416,99	-19,66%	-53,00%
Total GHG emissions scope 1+2 (location-based) + 3	MgCO ₂ e	78 667,82	59 970,16	59 261,27	-1,18%	-24,67%
Total GHG emissions scope 1+2 (market-based) + 3	MgCO ₂ e	78 174,21	48 607,31	40 698,20	-16,27%	-47,94%

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

The EPP N.V. joint ventures are accounted for under equity method in the financial statement. Therefore, the GHG emissions are presented in Scope 1 and 2 in a separate table in accordance with EFRAG IG 2: Value Chain Implementation Guidance (May 2024). In addition, EPP N.V. presents scope 3 emissions for its joint ventures tenant operations, separately to the EPP N.V. emissions. In terms of joint ventures the overall reduction of GHG emissions comparing to the base year was achieved on the level of almost 35% when taking into account the market-based data and over 8% with the location-based method. The decrease in GHG emissions for scope 1 is almost 51%.

E1-6 GHG emissions from Joint Ventures	UNIT	BASE YEAR (2019)	FY 1.09.2022- 31.08.2023	FY 1.09.2023- 31.08.2024	Y/y change [%]	FY 1.09.2023- 31.08.2024/ base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions	MgCO _{2e}	3 238,65	1 372,25	1 597,14	16,39%	-50,69%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	%	-	-	-	-	-
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	MgCO _{2e}	57 508,74	50 728,70	48 597,29	-4,20%	-15,50%
Gross market-based Scope 2 GHG emissions	MgCO _{2e}	58 080,73	39 672,70	30 830,95	-22,29%	-46,92%
Significant scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions market-based	MgCO _{2e}	137 452,43	126 118,65	97 800,57	-22,45%	-28,85%
Total Gross indirect (Scope 3) GHG emissions location-based	MgCO _{2e}	137 003,74	147 651,10	131 185,79	-11,15%	-4,25%
1 Purchased goods and services	MgCO _{2e}	1 343,79	4 352,14	1 895,95	-56,44%	41,09%
2 Capital goods	MgCO _{2e}	2 217,80	3 118,34	2 281,94	-26,82%	2,89%
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) market-based	MgCO _{2e}	26 892,34	32 675,42	24 626,59	-24,63%	-8,43%
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) location-based	MgCO _{2e}	26 892,34	39 303,69	34 500,02	-12,22%	28,29%
5 Waste generated in operations	MgCO _{2e}	1 144,62	1 039,52	878,06	-15,53%	-23,29%
7 Employee commuting	MgCO _{2e}	-	-	48,86	-	-
13 Downstream leased assets market-based	MgCO _{2e}	105 853,87	84 933,22	68 069,17	-19,86%	-35,70%
13 Downstream leased assets location-based	MgCO _{2e}	105 405,19	99 837,40	91 580,96	-8,27%	-13,12%
Total GHG emissions						
Total GHG emissions scope 1+2 (location-based)	MgCO _{2e}	60 747,39	52 100,95	50 194,43	-3,66%	-17,37%
Total GHG emissions scope 1+2 (market-based)	MgCO _{2e}	61 319,38	41 044,95	32 428,09	-20,99%	-47,12%
Total GHG emissions scope 1+2 (location-based) +3	MgCO _{2e}	197 751,13	199 752,04	181 380,22	-9,20%	-8,28%
Total GHG emissions scope 1+2 (market-based) +3	MgCO _{2e}	198 771,81	167 163,60	130 228,66	-22,10%	-34,48%

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

Lastly in the next table the summary of GHG emissions for EPP N.V. and joint ventures is presented, consistently with boundaries in Science Based Targets validated for EPP N.V. i.e. together with joint ventures under operational control. In total all properties managed by EPP N.V. achieved over 38% reduction of scope 1, 2 and 3 emissions (market-based). This is due to the total reduction in energy consumption compared to the base year (-12%) in total in common areas and by tenants. In common areas (scope 1 and 2), total energy consumption decreased by 19%. EPP N.V. is also gradually increasing the volume of energy covered by guarantees of origin. In 2024, it has purchased guarantees corresponding to 100% of electricity used in offices and 25% of electricity in shopping centers. At the same time, the electrici-

ty emission rates of energy suppliers are also decreasing year by year, which significantly accelerated the reduction of our goals.

Taking into account the location-based emissions the reductions vs base year are at the level of almost 13% (all 3 scopes).

The table below presents GHG emissions and targets jointly for EPP N.V. and its joint ventures. Scope 1 and 2 emissions has been already reduced by 48,68% to 42 845,07 MgCO_{2e}. The target for 2030 - 41 741,18 MgCO_{2e} has been almost achieved. In terms of scope 3 emissions, the reduction that has been achieved is almost 34% comparing to the base year 2019. It results mainly from reduc-

tions in category 13, which is related to the consumption of utilities by tenants, and category 3, which shows emissions from the production and distribution of consumed energy. The decline in category 13 is due to an 8% reduction in tenant energy consumption, growing coverage by guarantees of origin (100% office, 25% retail), and decreasing emission factors of energy suppliers.

EPP N.V. with joint ventures has established targets for 2030 and 2050 in scope 3 jointly for category 3 and 13. The goal for 2030 has been already achieved by EPP N.V. The company is on good trajectory to achieve 2050 target as the emissions for FY 1.09.2023-31.08.2024 are 117 631,55 MgCO_{2e}.

E1-6 GHG emissions from N.V. and Joint ventures (validated in SBTi)	UNIT	BASE YEAR	FY 1.09.2022-31.08.2023	FY 1.09.2023-31.08.2024	Y/y change [%]	2025	2030	2050	FY 1.09.2023-31.08.2024/ base year
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions	MgCO _{2e}	3 856,84	1 790,92	2 197,92	+22,73%	-	-	-	-43,01%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	%	-	-	-	-	-	-	-	-
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions	MgCO _{2e}	79 238,18	66 636,96	63 650,87	-4,48%	-	-	-	-19,67%
Gross market-based Scope 2 GHG emissions	MgCO _{2e}	79 625,52	52 219,79	40 647,15	-22,16%	-	-	-	-48,95%
Significant scope 3 GHG emissions									
Total Gross indirect (Scope 3) GHG emissions market-based	MgCO _{2e}	193 463,66	161 760,20	128 081,78	-20,82%	-	-	-	-33,80%
Total Gross indirect (Scope 3) GHG emissions location-based	MgCO _{2e}	193 323,94	191 294,32	174 792,70	-8,63%	-	-	-	-9,59%
1 Purchased goods and services	MgCO _{2e}	2 098,77	5 618,10	3 027,74	-46,11%	-	-	-	44,26%
2 Capital goods	MgCO _{2e}	10 254,58	5 441,68	5 814,63	+6,85%	-	-	-	-43,30%
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) market-based	MgCO _{2e}	36 667,15	41 996,43	31 489,11	-25,02%	-	*	*	-14,12%
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) location-based	MgCO _{2e}	36 667,15	50 857,57	45 141,39	-11,24%	-	-	-	23,11%
5 Waste generated in operations	MgCO _{2e}	1 684,10	1 471,64	1 285,13	-12,67%	-	-	-	-23,69%
6 Business traveling	MgCO _{2e}	25,02	39,81	18,53	-53,45%	-	-	-	-25,91%
7 Employee commuting	MgCO _{2e}	212,52	220,78	304,20	37,79%	-	-	-	43,14%
13 Downstream leased assets market-based	MgCO _{2e}	142 521,53	106 971,76	86 142,43	-19,47%	-	*	*	-39,56%
13 Downstream leased assets location-based	MgCO _{2e}	142 381,80	127 644,75	119 201,07	-6,61%	-	-	-	-16,28%
Total GHG emissions									
Total GHG emissions scope 1+2 (location-based)	MgCO _{2e}	83 095,02	68 427,88	65 848,79	-3,77%	-	-	-	-20,75%
Total GHG emissions scope 1+2 (market-based)	MgCO _{2e}	83 482,36	54 010,71	42 845,07	-20,67%	-	41 741,18	8 348,24	-48,68%
Total GHG emissions location-based	MgCO _{2e}	276 418,96	259 722,20	240 641,49	-7,35%	-	-	-	-12,94%
Total GHG emissions market-based	MgCO _{2e}	276 946,02	215 770,91	170 926,86	-20,78%	-	-	-	-38,28%

*EPP N.V. with joint ventures has a scope 3 reduction target that applies to categories 3 and 13 jointly. The targets are as following:

- for 2030: 125 432,07 MgCO_{2e}
- for 2050: 17 918,87 MgCO_{2e}

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

The GHG emissions were calculated according to the international methodology for calculating emissions for enterprises – GHG Protocol, and recommendations regarding carbon calculations, based on guidelines:

- **The GHG Protocol a Corporate Accounting and Reporting Standard Revised Edition** – The GHG Protocol provides requirements and guidance for companies and other organizations preparing a corporate level GHG emissions inventory.
- **GHG Protocol Scope 2 Guidance** – The GHG Protocol standardizes how corporations measure emissions from purchased or acquired electricity, steam, heat and cooling
- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard** – The GHG Protocol allows companies to assess their entire value chain emissions impact and identify where to focus reduction activities. For calculation either the Inventory or Screening approach was used (with the Screening approach adopted only where the Inventory approach was not possible due to lack of data).
- **Guide to Scope 3 Reporting in Commercial Real Estate, UK Green Building Council.**

The EPP N.V carbon footprint calculations were made for six greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆) included in the GHG Protocol. Emissions of individual gases were reduced to a common unit - carbon dioxide equivalent (CO₂e) - using Global Warming Potential (GWP) indicators from DEFRA.

The year 2019 (the most recent year for which complete data were available) was selected as a base year for all 3 emission scopes which is also EPP's base year for the GHG emission reduction and NET-ZERO target approved by SBTi.

The organizational boundaries of the calculations performed include all EPP N.V.'s activities in the Polish market. No exclusions were made.

Operational control was chosen as the consolidation approach, which means that in scope 1 and 2 EPP reports emission generated in the operations and common areas of the buildings. Emissions related to tenant's spaces are presented in Scope 3 cat. 13 Downstream leased assets.

Emissions related to the assets in JVs portfolio are presented separately, in accordance with ESRS E1-6 requirements.

CATEGORIES EXPLANATION AND DATA SOURCE

Scope 1

Scope 1 included emissions from fuel combustion in vehicles and buildings, as well as refrigerant losses.

The calculation of the carbon footprint used data from invoices and accounting systems used to account for fuel costs. For refrigerants, the depletion value was determined based on annual refrigerant additions to air conditioning systems.

Scope 2

Emissions were calculated according to two methods - market-based and location-based. Electricity consumption and consumption of purchased heat were included in the calculations.

The data used to calculate emissions came from electricity and heat invoices.

Scope 3

Data for calculating emissions comes from internal accounting and billing systems and from data on energy and fuel consumption in managed buildings. Based on the material analysis performed in the calculation, the following categories were selected were included:

Cat. 1 Purchased goods and services

The emissions related to the purchased goods and services have been calculated using the hybrid method in line with the GHG Protocol: Average data in relation to water purchased m³ and spend-based method to other goods and services accounting data.

Cat. 2 Capital goods

The emissions related to the capital expenditures like IT equipment and construction capex. They have been calculated using the average and spend-based method in line with the GHG Protocol.

Cat. 3 Energy related activities

Emissions from energy production not included in Scope 1 and 2. Calculations made based on actual data of usage and emission factors for WTT natural gas, WTT diesel and WTT electricity generation and TD.

Cat. 5 Waste generated in operation

Actual data on waste generated onsite and DEFRA emission factors accordingly with categories of waste treatment method.

2.1. E1 CLIMATE CHANGE

METRICS AND TARGETS

Cat. 6 Business travel

Emissions from employees' business travel are estimations made based on collected data on air and rail travel, and travel expenses reimbursed to employees.

Cat. 7 Employee commuting

Emissions from employees' transportation from home to work are based on an estimate on commuting preferences of employees and statistical data from <https://www.gov.uk/government/statistical-data-sets/nts04-purpose-of-trips.NTS0409>

Cat. 13 Downstream Leased Assets

The emissions are calculated for the tenants according to their fuel electricity and heat consumption. Emission factors used are consistent with those used for scope 1 and 2 calculations.

EMISSION FACTORS:

Scope 1:

The emission factors used in the calculation of were derived from the DEFRA (Department for Environment, Food and Rural Affairs) 2024 database.

Scope 2

The emission factor for district heating from the URE (Urząd Regulacji Energetyki – Energy Regulatory Office) was used in the calculation of emissions. The calculation of emissions from purchased electricity in the market-based method used emission factors published by electricity suppliers (PGE Obrót S.A, Grupa Energia GE Sp. z o.o.). The indicator for the location-based method was sourced from KOBIZE (Krajowy Ośrodek Bilansowania i Zarządzania Emisjami - **The National Centre for Emissions Management**).

Scope 3:

Emission factors used in calculations came from DEFRA (Department for Environment, Food and Rural Affairs), Exiobase, Ecoinvent Data Base, and from electronics retailers.

The following cases may trigger recalculation of EPP' base year emissions: - Structural changes in the EPP - Mergers, acquisitions, and divestments - Outsourcing and insourcing of emitting activities - Discovery of significant errors, or a number of cumulative errors, when are collectively significant for scope 1+2 or scope 3. Significance threshold is 5%.

GHG intensity per net revenue is decreasing between FY 1.09.2022-31.08.2023 and FY 1.09.2023-31.08.2024. It is connected to reduction in energy intensity and decarbonization of energy used by EPP N.V.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

EPP N.V. did not purchase any offsets or carbon credits in reporting year.

E1-8 Internal carbon pricing

In reporting year EPP N.V. did not use any internal carbon pricing schemes.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

EPP N.V. has not yet calculated anticipated financial risks and opportunities related to climate change but it plans to analyse and calculate the risks in following years.

GHG INTENSITY PER NET REVENUE	UNIT	FY 1.09.2022-31.08.2023	FY 1.09.2023-31.08.2024	Y/Y CHANGE (%)
Total GHG emissions scope 1+2 (location-based) +3 per net revenue	MgCO _{2e} /EUR 1 thous.	0.55	0.54	-0.83%
Total GHG emissions scope 1+2 (market-based) +3 per net revenue	MgCO _{2e} /EUR 1 thous.	0.44	0.37	-15,98%

2.2. E3 WATER AND MARINE RESOURCES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

In the process of materiality assessment, as summarized in SBM-3 the topic of water and marine resources was assessed as material in terms of the sub-topic of water withdrawals and consumption, therefore disclosures in E-3 are connected solely to this sub-topic.

E3-1 Policies related to water and marine resources

EPP aims to increase water use efficiency in order to support the sustainable management and efficient use of natural resources.

EPP has two documents dedicated to water management. Its main commitment regarding water usage is published in EPP's Environmental Policy that applies to all facilities managed by the Group and is available to all employees on EPP's website. The policy was also presented during training sessions at all facilities.

Additionally, in 2024 EPP developed Water Strategy 2030, which provides a set of guidelines to lead EPP's activities regarding water management. The objectives of this Strategy are to monitor and analyze water consumption, and to improve water management for the entire Group. Strategy is implemented by EPP Management Board, and ESG Director is to coordinate all the work between the departments and monitor the progress.

The Strategy covers the topic of water management through activities in different thematic areas:

- **Planning and management**
- **Equipment efficiency**
- **Reporting**
- **Measurements**
- **Drinking water**

The Strategy was based on several external documents and materials, including EU Taxonomy, BREEAM In Use v6 and SDGs.

In this document, EPP describes and structures comprehensive approach to water management, from the planning stage of sanitary installations to the monitoring and reporting of water consumption. It includes technical requirements and best industry practices. In the topic of use and sourcing of water in own operations as well as water treatment and pollution prevention through, among others, improving equipment efficiency and water monitoring systems, restricting technical specifications for water appliances and keeping separators in good technical condition by consistent and methodical maintenance. It also provides guidelines for treating rainwater and shaping the landscape to minimize water use and reduce consumption of utility-supplied water. Water related issues are included in the service design by integrating water measuring devices within Building Management System and determined water usage in new equipment (such as toilets, showers, urinals) installed in properties.

EPP aims to implement the most efficient technical solutions wherever it is feasible and economically justified. Therefore, implementation of the strategy's provisions will be first guided by a materiality analysis conducted for existing buildings.

EPP policies do not specifically address the vulnerability of the facilities to water stress. According to the Munich RE analysis no EPP N.V. real estate is located in the area at significant water stress risk.

2.2. E3 WATER AND MARINE RESOURCES

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

E3-2 Actions and resources related to water and marine resources

In 2024, EPP adopted Water Strategy 2030, which showcase various planned actions, regarding water management. These actions, planned up to 2030, aim to increase water use efficiency in order to support the sustainable management and efficient use of natural resources.

In the strategy, EPP has established technical criteria that sanitary installations must meet, serving as guidelines for renovations and new constructions. The main points EPP aspires to meet for equipment are for example :

→ Toilets

- ≥50% of toilets ≤3 litres per flush (all remaining toilets ≤4.5 litres per flush)
- Must have an average flush volume of a maximum of 3.5 litters.

→ **Showers** - 100% showers must have a maximum flow rate less than or equal to 6 litres per minute.

→ Urinals

- Waterless urinals (the best option)
- Urinals must use a maximum of 2 liters per bowl per hour.
- Flushing urinals must have a maximum full flush volume of 1 litre.

→ Aerated Taps and Sensor taps

- The best option: 100% hand washing basin taps have ≤4 litres/min and have automatic control
- Wash hand basin taps and kitchen taps must have a maximum water flow of 6 litres per minute
- Aerated taps with a flow rate of ≤4 litres per minute.
- Taps should automatically shut off after a set period to prevent wastage.
- Hand-washing basin taps must have automatic control equipped with proximity sensor. Hand washing taps which run for pre-set periods of time are not compliant with this issue

In 2024 EPP successively continued to replace faucets in the common areas of the buildings with water saving aerators. Water-saving fixtures are already installed in almost all (99%) of the properties.

Water Risks were part of Climate Risk Property Level Analysis (described in details in ESRS E1SBM-3). The results showed that none EPP's facilities are located in areas with high water stress, with 27% facilities identified with low drought risk, and 73% with low-moderate.

2.2. E3 WATER AND MARINE RESOURCES

METRICS AND TARGETS

E3-3 Targets related to water and marine resources

Due to the fact that EPP water consumption is mostly driven by the number of visitors and water is consumed in the Group properties mainly through usage in restroom areas by visitors of the shopping centers, the assets of the Group's portfolio are not considered to be significant water consumers. However, EPP still monitors water withdrawals and strives to reduce it.

EPP's Water Strategy 2030 outlines a comprehensive approach to water management. Core objectives include tracking and analyzing water usage, optimizing water consumption practices, and enhancing rainwater harvesting.

The strategy is centred around contributing to the achievement of the SDGs. By 2030, EPP aims to significantly improve water use efficiency and ensure sustainable resource utilization. Specific, measurable targets for water management, including reductions in water consumption, have not yet been established. This is due to the need for detailed analyses to determine the most effective and cost-optimal actions.

Building upon Water Strategy 2030, EPP plans to develop in 2025 an action plan, complete with time-bound, measurable targets.

E3-4 Water consumption

The provided data comes from invoices, and it applies to water withdrawals and discharges on common areas in EPP's buildings. It is important to note that EPP's water consumption is zero, because its business model is not based on production, so no water is incorporated into products and used in production.

E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

EPP N.V. has not yet calculated anticipated financial risks and opportunities related to water resources but it plans to analyse and calculate the risks in following years.

WATER CONSUMPTION PERFORMANCE [E3-4]		UNIT	1.09.2023-31.08.2024
Water consumption	Total water consumption	m ³	0,00
	Total water consumption in areas at water risk, including areas of high-water stress	m ³	0,00
	Total water recycled and reused	m ³	0,00
	Total water stored	m ³	0,00
	Changes in water storage	m ³	0,00
Water intensity	Total water withdrawal per 1 mln EUR of revenue	m ³ /EUR 1 mln	1174,82
Water withdrawals and discharges	Water withdrawals	m ³	128 674,92
	including purchased water	m ³	128 674,92
	Water discharges	m ³	128 674,92

2.3. E5 RESOURCE USE AND CIRCULAR ECONOMY

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

In the process of materiality assessment, as summarized in SBM-3 the topic of resource use and circular economy was assessed as material only in terms of the sub-topic of waste, therefore disclosures in E-5 are connected solely to this sub-topic.

E5-1 Policies related to resource use and circular economy

Due to EPP's business model, the amount of waste produced in a building is primarily determined by the building's occupants and their activities. For instance, retail centers generate more waste due to higher customer traffic, while office buildings' waste is linked to occupancy rates. As a company, EPP's direct control over the overall waste volume is limited. However, EPP is dedicated to improve waste management by enhancing waste sorting practices, educating tenants about waste reduction, encouraging them to minimize waste, and adopting innovative waste management technologies.

EPP aims to reduce carbon footprint by effectively monitoring the resources used, and the volume of waste generated. EPP aims to increase the proportion of waste that is sorted, that will allow to increase the amount of waste that could be recycled. This applies to both EPP's tenants and visitors within managed buildings and own corporate operations.

EPP's main commitment regarding waste and use of resources is published in EPP's Environmental Policy that applies to all facilities managed by the Group and is available to all employees on EPP's

website and it is communicated during annual training sessions for all employees. The Board of Directors is responsible for implementation of policy and ESG Director is operationally coordinating the actions across various departments and monitoring the progress.

Additionally, in 2024 EPP adopted Waste Management Policy, which defines the directions for EPP's activities in this area. Main current objectives are divided into 3 categories:

→ Waste Monitoring

Determine the waste streams and types, collection methods, for each property. This is the most critical part of the waste management process, where waste logistics must be established, including how and where waste is collected, sorted and stored.

→ Centralized waste management process

Conducting a central waste audit to gather detailed information on waste, including estimating the amount and types of waste generated by tenants (stores and service outlets). To create a database with complete data on waste characteristics and volumes at all EPP-managed properties. It is planned to develop a schedule for producing audits at the facilities for 2025-2026.

→ Strive for recycling and/or recovery

Develop guidelines to inform employees and tenants about proper waste management, including a waste segregation system. Cooperate with third-party recyclers.

The policy also includes good practices for EPP's tenants. In parallel, EPP includes a commitment to reduce waste and enhance re-

cycling in the Code of Conduct for Tenants, implemented in 2024. These codes are starting from 2024 attached to the new lease agreements.

E5-2 Actions and resources related to resource use and circular economy

One of the key activities in 2024 was introduction of the Code of Conduct for Tenants that includes requirement regarding waste management and the development of EPP's Waste Management Policy.

In 2025 EPP plans to develop a comprehensive waste management strategy and targets in line with circular economy. EPP is working on a complex waste management strategy to support the achievement of the possible highest recycling targets

Other activities undertaken in reporting period by EPP:

→ Ensuring appropriate segregation by employees of the tenants and visitors of the shopping centers by having adequate waste segregation infrastructure. Tenants are consistently informed about on-site waste handling procedures and the significance of proper waste sorting. This education is delivered through direct communication, such as on-site meetings and the distribution of waste sorting guidelines. Additionally, the supplier contracts and tenant green lease agreements outline waste sorting and recycling obligations. To reinforce tenant engagement, EPP continuously update waste bin signage, share effective waste management practices, emphasize the correct sorting of materials, and communicate relevant legal stipulations.

2.3. E5 RESOURCE USE AND CIRCULAR ECONOMY

METRICS AND TARGETS

- Making a significant effort in educational campaigns for EPP's tenants and visitors targeting improvements in waste segregation. The waste segregation requirements are in line with current legal regulations in force in the European Union including Waste Management Act.
- Communicating with the tenants about waste management through dedicated application, where EPP sends out guidelines on segregation, among other things.
- Ensuring high levels of recycling based on a dialogue with the retail tenants regarding materials used for their bulk packaging and cooperation regarding the recycling, thereof as EPP N.V. does not have control over the quality of packaging received from tenants.
- Cooperating with recyclers to ensure the maximum reduction of waste that goes to landfill.

E5-3 Targets related to resource use and circular economy

EPP plans to adopt waste management strategy with measurable targets related to waste in 2025.

Moreover, the goal for the coming year is to implement waste management centralization and conduct waste audits at EPP properties, and to increase the amount of segregated waste so that it can be recycled or reused.

E5-5 Resource outflows

Based on the lease agreements, EPP takes on the obligations of tenants with regard to municipal waste generated and the disposal of paper, cardboard and plastics packaging in terms of separate collection and transfer for further management. EPP does not take on the obligation to attain the levels of preparation for reuse and recycling that are incumbent on the introducers of packaged products.

The waste data published below is generated either by EPP operations or by the tenants, as it is not possible to separate these figures. Some individual tenants take their waste and dispose of it themselves, but they are isolated cases.

Waste data is collected based on information received from waste collectors. Where such information is not provided by collectors, data is estimated based on the number of containers and their average weight. In 2024 there was no hazardous waste generated. Non-hazardous waste is divided into: diverted from disposal and directed to disposal. The data comes from declarations of waste recipients, in which they presented the mass of waste collected in a given period broken down into individual waste codes, information on the method of waste management to which a given waste code should be subjected, as well as information on the average level of recycling of a given mass. In terms of the waste directed to disposal, the precautionary approach was applied and all of the waste is assigned to the landfill category, as there was no evidence of other methods of waste management.

WASTE MANAGEMENT [E5-5]	UNIT	FY 1.09.2022- 31.08.2023
Waste diverted from disposal	Mg	661,16
Hazardous wastes	Mg	0,00
Preparation for reuse	Mg	0,00
Recycling	Mg	0,00
Other recovery operations	Mg	0,00
Non-hazardous wastes	Mg	661,16
Preparation for reuse	Mg	0,00
Recycling	Mg	661,16
Other recovery operations	Mg	0,00
Waste directed to disposal	Mg	2 322,34
Hazardous wastes	Mg	0,00
Incineration	Mg	0,00
Landfill	Mg	0,00
Other disposal operations	Mg	0,00
Non-hazardous wastes	Mg	2 322,34
Incineration	Mg	0,00
Landfill	Mg	2 322,34
Other disposal	Mg	0,00
Total Hazardous wastes	Mg	0,00
Total Non-hazardous wastes	Mg	2 983,50
Total radioactive waste	Mg	0,00
Total amount of waste generated	Mg	2 983,50
Total amount of non-recycled waste	Mg	2 322,34
Percentage of non-recycled waste	%	78,00%

2.3. E5 RESOURCE USE AND CIRCULAR ECONOMY

METRICS AND TARGETS

E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

EPP N.V. has not yet calculated the anticipated financial risks and opportunities related to resource use and circular economy but it plans to analyse and calculate the risks in following years.



2.4. EU TAXONOMY

ENVIRONMENTAL OBJECTIVES

Responding to assumptions about the European Union's climate goals, the European Commission announced in March 2018 an Action Plan on Financing Sustainable Growth, with three main objectives:

- directing capital flows toward sustainable investments,
- integrating sustainable growth into risk management processes,
- promoting transparency in economic and financial activities by using a "common language" in defining "greenness."

A tool to support the channeling of capital flows toward sustainable investments is the system for classifying environmentally sustainable economic activities. The system, commonly referred to as the EU Taxonomy, was implemented by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment.

Companies meeting the criteria indicated in Article 19a or 29a of Directive 2013/34/EU¹ are subject to the disclosure obligations set forth in the EU Taxonomy and specific delegated acts.

The EU Taxonomy, together with Commission Delegated Regulations (EU): 2021/2139², 2021/2178³, 2022/1214⁴, 2023/2485⁵ and 2023/2486⁶ establish a classification system for environmentally

sustainable economic activities, defining a list of economic activities that, after fulfilling certain technical and social criteria, can be considered environmentally sustainable. They must make a significant contribution to one or more of the six environmental objectives set forth in Article 9 of the EU Taxonomy, namely:

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and restoration of biodiversity and ecosystems.

EPP N.V. is not subject to the obligations of the indicated NFRD directive yet, however, it voluntarily prepares a report on non-financial information and thus makes voluntary Taxonomy disclosures for fiscal year ended on August 31, 2024.

With an eye on the upcoming expansion of the list of companies obligated to prepare Taxonomy disclosures, and with high ambitions to operate in a sustainable manner, EPP N.V. has undertaken to disclose the percentage of Taxonomy-aligned, Taxonomy-eligible and Taxonomy non-eligible business activities in total turnover, capital expenditures (CapEx) and operating expenses (OpEx).

In addition to these key indicators, EPP N.V. publishes developed methodology and qualitative information.

Taxonomy-aligned, Taxonomy-eligible and Taxonomy non-eligible business activities in total turnover, capital expenditures (CapEx) and operating expenses (OpEx). In addition to these key indicators, EPP N.V. publishes developed methodology and qualitative information.

1. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings

2. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

3. Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

4. Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

5. Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives

6. Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

2.4. EU TAXONOMY

ACCOUNTING POLICY

The EPP N.V. Capital Group keeps the accounts according to International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) approved by the European Union. This allowed for the identification of amounts related to recognized activities that met the definitions in Delegated Regulation 2021/2178 on key performance indicators, i.e., turnover, capital expenditure (CapEx), and operating expenditure (OpEx). These amounts form denominators of the respective three KPIs.

Turnover

Revenue recognized in accordance with IAS 1 point 82 letter a) specified in Article 2 point 5 of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, which provides:

"net turnover" means the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover;

The Group mainly recognizes revenue in accordance with IFRS 16 as a lessor (operating lease of retail space in shopping malls) because this is their main business (rental of space). In addition to the above, it also recognizes revenue in accordance with IFRS 15 (e.g. service charges, operating costs recovery). Turnover is presented in detail in the Note 30 to the reporting package.

Capital expenditure (CapEx)

Additions to tangible and intangible assets during the financial year that are regularly recognized under IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property, IAS 41 Agriculture and IFRS 16 Leases (before depreciation, amortization, any re-measurements, including those resulting from revaluations and impairment, and excluding fair value changes).

Main acquisitions of long-term assets in EPP N.V. regard its several investment properties (IAS 40; necessary increases in shopping malls). Apart from them, the Group entered into some new lease agreements and recognized new right-of-use assets (IFRS 16).

These additions form the CapEx KPI denominator and can be linked to what is shown in Note 3 (investment properties) and Note 5 (leases as a lessee) to the reporting package.

Operating expenditure (OpEx)

Delegated Regulation 2021/2178 states that five groups of direct non-capitalized costs should be extracted from the accounting records in order to establish denominator of this KPI and these are:

- research and development,
- building renovation measures,
- short-term lease,
- maintenance and repair,
- and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

EPP N.V. bears no R&D expenditure (as defined in IAS 38) and no short-term lease costs (as defined in IFRS 16). The Group, however, maintains their investment properties (e.g. does necessary repairs in the buildings) and outlays money on services such as cleaning or security services (which falls within the "other direct expenditures" group of operating expenditure as understood in EU Taxonomy).

It is not feasible to successfully refer the operating expenditure amounts established for the EU Taxonomy purposes to the reporting package, because operating costs in the Statement of profit or loss and other comprehensive income cover a lot of different cost titles whereas the definition set out in the Delegated Regulation 2021/2178 (as presented above) is much narrower.

2.4. EU TAXONOMY

Calculation of the key performance indicators

The established base (denominators) of three KPIs (turnover, capital expenditure, and operating expenditure) was further analyzed in terms of their classification and compliance with the EU Taxonomy. The numerators for the key performance indicators are, therefore, respectively:

- for the key performance indicator related to turnover – those net revenues included firstly in the denominator, which are associated with Taxonomy-aligned economic activities,
- for the key performance indicator related to capital expenditure – those capital expenditures included firstly in the denominator, which relate to assets or processes associated with Taxonomy-aligned economic activities (the Group did not create any CapEx plans to expand Taxonomy-aligned activities),
- for the key performance indicator related to operating expenditure – those operating expenses included firstly in the denominator, which relate to assets or processes associated with Taxonomy-aligned economic activities (the Group did not create any CapEx plans to expand Taxonomy-aligned activities).

To avoid double counting when determining the monetary values in the key performance indicators, all activities considered eligible for the Taxonomy were matched only to one of the first two environmental objectives, either climate change mitigation or climate change adaptation. No economic activity was identified that had contributed to the achievement of several environmental objectives simultaneously.

The key performance indicators, in both their numerators and denominators, are presented in a consolidated form, including only transactions carried out with entities outside the Capital Group.

CapEx amounts shown as taxonomy-aligned CapEx concern: additions at cost arising from subsequent expenditure in investment properties (895 thous. EUR) and additions at right of use assets, classified as property, plant and equipment (232 thous. EUR).

ASSESSMENT OF COMPLIANCE WITH REGULATION 2020/852 AND CONTEXTUAL INFORMATION CONCERNING EPP N.V. ACTIVITIES

EPP N.V. Group's reporting in the area of EU Taxonomy is consistent with Regulation 2020/852 of 18 June 2020 and the Delegated Regulations: 2021/2139, 2021/2178, 2022/1214, 2023/2485 and 2023/2486, as it meets the regulator's requirements for non-financial enterprises regarding key performance indicators and accompanying information, as defined in Annexes I, II, and XII of the Delegated Regulation 2021/2178 (even though the reporting itself is voluntary for the Group for the period started on September 1, 2023, and ended on August 31, 2024).

In the organization, the relevant personnel from the finance and ESG departments undertook an analysis of the EU Taxonomy. They conducted in-house training and other initiatives to guarantee that the organization's EU Taxonomy disclosures were precise and adhered to the regulations. In order to present the disclosures and perform the relevant calculations of the key performance indicators, the EPP N.V. Group assessed its activities in terms of Taxonomy-eligibility and Taxonomy-alignment. In the first step, the EPP N.V. Group identified the activities that are deemed to be Taxonomy-eligible based on the description provided in the Delegated

Regulations 2021/2139, 2023/2485 and 2023/2486. All types of activities described in the Delegated Acts were analyzed in terms of revenues, capital expenditures (CapEx) and operating expenditures (OpEx) of the EPP N.V. Group. It should be noted that the EPP N.V. Group did not identify new activities under Delegated Regulation 2023/2485 and 2023/2486.

In the second step, the identified Taxonomy-eligible activities within the key performance indicators of turnover, capital expenditure (CapEx) and operating expenses (OpEx) were assessed in terms of meeting the technical screening criteria, the principle of "do no significant harm" (DNSH), as well as the requirements for minimum safeguards. This analysis, both at the level of assessment of eligibility and alignment, was carried out individually for each item within the key performance indicators of turnover, capital expenditure (CapEx) and operating expenses (OpEx) in EPP N.V. Group, ensuring that each revenue, capital expenditure and operating expenditure was not included more than once in the calculations.

The main activity (from Delegated Regulations 2021/2139 and 2023/2486) recognized by the Group under the Taxonomy framework for the reporting period is 7.7. Acquisition and ownership of buildings with reference to the climate change mitigation environmental objective (Taxonomy-eligibility). This is in line with the Group's primary business of operating shopping centers:

- EPP N.V. Group generates vast majority of its revenue by renting space in the malls,
- most of the Group's capital spending is related to the buildings it owns (shopping centers), and
- predominant operating expenses are also related to the maintenance of the malls.

2.4. EU TAXONOMY

However, there are also capital expenditures that have been considered Taxonomy-eligible with reference to the climate change mitigation –relating to Installation, maintenance and repair of BMS (activities 7.5 CCM/CCA) as well as those relating to installation and replacement of energy efficient light sources (activities 7.3 CCM/CCA). There are also some capital expenditures regarding right-of-use assets that have been considered Taxonomy-eligible with reference to the climate change mitigation – lease agreements regarding cars (activities 6.5. CCM/CCA) and rental of additional office space (activities 7.7. CCM/CCA).

The next paragraph outlines how the analysis of technical screening criteria was approached for the respective buildings (in order to establish amounts that represent Taxonomy-alignment for the activity 7.7. and 7.5.).

Analysis of technical screening criteria

The EPP N.V. Group analyzed technical screening criteria for at property level. For activity 7.7. Acquisition and ownership of buildings (substantial contribution to climate change mitigation) the subject of analysis was owned buildings with considering the requirements indicated in the Delegated Regulation 2021/2139. In particular, the primary energy demand (PED) was verified based on Energy Performance Certificate (EPC) and in accordance with the guidelines of the Polish Ministry of Technology and Development. If applicable, it was assessed based on the internal documentation whether building is also efficiently operated through energy performance monitoring and assessment. As a result, the technical screening criteria concerning the primary energy demands (PED)

were not fulfilled and core activity cannot be regarded as Taxonomy-aligned.

According to the Commission Delegated Regulation 2021/2178, companies may include the cost of specific actions they've taken to improve non-aligned assets in their calculations of capital expenditures (CapEx) and operational expenditures (OpEx) that align with the EU Taxonomy. Such individual measures refer to specific actions acquired or implemented that facilitate the transition of target activities toward low-carbon practices or result in a reduction of greenhouse gas emissions. Related CapEx spent in 2024 by EPP N.V. have been isolated and screened in accordance with the TSC of Annex I to the Climate Delegated Act for substantial contribution. The compliance of the activities with the minimum requirements was stated and disclosed in category 7.5.

ASSESSING REQUIREMENTS UNDER THE "DO NO SIGNIFICANT HARM" PRINCIPLE

As part of the analysis of the activities in terms of Taxonomy-alignment, it is necessary to verify whether the requirements of the technical screening criteria and the “do no significant harm” principle, including the assessment of climate-related risks and exposure to these risks, have been met. The EPP N.V. Group analyzed owned buildings with considering the requirements indicated in the Delegated Regulation 2021/2139 for substantial contribution to climate change mitigation, including the assessment of climate-related risks and vulnerability to these risks and whether recommended adaptation solutions were implemented.

The risk assessment was carried out in the context of the twenty-eight physical climate-related hazards specified in Appendix A to Delegated Regulation 2021/2139. The first stage of the assessment involved establishing a list of climate-related hazards that affect the activities being assessed. These hazards were identified as relevant. Hazards that do not occur in the location of the business activity assessed in terms of Taxonomy-alignment and hazards that occur in a given location but do not affect any of the elements of the system enabling the assessed activity were excluded as inadequate. The second stage of the risk and vulnerability assessment concerned determining the materiality of the effects of each relevant risk on the assessed economic activities. The analysis of identified risks was carried out in the following horizon: 2030, 2050 and 2100, which meets taxonomy requirements to present at the shortest 10 and 30 years timespan. When the risks were assessed as “high” (significant) or in some cases “medium” relevant adaptation solutions are being or were implemented on the property to minimize the potential negative effects of the materialization of the defined physical climate risks. The analyses were performed using advanced tools to assess physical climate risks:

- Munich RE - databases for analyzing and assessing risks caused by natural disasters, based on the NATHAN risk score - a detailed tool that allows companies to obtain an overview of the risk situation and identify high-risk assets.
- WRI Water Aqueduct - World Resource Institute's tool to measure, map and mitigate water risk around the world using an open-source, up-to date, and high-resolution platform.

2.4. EU TAXONOMY

The adaptation solutions that are being or were implemented by the EPP N.V. Group do not have a negative impact on adaptation activities or the level of resilience to physical risks associated with the climate or other people, nature, cultural heritage, goods and other economic activities. The activities that were recognized by the EPP N.V. Group as Taxonomy-aligned make a significant contribution to climate change mitigation. Therefore, the analysis of physical climate risks and vulnerability to this risk was performed in accordance with the criteria specified in Appendix A to Annex I of Delegated Regulation 2021/2139.

Minimum safeguards

In 2024 activities of EPP N.V. were carried out in compliance with the minimum safeguards, outlined in Article 18 of Regulation 2020/852. Minimum safeguards are procedures implemented to ensure the alignment with international standards of responsible business conduct:

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

According to EU Platform on Sustainable Finance⁷, the criteria for assessing minimum safeguards compliance are:

- existence of adequate human rights due diligence and remedy procedures implemented by the company, as laid out in the mentioned OECD Guidelines and UN Guiding Principles, and lack of:
 - final liability in respect for breaches of human and labor rights, tax and competitions laws, incidents of corruption,
 - non-collaboration with a National Contact Point (NCP) or an assessment of non-compliance with OECD guidelines by an OECD NCP,
 - non-response to allegations by the Business and Human Rights Resource Centre.

Regarding human rights due diligence, EPP N.V.'s business conduct is guided by the Human Rights and Due Diligence Policy and EPP Code of Conduct, which express the company's commitment for responsible business conduct, respecting and observing human rights, avoiding significant negative impacts on human rights, conducting appropriate human rights due diligence processes.

The company committed to identifying human right risks and impacts on an ongoing basis according to the Reputational Risk Management Procedure, including analysis triggered by relevant events in the company's operations (e.g. policy change, market entry, new projects and/or services). Read more about our corporate policies on EPP Group website.

In terms of supply chain risks, EPP Suppliers Code of Conduct includes provisions that EPP N.V. expects suppliers to conduct their business responsibly, comply with the provisions of law and the ethics of business, obey applicable regulations concerning work-

ing conditions, safety of work, equal treatment in employment and cooperation, apply the principles of environmental protection and sustainable development, as well as shape their own supply chains in a similar manner. EPP conducts questionnaires to verify suppliers against selected sustainability goals.

The EPP Group, including EPP N.V., established a complaints mechanism where stakeholders can raise concerns about adverse human rights impacts (outlined in EPP Whistleblowing Rules). The undertaking publicly communicates its approach to human rights and the HRDD, through ESG reports.

During the period from September 1, 2023, to August 31, 2024, there have not been any incidents where EPP N.V. was found to be in breach of human rights, labor rights, guilty of tax laws or fair competition laws violations, guilty of corruption or bribery. Likewise, EPP N.V. did not refuse to engage in stakeholder dialogue in an OECD National Contact Point. Finally, EPP N.V. has not been approached by the Business and Human Rights Resource Centre, and therefore has not been non-responsive to the Centre in the period from September 1, 2023, to August 31, 2024.

2.4. EU TAXONOMY

SUMMARY OF KEY PERFORMANCE INDICATORS FOR EPP N.V. – KPI RELATED TO TURNOVER

Financial year 2023/24	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2023/24 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or -eligible (A.2) turnover, year N-1(18)	Category enabling activity (19)	Category transitional activity (20)
Text		EUR'000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which transitional		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7. / CCA 7.7.	81092	74%	EL	EL	N/EL	N/EL	N/E	N/EL								N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		81 092	74%	74%	0%	0%	0%	0%	0%								N/A		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		81 092	74%	74%	0%	0%	0%	0%	0%								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		28 435	26%																
TOTAL		109 527	100%																

Column 2: The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: — Climate Change Mitigation: **CCM**; — Climate Change Adaptation: **CCA**; — Water and Marine Resources: **WTR**; — Circular Economy: **CE**; — Pollution Prevention and Control: **PPC**; — Biodiversity and ecosystems: **BIO**.

Columns (5) – (10), abbreviations (Y; N; EL; N/EL): Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Taxonomy-eligible activity for the relevant objective; N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Columns (11) – (17), abbreviations (Y; N): Y – Yes, N – No (with respect to Do No Significant Harm criteria and Minimum Safeguards).

2.4. EU TAXONOMY

SUMMARY OF KEY PERFORMANCE INDICATORS FOR EPP N.V. – KPI RELATED TO CAPITAL EXPENDITURE

Financial year 2023/24	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2023/24 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		EUR'000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5. / CCA 7.5.	895	11%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Acquisition and ownership of buildings	CCM 7.7. / CCA 7.7.	232	3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1127	14%	14%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		
Of which enabling		895	11%	11%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which transitional		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7. / CCA 7.7.	5 176	62%	EL	EL	N/EL	N/EL	N/EL	N/EL								N/A		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5. / CCA 6.5.	602	7%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5. / CCA 7.5.	611	7%	EL	EL	N/EL	N/EL	N/EL	N/EL								N/A		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3. / CCA 7.3.	343	4%	EL	EL	N/EL	N/EL	N/EL	N/EL								N/A		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6 732	81%	81%	0%	0%	0%	0%	0%								N/A		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		7 859	95%	95%	0%	0%	0%	0%	0%								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		426	5%																
TOTAL		8 285	100%																

Column 2: The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: — Climate Change Mitigation: **CCM**; — Climate Change Adaptation: **CCA**; — Water and Marine Resources: **WTR**; — Circular Economy: **CE**; — Pollution Prevention and Control: **PPC**; — Biodiversity and ecosystems: **BIO**.

Columns (5) – (10), abbreviations (Y; N; EL; N/EL): Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Taxonomy-eligible activity for the relevant objective; N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Columns (11) – (17), abbreviations (Y; N): Y – Yes, N – No (with respect to Do No Significant Harm criteria and Minimum Safeguards).

2.4. EU TAXONOMY

SUMMARY OF KEY PERFORMANCE INDICATORS FOR EPP N.V. – KPI RELATED TO OPERATING EXPENDITURE

Financial year 2023/24	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023/24 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		EUR'000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which transitional			0%	0%						Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7./ CCA 7.7.	7 594	100%	EL	EL	N/EL	N/EL	N/E	N/EL								N/A		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7 594	100%	100%	0%	0%	0%	0%	0%								N/A		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		7 594	100%	100%	0%	0%	0%	0%	0%								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0%																
TOTAL		7 594	100%																

Column 2: The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: — Climate Change Mitigation: **CCM**; — Climate Change Adaptation: **CCA**; — Water and Marine Resources: **WTR**; — Circular Economy: **CE**; — Pollution Prevention and Control: **PPC**; — Biodiversity and ecosystems: **BIO**.

Columns (5) – (10), abbreviations (Y; N; EL; N/EL): Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Taxonomy-eligible activity for the relevant objective; N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Columns (11) – (17), abbreviations (Y; N): Y – Yes, N – No (with respect to Do No Significant Harm criteria and Minimum Safeguards).

2.4. EU TAXONOMY

Proportion of turnover/total turnover		
Obj.	Taxonomy – aligned per objective	Taxonomy – eligible per objective
CCM	0%	74%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx/total CapEx		
Obj.	Taxonomy – aligned per objective	Taxonomy – eligible per objective
CCM	14%	95%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx/total OpEx		
Obj.	Taxonomy – aligned per objective	Taxonomy – eligible per objective
CCM	0%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Climate change mitigation (**CCM**); Climate change adaptation (**CCA**); sustainable use and protection of water and marine resources (**WTR**); transition to a circular economy (**CE**); pollution prevention and control (**PPC**); protection and restoration of biodiversity and ecosystems (**BIO**).

2.4. EU TAXONOMY

APPROACH OF THE EPP N.V. GROUP TOWARDS COMMISSION DELEGATED REGULATION 2022/1214

The EPP N.V. Group does not engage at all in any activities related to nuclear processes and fossil fuels, as outlined in activities 4.26, 4.27, 4.28, 4.29, 4.30, and 4.31 (environmental objectives CCM and CCA). The EPP N.V. Group provides the required information in the table below covering key performance indicators for turnover, CapEx and OpEx (one collective table in accordance with the regulator's guidelines indicated in the draft Commission Notice, 21.12.2023⁸).

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	Unit
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

⁸ Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice)

3. SOCIAL INFORMATION

3.1. S1 OWN WORKFORCE

STRATEGY

SBM-2 Interests and views of stakeholders

Employee engagement is vital to maintain an innovative, motivated and committed workforce. EPP's employees are fundamental to the delivery of EPP's strategic priorities and the future development of the business.

Every year EPP conducts an Employee Satisfaction and Engagement survey amongst its employees. It is directed at people who have at least one month of work experience and is conducted by an external consulting firm, which guarantees full confidentiality and anonymity. It is a form of anonymous survey that, through appropriately specified questions, examines various areas, from satisfaction with working conditions to familiarity with the Company's strategy. In the survey employees are asked, among other things, to what extent they are satisfied with the location of the workplace, work tools, and workplace equipment. As part of this process, EPP analyses working conditions, cooperation with their supervisors, job satisfaction and identification with the Company, CSR, Diversity & Inclusion, cooperation, internal communication, work-life

balance, career development opportunities and remuneration and benefits. The survey is based on a five-point scale to encourage those who find it more difficult to express their opinions. The results are presented under five main categories, namely: strongly agree, rather agree, neutral, rather disagree, strongly disagree.

Another channel for a dialogue with employees is the "Ask a CEO" platform - an intranet form through which any employee can anonymously ask a question or submit an idea regarding, for example, changes in work organization. Questions are answered directly by the CEO or HR director, and once the answer is given, it is visible to everyone.

EPP has an open-door policy. Quarterly meetings are held with management (company-wide) where anyone can ask questions and raise issues of concern to them in the forum.

Additionally, when implementing major changes in the organization, such as the implementation of remote working, through a dedicated survey where candidates are put forward. Employee representatives are selected to represent the group and speak out.



Employees concerns can be communicated through whistleblower channels (described in ESRS G1) as well as direct communication with supervisor.

Selected groups of employees participated in the materiality assessment, during which they identified material matters for the Group.

3.1. S1 OWN WORKFORCE

STRATEGY

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business

EPP provides work for both employees under standard employment contracts and people cooperating under forms of employment other than an employment contract, later referred to as “non-employees” (details in S1-6 and S1-7). The offices are located in Amsterdam, Warsaw and Kielce, and some employees work directly in the facilities. No employees’ groups or own workforce were excluded from scope of disclosure under ESRS 2 and materiality assessment.

EPP’s workforce can be divided into:

- On-site property management: on average 1-9 per project depending on size and complexity;
- Headquarters and back office: those working in offices in Amsterdam, Warsaw and Kielce including: legal, construction, ESG, finance and accounting, lease administration, debt collection, HR and communications support, IT.

In EPP, properties are the commodity, but people are the business. EPP believes this approach to relationships enables it to create and sustain meaningful value for the stakeholders. EPP’s own workforce is essential to the successful delivery of the business mission. The employees play a crucial role in creating inclusive and comfortable spaces for the tenants and customers and ensure good working conditions for all suppliers. EPP firmly believes that

it is their responsibility to take care of the employees in acknowledgement of their positive impact on the stakeholders.

Both own employees and non-employees that EPP hires are highly-skilled and motivated. As an employer, EPP priorities decent working conditions, provide equality of treatment and career opportunities, and ensure a friendly atmosphere at the workplace with a key focus on human rights protection. The HR Director is responsible for the implementation of the HR strategy and ensuring it aligns with EPP’s wider strategy.

No part of EPP’s own operations was identified as at risk of incidents of forced or child labour.

High staff turnover and difficulty in retaining skilled employees may pose a significant risk to the Company’s ability to effectively manage its properties. The loss of experienced personnel can lead to knowledge gaps, decreased operational efficiency, and a decline in service quality. Additionally, the need to constantly recruit and train new employees can incur substantial costs and disrupt workflow. A shortage of qualified staff may result in increased workload for remaining employees, potentially leading to errors, burnout, and further attrition. These factors collectively impact the Company’s ability to meet its operational goals and maintain strong client relationships. Furthermore, a lack of diversity and inclusion within the workforce may hinder the Company’s ability to attract and retain top talent, limit innovation, and negatively impact its reputation.

To mitigate these risks and foster a sustainable business, EPP is committed to implement strategies that prioritize employee well-being, professional development, and good work-life balance.

3.1. S1 OWN WORKFORCE

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

S1-1 Policies related to own workforce

EPP's employees and non-employees are provided with several policies assuring material matters and employment are respected:

- EPP Code of Conduct
- EPP Whistleblowing Rules
- Diversity Policy
- Human Rights and Due Diligence Policy
- EPP Anti-Corruption Policy
- Reputational Risk Management Procedure at EPP
- Ethical Marketing & Communications Policy

Employment regulations and procedures, listed below are implemented by EPP's HR Director:

- Work Regulations
- Remuneration Regulation
- Counteracting Mobbing Regulation
- Qualification Policy
- Apprenticeship Policy
- Training Policy
- Language Learning Procedure
- Remote Working Procedure

All documents listed above are available for employees and non-employees in the intranet and are communicated to all new employees during the onboarding process. Every year EPP organizes Code of Conduct training sessions that are mandatory for all employees. Any key changes are communicated through email, and additional meetings are organized in some specific cases (ex. for the Remote Working Procedure).

EPP adopted the **Human Rights and Due Diligence Policy** in which it commits to respect and observe human rights, avoid significant negative impact on human rights, conduct appropriate human rights due diligence process, including rules against use of forced labour or child labour. The said policy mainly covers social issues, however, it also lays emphasis on human rights in business. It stresses the lack of acceptance for any form of corruption, the need to process personal data in accordance with the law, and the importance of due diligence in the supply chain. The Policy principles represent the values indicated in the OECD Guidelines, the UN Guidelines, the Declaration and the Bill of Human Rights.

In the **Code of Conduct** EPP presents its fundamental values and standards and is implemented by the Board of Directors. The Code states that the ambition of EPP in its business is sustainable development. It further states that EPP aims to take measures to ensure that business activities are conducted in a fair and transparent manner. The Code of Conduct also imposes responsibility for applying the code at the management level, which is in charge of its implementation, application, and monitoring. The Code commits to applying the said principles, and assigns the task of monitoring compliance with its provisions to the Director of the Legal Department and the HR Director. In its Code of Conduct, the Company emphasized the transparency rule, respect for diversity, commitment to combating all forms of discrimination, and rules of personal use of the Company's equipment and facilities. The Code of Conduct also lays down the rule of fair competition, security (including cybersecurity), reliability of financial reporting, zero tolerance for corruption, handling conflicts of interest, business secrets, and confidential information. Any doubts that may arise from its application are also covered and any doubts regarding compliance with the law, business ethics, or principles of fair competition should be

reported to a direct superior or the Ethics Committee. EPP has committed to act in accordance with fair business, marketing, and advertising practices and take all reasonable steps to ensure the quality and reliability of the services it provides. The said code requires EPP to comply with the applicable law, including but not limited to labour law, tax law, and competition law. The principles established in the Code of Conduct are fundamentally compliant with the values recognized in the OECD Guidelines, the UN Guidelines, the Declaration and the Bill of Human Rights.

EPP's **Diversity Policy** promotes and supports multi-diversity in the organization, gender parity in the Board of Directors, the principle of equal treatment of employees, prevents discrimination or conduct that violates human dignity, thus relying on the principles indicated in Chapter IV, principle 1e of the Chapter V of the OECD Guidelines, the UN Guidelines in terms of human rights protection, the Declaration (especially in Discrimination (Employment and Occupation) Convention, 1958 No. 111) and the Bill of Human Rights. It condemns any forms of discrimination, including based on age, discrimination of employees returning to work after a long absence, and other forms of discrimination. Additionally, to guarantee implementation and protection of the diversity internally, EPP adopted an **Anti-mobbing Regulation** in which internal anti-mobbing policies and liability for mobbing have been set out and defined.

EPP also adopted the **Ethical Marketing & Communications Policy** in which it asserted that EPP views transparent communications, both internal and external, as the key element of any sustainable development strategy. The Policy is also intended as a measure to combat greenwashing and communication is expected to proceed in the spirit of and in line with ESG requirements. The document sets out rules for ethical communication at EPP (being transparent,

3.1. S1 OWN WORKFORCE

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

respectful, avoiding colour washing) and provides information on diversity and inclusion in communications.

In order to ensure its appropriate operations, the Company adopted **Whistleblowing Rules**. According to this document, the Board is responsible for the implementation, application and monitoring of the whistleblowing system. The Rules also impels employees to report misconduct and sets out the ways to report any misconduct or incidents. It also includes a data privacy clause, fulfilling the information obligations laid down in Articles 13 and 14 of the GDPR. The said policy is broadly compliant with the general principles indicated in the OECD Guidelines and the UN Guidelines.

The **Anti-Corruption Policy** promotes the rule of zero tolerance for corruption as well as lays down the principles of integrity, reliability, credibility, and transparency. The purpose of the Policy is to prevent, detect, and appropriately respond to events that may constitute corruption and which may occur in the course of business activity conducted by the Company. It also sets out principles for preventing and combating corruption, defines the meaning of the term corruption, includes rules related to giving gifts, determines the consequences of non-compliance with the rules laid down by this policy, and suggests what to do in case of doubts or observed violations. The responsibility of the Board of Directors with regard to the Policy and assessment of the risk of corruption in the Company's activities as well as the responsibility of the Director of the Legal Department to apply the Policy to address doubts and offer training have been set out. The Policy makes it mandatory to prevent and report cases of corruption. It also introduces rules on gifts and donations. Furthermore, the protection of personal data in connection with the application of the Policy is mentioned.

The scope of this Policy covers the objectives of Chapter VII of the OECD Guidelines.

Accident prevention

Occupational health and safety is a strategic priority for EPP, with a primary objective to prevent accidents and safeguard the well-being of the workforce. EPP places a strong emphasis on working conditions, recognizing the legal requirement to create a healthy and safe environment, and understanding that the actions positively influence employees' behaviour. Beyond legal compliance, the occurrence of accidents could expose the Company to reputational risk and potential fines. EPP has implemented health and safety procedures, including instructions on occupational risks for employees working in administrative and technical job positions. EPP has internal procedures and guidelines that address circumstances that may occur during operational activities. EPP manages health and safety matters of its employees through a management system, in line with labour regulations. The system is provided by external service. Employees are informed about the work-related risks through occupational risk assessments, and updates are provided when conditions affecting work change. Documents confirming the employee's familiarization with the occupational risk assessment are kept in the personnel files. Health and safety training is conducted for each employee in accordance with labour law provisions, and confirmation of training is stored in personal files. As employees do not perform hazardous activities, no additional training is conducted. Employee accidents are monitored on an ongoing basis, both inside and outside of the workplace.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

EPP maintains two-way open and honest communication about business objectives, values and employee expectations to ensure the EPP strategy and targets are met. EPP consults with employees and encourages their feedback on relevant matters relating to working conditions in order to understand and address concerns and maintain the relationship.

The level of engagement with employees is monitored through a yearly Employee Satisfaction and Engagement survey. The results of the survey are later discussed with the EPP's Board. The results of the survey and undertaken actions are later communicated to the employees by the CEO.

An additional channel of communication for employee's engagement is the "Ask a CEO" platform (described above in S1 SBM-2), where each employee can anonymously submit a question, proposal for solution or changes in the Company to the CEO. Furthermore, quarterly meetings with CEO and employees are held, and the results of the platform communications are presented at those meetings.

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IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

EPP aims to eliminate any negative impacts by implementing a set of detailed policies and procedures, e.g. the Code of Conduct, the Diversity Policy, the Human Rights and Due Diligence Policy or the Anti-Corruption Policy. Policies are recapped to all the employees during the Code of Conduct training sessions and are available on the intranet. Additionally, HR Director reminds all employees working in facilities of the Policies during on-site visits, twice a year.

EPP is committed to as promptly as possible discover any possible misconducts or incident and threats that are or may be related to its activities, safety of employees, associates and business partners. Information about a misconduct or an incident or a reasonable suspicion that it may have occurred or may occur, is to be passed using one of the channels indicated below ('Whistleblowing Channels'). All employees can raise their concerns using the whistleblowing system available to both internal and external stakeholders. In the event of any irregularities or negative impact, EPP takes corrective steps.

As part of the monitoring of the effectiveness of the whistleblowing system and undertaking follow-up actions, EPP periodically conducts an analysis of the notifications made, the follow-up actions taken on the basis of the notifications, and the results of the follow-up actions.

EPP undertakes all technical and organizational measures to preserve the confidentiality of the information concerning reports, whistleblowers and persons referred to in the reports. A whistleblower's personal data or other data enabling the discovery of his or her identity shall not be disclosed to persons other than those who take follow-up actions, unless the whistleblower has expressly agreed thereto.

EPP does not take any retaliation actions against persons who report a misconduct or incident under these Whistleblowing Rules. Such persons are protected against unfavourable treatment, including, but not limited to, termination of employment, remuneration cuts, as well as other adverse changes to their employment conditions. Protection against retaliation does not limit the right of EPP to make decisions regarding the employment or cooperation justified by objective reasons unrelated to any report of misconduct or incident.

Whistleblowing procedure is described in detail in Chapter G1-1

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

EPP recognizes its impacts on its own workforce and the related risks driven by factors such as wage pressures, talent shortages, and the risk of losing key personnel. To mitigate those risks, the Group is committed to prioritize creating a positive work environment. This includes implementing fair employment practices, ensuring safe working conditions and preventing discrimination, EPP invests in employee development, offers competitive compensation and benefits, and fosters a culture of well-being. Its efforts include internal training programs, career advancement opportunities, and a focus on work-life balance. By fostering a positive and inclusive work culture, EPP aims to attract and retain top talent. Additionally, the Group encourages employee engagement through volunteering and social activities. At the same time, these actions translate into opportunities to acquire qualified personnel, reduce employee turnover, and foster a positive reputation among the community as a reliable employer.

3.1. S1 OWN WORKFORCE

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

EPP takes the following actions to mitigate risks and pursue opportunities regarding own workforce:

→ Dialogue with own workforce

EPP believes that monitoring satisfaction and engagement is key to determining the strengths and areas for improvement. The material goal is to conduct the Employee Satisfaction and Engagement surveys annually, monitor the working environment and respond to employee needs. As part of this process, the Group analyses the working conditions, cooperation with supervisors, job satisfaction and identification with the Company, Diversity & Inclusion, cooperation, internal communication, work-life balance, work content, career development opportunities, as well as remunerations and benefits. The survey is based on a five-point scale to encourage the participation of those who find it more difficult to express their opinions. The results are presented under five main categories: strongly agree, rather agree, neutral, rather disagree, strongly disagree.

→ H&S and well-being

EPP offers and fully finances private medical services for all employees. Additionally, it offers voluntary health promotion and prevention programmes to address non-work-related health risks, including illnesses associated with lack of physical activity, stressful situations and unhealthy eating habits. In this reporting cycle, we launched initiatives focused on ergonomics of working at the computer, digital stress and job burnout. The highlights include:

- Numerous initiatives supporting the mental and physical health of the employees
- Cafeteria system with wide range of services/courses/ consultations referring to health and healthy lifestyle

- Health-related webinars
- Private medical healthcare
- Promotion of healthy lifestyle (sport initiatives and sport card)

→ Training and development

Investing in professional training and development of talents is of key importance for EPP's business. The professional development of employees is a motivational factor, driving innovation and the competitive edge in the business. EPP believes that professional growth positively impacts the collective performance as a business with well-trained and satisfied employees. EPP's satisfaction survey results showed that employees' development boosts the overall employee satisfaction, may keep the retention rates low and encourages potential employees to join the organisation response. EPP is committed to adjusting the development opportunities for each employee based on development conversations and training programmes on relevant skills on an annual basis. Development conversation is a meeting to diagnose the employee's level of competence. It is an annual meeting with the supervisor to summarize the most important projects and tasks. On this basis, a development plan and goals for the coming year are identified and set together with the supervisor. During the reporting period, EPP has provided training sessions for employees covering numerous topics (both soft and hard skills).

→ Diversity and equal opportunities

EPP believes that diversity is essential in the workplace, and we are committed to creating a diverse and inclusive environment within the Company. EPP is a signatory of the Diversity Charter, a written commitment requiring the Group to implement an equal treatment policy and diversity management, in addition to a proactive preven-

tion of discrimination and bullying in the workplace, coordinated by the Responsible Business Forum. By signing the Diversity Charter, we have made a commitment to create a non-discriminatory workplace and to introduce policies that promote and support diversity. EPP believes that diversity is essential in the workplace, and is devoted to creating a diverse environment within the Company. The Group has implemented a Diversity Policy based on the objective of creating a workplace that respects all employees, regardless of gender, age, disability, health, nationality, ethnicity or religion. The Diversity Policy is built on three main pillars: equal opportunities during the recruitment process for managerial positions, managing age diversity to achieve a greater sense of professional stability among employees, and an initiative to support individuals returning to work after a long absence by providing professional support. Examples of such a support include training, mentoring and individual discussions depending on the employee's individual needs. Within the Diversity Policy, EPP aims to ensure equal pay for men and women to promote fairness and avoid gender discrimination within the organization. All new employees must complete an online training on diversity and inclusion. To enhance diversity and inclusion in 2024, May was chosen as the Diversity Month in the EPP Group and dedicated webinars with experts were held. On 15 May EPP celebrated the Family Day and worked 2 hours less.

3.1. S1 OWN WORKFORCE

METRICS AND TARGETS

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of ESG Strategy for the period 2021-2025, EPP has set goals regarding its own workforce, with most of them achieved in 2024. The implementation of the targets is monitored by the owners of each area in the organization, and the result is published annually in ESG reports. The base year in the strategy was set to 2020. The stakeholders were not involved in the works. The results presented do not include employees who joined EPP N.V. after taking over property management from the Horse Group's portfolio, as they joined the organization as of May 2024. Inactive employees, i.e. those on extended sick leaves and parental leaves, are not included in the calculations.

As part of the work on strategy, a questionnaire was distributed among relevant internal stakeholders appointed by the EPP's management in order to obtain their views on the ESG aspects that may be material to the Company and themselves.

In the next fiscal year, EPP plans to set a strategy for the following years, reflecting the Group's current structure and workforce structure.

STRATEGIC AREA	2025 TARGET*	BASE YEAR RESULT*	2023 RESULT*	2024 RESULT*	PROGRESS
Care of our people	Annual Employee Satisfaction and Engagement survey	n/a	Performed (82% of employees participating)	Performed (87% of employees participating)	Achieved
	Employee Turnover Rate at 8-12%	14%	5.7%	3.2%	In progress
	100 % of employees covered by employee development program	n/a	88%	95%	In progress
	16h of training hours by employee	4.5	28.8	18	Achieved
	48-52% of women in key managerial positions	47%	49%	51%	Achieved
Health & Safety	0 (zero) accidents of employees	n/a	0	0	Achieved

* Encompasses both employees and non-employees, with the exception of the people who moved to EPP from Horse Group Sarl in May 2024

3.1. S1 OWN WORKFORCE

METRICS AND TARGETS

S1-6 Characteristics of the undertaking's employees

At the end of the FY 1.09.2023-31.08.2024 EPP N.V. employed 200 employees – 119 female and 81 male. Majority of employees are located in Poland with 3 employees in The Netherlands. All HR data comes from the HR and payroll system and is presented as a state for 31.08.2024 in the number of persons.

S1-6 Basic information on employment - breakdown by type of contract for persons employed under employment contracts

GENDER	FY 1.09.2023-31.08.2024				
	FEMALE	MALE	OTHER	NOT REPORTED	TOTAL
Persons employed under employment contracts	119	81	0	0	200
Persons employed under employment contracts for an indefinite period	98	75	0	0	173
Persons employed under employment contracts for a definite period	21	6	0	0	27
Persons on non-guaranteed hours employment contract	0	0	0	0	0
Persons employed on the basis of full -time employment contract	112	73	0	0	185
Persons employed on the basis of part -time employment contract	7	8	0	0	15

S1-6 Basic information on employment - breakdown by gender of persons employed under employment contracts

GENDER	NUMBER OF EMPLOYEES
PERIOD	FY 1.09.2023-31.08.2024
Female	119
Male	81
Other	0
Not reported	0
Total employees	200

S1-6 Basic information on employment - breakdown by country with significant employment levels for persons employed under employment contracts

COUNTRY	NUMBER OF EMPLOYEES (HEAD COUNT)
PERIOD	FY 1.09.2023-31.08.2024
Poland	197
The Netherlands	3

3.1. S1 OWN WORKFORCE

METRICS AND TARGETS

S1-6 Rotation Index

PERIOD	FY 1.09.2023-31.08.2024
Number of people employed under employment contracts (number of people) who left the organization during the reporting period	17
Turnover rate in the period 1.09.2023 - 31.08.2024	8,5%

The turnover rate was calculated as quotient of the number of people employed under employment contract who left the organization in the FY 1.09.2023-31.08.2024 and number of people employed by the organization under the employment contract – status for the last day of the FY 1.09.2023-31.08.2024.

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

In the table below the summary of non-employees in the own workforce is presented. EPP N.V. cooperates with 82 non-employees under B2B contracts cooperation and 5 under civil-law contracts. The division of these employees by the gender is presented below.

S1-7 Basic employment information - Persons cooperating with the entity on the basis of contracts other than an employment contract

PERIOD	FY 1.09.2023-31.08.2024			
CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE	FEMALE	MALE	OTHER	NOT REPORTED
Number of persons under civil-law contracts (order contracts and specific-task contracts)	2	3	0	0
Number of persons under cooperation (B2B contracts)	35	47	0	0
Number of persons working under contracts with temporary employment agencies	0	0	0	0

S1-8 Collective bargaining coverage and social dialogue

In reporting period, there were no collective bargaining agreements at EPP N.V. Group.

3.1. S1 OWN WORKFORCE

METRICS AND TARGETS

S1-9 Diversity metrics

For EPP N.V. diversity and inclusion metrics are very important as it was stated in the description of policies in ESRS S1-1. The table below presents division of employees by age groups and gender. The majority of EPP N.V. employees in every age group are female. The division by gender among executive members is described in GOV-1.

S1-9 Information on diversity among persons employed under employment contracts

PERIOD	FY 1.09.2023-31.08.2024			
TOTAL NUMBER OF PERSONS EMPLOYED ON THE BASIS OF THE EMPLOYMENT CONTRACT IN AGE GROUP DIVISION	FEMALE	MALE	OTHER	NOT REPORTED
Total number of persons, including:	119	81	0	0
Age group: more than 50	18	22	0	0
Age group: 30-50	86	52	0	0
Age group: under 30	15	7	0	0

S1-10 Adequate wages

The adequate wage was analyzed taking into account minimum wages in the countries where EPP N.V. had employees in FY 1.09.2023-31.08.2024. It was identified that all of the employees have been receiving a wage above the adequate wage.

S1-11 Social protection

All employees are covered by social protection under public programs in accordance with the local labour law.

S1-12 Persons with disabilities

The share of people with disabilities in EPP N.V. in reporting period was 0,5%.

S1-12 Persons with disabilities employed under employment contracts

PERIOD	FY 1.09.2023-31.08.2024
Percentage of employees with disabilities	0,5%

3.1. S1 OWN WORKFORCE

METRICS AND TARGETS

S1-13 Training and skills development metrics

The average number of training hours for women was 15,29 and for men 8,04. The difference between the genders is caused by a greater interest in development training among the women's group. The main topics of trainings in FY 1.09.2023-31.08.2024 were effective negotiations and communication in business, and team workshops.

S1-14 Health and safety metrics

All employees undergo occupational medical examinations as part of health and safety management system, according to the local labour law. Newly hired employees undergo initial examinations and existing employees are required to undergo periodic occupational medical examinations every few years, along with check-ups for sick leave exceeding 30 days.

In FY 1.09.2023-31.08.2024 in EPP N.V. there were no accidents among employees employed under an employment contract, contracts other than an employment contract as well as people employed by subcontracting companies working on-site.

EPP N.V. did not record cases of registered occupational diseases, incapacity for work due to injuries at work/ill health as a result of work therefore the rate of accidents at work is 0.

S1-13 Training and Development talks statistics

AVERAGE NUMBER OF TRAINING HOURS PER PERSON	FEMALE	MALE	OTHER	NOT REPORTED
Senior management	20,17	12,56	0	0
Persons performing managerial functions	30,36	4,30	0	0
Other persons employed by entity	13,37	7,98	0	0
Average number of training hours per person	15,29	8,04	0	0
PERCENTAGE OF PERSONS EMPLOYED UNDER AN EMPLOYMENT CONTRACT IN DEVELOPMENT TALKS	FEMALE	MALE	OTHER	NOT REPORTED
Senior management	80,00%	50,00%	0	0
Persons performing managerial functions	87,50%	50,00%	0	0
Other persons employed by entity	85,07%	100,00%	0	0
Total	85,00%	84,38%	0	0

EPP N.V. completed 85% of planned development talks with female employees and 84,38% with male employees. The proportion of development talks per all employees was 0,48, with 0,57 for women and 0,33 for men.

S1-13 Number of development interviews per person employed under an employment contract

	FEMALE	MALE	OTHER	NOT REPORTED	TOTAL
Number of development interviews per person employed under an employment contract	0,57	0,33	0	0	0,48

3.1. S1 OWN WORKFORCE

METRICS AND TARGETS

S1-15 Work-life balance metrics

EPP N.V. assumes that basing on local laws in Poland and The Netherlands 100% of female and male employees were entitled to parental leave and in FY 1.09.2023-31.08.2024 9,24% women and 2,47% men that took the parental leave.

S1-15 Family related leaves

PERIOD	FY 1.09.2023-31.08.2024			
	FEMALE	MALE	OTHER	NOT REPORTED
% of people with employment contracts entitled to parental leave in the total number of people employed under employment contracts	100,00 %	100,00 %	- %	- %
% of people with employment contracts entitled to parental leave that took the parental leave	9,24 %	2,47 %	- %	- %

S1-17 Incidents, complaints and severe human rights impacts

No incidents regarding discrimination, severe human rights issues and incidents were reported during the reporting period.

No fines, penalties or compensations have been imposed.

S1-16 Compensation metrics (pay gap and total compensation)

Gender Pay Gap in EPP N.V. was calculated as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. It includes all employees' gross hourly pay level under the standard contract of employment. People on long-term sick leave were excluded from the calculation.

To calculate the gender pay gap the following formula was used:

(Average gross hourly pay level of male employees - average gross hourly pay level of female employees) / Average gross hourly pay level of male employees.

The Gender Pay Gap for EPP N.V. is 11,29%. The breakdown by employee category is provided in the table below. It is worth noting that in the group of senior management the group that earns more are women.

S1-16 Detailed information on the unadjusted pay gap

GENDER PAY GAP	GENDER PAY GAP
	FY 1.09.2023-31.08.2024
Average gross hourly pay for employees employed under an employment contract	11,29%
AVERAGE GROSS HOURLY PAY	
Senior management	-13,84%
Persons performing managerial functions	24,65%
Other persons employed by entity	1,13%

The CEO pay ratio, which expresses the ratio of the highest paid person in the organization to the median salary of all other employees during the reporting period at EPP N.V. was 49.55.

3.2. S2 WORKERS IN THE VALUE CHAIN

STRATEGY

SBM-2 Interests and views of stakeholders

EPP recognizes the integral role of value chain workers in its own operations. These individuals are the workforce of EPP's direct suppliers and employees of the tenants in EPP's properties. Although indirect, value-chain workers' contributions are essential to EPP's success. EPP commits to protect their rights and interests and to ensure that value chain workers are treated with dignity and respect. EPP strictly prohibits child labour, forced labour, and human trafficking, and wants to uphold the highest standards of human rights and work practices across its supply chain. EPP also advocates fair labour practices, a safe working environment and supports ethical employment standards as well as workers' well-being.

The group of stakeholders consisting of the workers of EPP's tenants is regularly engaged in EPP's processes and activities by regular tenant surveys performed by external entities, industry meetings, events and trade fairs, and EPP Connect – a digital app allowing communication from and to the tenants. EPP is conducting also satisfaction surveys among its tenants, in which they are asked i. a. about safety, cleanliness and technical support matters. Between 2022 and 2024, all EPP CORE shopping centres were included in the surveys.

Representatives of workers in a value chain were included in the materiality assessment and involved in filling-in the survey and in-depth interviews. Impacts on employees in the value chain were investigated as one of the potentially material topics.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Workers in EPP's value chain consist of diverse groups of people and sectors. EPP recognises that impacts on value chain workers, along with associated risks and opportunities, are linked to its business strategy.

All groups described below were included in the scope of materiality assessment and in this report.

Types of value chain workers that are subject to material impacts include:

- **Upstream:** Workers employed by the suppliers. There are few groups of workers, but the most important encompasses cleaning and security services doing physical work. There are also groups of office workers, for example business consulting, accounting and banking services.
- **Downstream:** Workers downstream the value chain are employed by EPP's retail and office tenants, including retail chains, markets, food court, leisure and entertainment chains, restaurants.

No significant risks of child labour, or of forced or compulsory labour among workers in the value chain have been identified in the described groups in any of the locations.

EPP recognizes the potentially negative impacts in terms of occupational health and safety of employees of EPP's suppliers and tenants at the properties. Failure to follow proper procedures, or to exercise due diligence, can lead to workplace accidents among these groups and cause negative consequences for their health. EPP manages those impacts by requiring all suppliers and contractors to commit to EPP Suppliers' Code of Conduct and EPP Tenants Code of Conduct.

No material risks and opportunities related to workers in the value chain were identified in the materiality assessment conducted in 2024.

3.2. S2 WORKERS IN THE VALUE CHAIN

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

S2-1 Policies related to value chain workers

EPP's Code of Conduct does include fundamental values and the standards by which EPP is guided and which it applies as part of its business activity, and the observance of which EPP also expects from members of its corporate bodies, employees, associates, and contractors. This Policy is described in details in Chapter S1.

The main guiding policy for managing material impacts on value chain workers is EPP's Suppliers' Code of Conduct for the upstream value chain and EPP Tenants Code of Conduct for the downstream value chain. The condition for establishing and maintaining cooperation with EPP is that the suppliers and tenants are familiar with the Codes, declare that they will apply in practice the principles set out in the Code and that they actually do so. Both policies include the obligation condemning and prohibiting all child and forced labour practices.

The **Suppliers' Code of Conduct** is a policy aimed at ensuring that EPP's suppliers work according to the ethics code and maintain a responsible supply chain in their operations. The list of principles that the suppliers are required to follow include working conditions standards, human rights, diversity and inclusion principles, occupational health, and safety measures. When signing the cooperation agreement, all suppliers must agree to apply in practice the principles set out in the Code and to fill-in a verification questionnaire and the Suppliers Declaration attached to the Code. The Legal Director is responsible for monitoring the Code.

EPP Tenants Code of Conduct outlines EPP's expectations regarding tenant employment practices. It covers working conditions, occupational safety, and equal treatment in employment and cooperation. The Code is attached to every new lease agreement, and all tenants must agree to comply with the principles outline in the Code.

Additionally, **EPP Human Rights Policy** applies to all the employees, customers, suppliers and contractors who are associated with the EPP Group and is available to workers in the value chain on EPP's website. In this Policy EPP strongly opposes underage labour as well as any form of forced service or labour. Furthermore, EPP does not condone any form of human trafficking.

EPP's suppliers were required by the Suppliers' Code of Conduct to declare that they will endeavour to shape their own chains of supply of services and products in such a way that their business partners are guided by at least the values and principles set out in this Code. The Code also applies to their supply chains. The document concerns the values indicated in the OECD Guidelines, the UN Guidelines, the Declaration and the Bill of Human Rights.

The Company adopted the Human Rights and Due Diligence Policy in which it commits to respect and observe human rights, avoid significant negative impact on human rights, and conduct an appropriate human rights due diligence process. This Policy mainly covers social issues but also emphasizes human rights in business. It highlights the principle of non-acceptance of any form of corruption, processing of personal data in accordance with the law, and due diligence in the supply chain. The Policy principles represent the values indicated in the OECD Guidelines, the UN Guidelines,

the Declaration and the Bill of Human Rights. The Policy defines human rights responsibilities and states that EPP is identifying human rights risks and impacts on an ongoing basis according to the "Reputation Risk Management Procedure".

S2-2 Processes for engaging with value chain workers about impacts

As the publication of this report EPP has not implemented a systematic approach to engage with workers in the value chain. This topic will be developed further, and aligned with the Group's goals set out in the 2021-2025 Strategy and as part of the development of the strategy for the following years.

3.2. S2 WORKERS IN THE VALUE CHAIN

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

In the area of health and safety, EPP analyses the causes of accidents and takes corrective measures. In addition to the standard repair of the possible flawed infrastructure that caused an accident, EPP pays attention to this factor in other locations. EPP makes sure that all subcontractors follow health and safety rules and regulations, and the Group inspects the facilities. Several times a year (every 3-4 months) internal health and safety audits are held. i.e. a local visit is made by the facility manager during which technicians and employees of subcontractors are interviewed. After each such visit, a summary report is prepared and sent to the director of the property in question.

EPP uses a feedback mechanisms as a direct contact and dialogue between workers in the value chain and teams managing the facility. Contact can be made directly with the administration of the building or indirectly through email available on the website and in social media. EPP plans to develop anonymous channels of communication for workers in the value chain in the following years.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

EPP recognizes its responsibility to the workers throughout the value chain and prioritizes the well-being of these workers, focusing on their working conditions, health and safety, and human rights. EPP undertakes a range of initiatives related to workers in the value chain. A key focus is encouraging suppliers to adhere to the Suppliers' Code of Conduct. Additionally, the Group emphasizes sustainability by conducting supplier's surveys that include questions related to employment practices and occupational health and safety.

EPP consistently conducts health and safety audits of the properties. Already 100% of the owned properties received a certificate confirming that the facility has been assessed in terms of the implementation of a labour law requirement in the area of occupational health and safety management. Conducting audits allows gathering information about the measures that should be implemented in other properties to meet the relevant safety requirements. Audits in facilities are conducted by the local management department. The department is also responsible for monitoring accidents and undertaking actions in response to possible incidents.

No severe human rights issues or incidents were reported in period 1.09.2023-31.08.2024.

3.2. S2 WORKERS IN THE VALUE CHAIN

METRICS AND TARGETS

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the ESG 2021-2025 Strategy, EPP has implemented targets related to workers in the value chain which are described in the table below. Managing value chain employees and setting targets in this area will be the subject of work on the Group's ESG strategy for the coming years.

STRATEGIC AREA	2025 TARGET*	BASE YEAR RESULT*	2023 RESULT*	2024 RESULT*	PROGRESS
ESG risk management	100 % of key suppliers (contract value above EUR 100K) going through ESG assessment	n/a	50%	100%	Achieved
Health and safety	0 (zero) accidents of visitors, tenants and subcontractors caused by EPP's negligence	n/a	0	0	Achieved
	100% of assets under health and safety external audits	n/a	50%	100%	Achieved

* Encompasses both EPP-owned and managed properties, with the exception of Power Park Olsztyn and the Horse Group Sarl portfolio whose management transitioned to EPP in 2024

3.3. S4 CONSUMERS AND END-USERS

STRATEGY

SBM-2 Interests and views of stakeholders

As far as consumers and end-users are concerned, the key stakeholders of EPP N.V. are the visitors of EPP's real estates, especially all current and potential shoppers at EPP-managed retail properties. Shoppers are the reason for the existence of the shopping centres. Visitors and their purchases stand behind not only the success of a given property, but above all, the EPP's business as such and its feasibility.

Current and potential shoppers at EPP-managed retail properties come from all groups of people: women, men, youth and children, people with disabilities, Polish residents, foreigners and tourists. The goal of EPP is to make every person visiting its facilities welcome.

As the manager of shopping centres, EPP prioritizes an open dialogue with its shoppers. This engagement strategy aims to create a positive shopping experience and ensure the long-term success of its properties. The key components of this strategy include:

- Listening to customer feedback: EPP collects and analyses customer opinions through a satisfaction survey (described in S4-2) to identify areas for improvement.
- Quick response: EPP promptly addresses negative trends and issues, as this is essential for maintaining customer satisfaction.
- Proactive communication: EPP engages with shoppers and local communities through various channels, fostering a sense of connection.
- Loyalty programs: marketing initiatives are designed to encourage repeat business and build customer loyalty.

- Market insights: regular feedback provides valuable information about market needs, guiding EPP's offerings and marketing strategies.

By prioritizing customer engagement, EPP strives to create a welcoming and attractive shopping environment that meets the evolving needs of its visitors.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business mode

Being the manager of the properties, EPP provides customers with information about the commercial offer, events, promotions and practical aspects of visiting the centre (e.g. opening hours or the location of shops). Shopping centres managed by EPP offer a wide range of products and services, thus expanding the range of products for various consumer groups. The company therefore exerts influence in terms of the information provided and is responsible for ensuring that it is up-to-date, reliable and easily accessible, and marketing communication is conducted in a responsible manner that neither discriminates against any social group nor misleads consumers. Furthermore, given the advancement of technology and collection of customer data, privacy issues are becoming increasingly important. By collecting customer data, EPP can personalise the offer, thus boosting customer satisfaction, while ensuring privacy protection in accordance with the law. EPP is also responsible for ensuring safety conditions in the shopping centres, which includes, among others, maintaining cleanliness and order,

as well as protecting the personal safety of customers and ensuring accessibility for people with disabilities.

One of the pillars of EPP's ESG strategy is Space for Everyone, which sets the goals in terms of health and safety of consumers and end-users. The following are the priorities:

- Ensuring that all health and safety rules are obeyed for visitors of our shopping malls and offices, which is confirmed by realization of health and safety external audits.
- In addition to health and safety assurance, all shopping malls and offices are audited to meet the accessibility standards by the Foundation of Integration (Polish: Fundacja Integracja), the leading Polish NGO that acts for the benefit of people with disabilities.
- As of the date of this report, three out of our five properties in EPP Core received the Certificate of Architecture Accessibility and a Product or Service Accessibility Certificate.
- In its strategy of managing real estate assets, EPP takes into account the risks and opportunities resulting from the impacts on the visitors. Strategy and business model are shaped to assure that the assets are attractive, safe and accessible for the visitors, especially taking into account visitors with special needs.

3.3. S4 CONSUMERS AND END-USERS

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

The most common positive impacts have been identified in the area of accessibility:

- Toilets for people with disabilities, mother and child rooms, where EPP is adjusting the type of existing fittings, devices, handrails, mirrors, etc. and their appropriate location in toilets, installing and adjusting emergency call systems, correcting the location of intercoms, light switches, etc., and adjusting info kiosks (touch screens) for people with disabilities.
- Common space / passages / area in front of the shopping centres, where EPP is launching a sign language interpreter service, induction loops at information points, creating of rest areas in the building and outside adapted for elderly persons and persons with limited mobility, launching sound signals in elevators, contrasting marking of stair steps, eliminating thresholds and installing horizontal warnings for visually-impaired persons in front of pedestrian crossings.
- Parking lots where EPP ensures that the number of parking spaces at each facility is no less than 2% of the total number of available spaces and those spaces are located close to the entrances.

The process of understanding of the needs of consumers and end-users with particular characteristics is important for EPP, therefore, the process of certification of the assets begun in 2022. It was conducted by the Fundacja Integracja and since then EPP has been effectively implementing solutions as a direct follow-up of reports prepared by the Auditors. In terms of implementation, navigation and communication systems for people with visual disabilities are the most challenging to implement. Commercial facilities are sometimes quite complex and, most importantly, they are constantly changing. The location or size of the premises, tenants or finally the arrangement of space in common areas changes.

Each change requires a change in the navigation system, which generates additional costs. People with visual disabilities usually move around commercial facilities accompanied by guides. In order to help people who move independently we have ensured that companies providing security services at the facility prepare instructions for assistance in case a visually-impaired person appears at the facility. Some architectural barriers are also a problem, particularly those located outside the area belonging to the facility or leading towards the facility. It is not always possible to introduce changes to improve architectural accessibility.

S4-1 Policies related to consumers and end-users

The most important policies in terms of consumers and end-users are:

- **The Ethical Marketing & Communication Policy**
Publicly available policy about marketing practices. Described in details in S1-1. In terms of consumers and end-users it is important to underline that this policy creates the conditions of transparent communications, both internal and external, as a key element of any sustainable development strategy. The Policy is also intended as a measure to combat greenwashing and communication is expected to proceed in the spirit and in line with ESG requirements. The document provides rules for ethical communication at EPP (being transparent, respectful, avoiding colour washing) and provides information of diversity and inclusion in communications.

- **Internal Policies and procedures relating to the GDPR and data privacy**, i.e., privacy policy, personal data protection policy, personal data processing (transparency), infringement notification procedure.
- **The procedures for submitting complaints at the facilities.**
An internal document that helps to manage complaint about facilities, in particular the matter of improving the organization of work, improvements at workplace, personal property protection, employees' privacy protection. The subject of the complaint may be the effects of the functioning of the building - dust, noise, smell, glaring light, etc. Complaints and requests are submitted to the Director of the shopping center or Property Manager responsible for their consideration.

3.3. S4 CONSUMERS AND END-USERS

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

S4-2 Processes for engaging with consumers and end-users about impacts

The engagement with consumers and end-users is carried out by each shopping mall via their websites, where key information and announcements are posted and the contact details to the administration of the shopping malls is provided. The engagement with consumers and end-users is also possible through social media. EPP is also conducting a satisfaction survey among visitors. Between 2022 and 2024, all EPP CORE shopping centres were included in the surveys.

The survey covers aspects such as:

- Analysis of the needs and expectations of the shopping centres' customers, depending on the customer segment (age, gender, etc.) and shopping missions.
- Identification of areas that need improvement or change.
- Indication of priorities which, if improvements are implemented, will increase the level of satisfaction with the visit and visitor loyalty.

The outcomes of the study are implemented in the shopping centres. The survey is followed by a summary report presented at a meeting with the director of the facility in question and the asset manager. Furthermore, members of the board of directors (EPP Polska) may also be present. The results of the report are broken down into areas that are praised and should be continued, and areas which EPP can discuss and improve. In the case of inquiries that are statistically significant, and EPP is able to make improvements, such as the state of cleanliness/ too loud music, the facility director is responsible for making the required changes.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The process of remediation of negative impacts is subject to the complaints and motions procedure, the goal of which is to ensure an efficient receipt and consideration of complaints in EPP-managed facilities.

As it stands on 31.08.2024, EPP does not have communications channels dedicated specifically to end-users, however communications channels are available publicly through entry form on EPP's website. Reports can be also made directly to the facility manager. EPP identifies the potential negative impacts to happen mostly in the area of health and safety in the facilities. Therefore, each accident is analysed and the results influence the corrective measures. In addition to the standard repair of the possible defected infrastructure that caused the incident, EPP pays attention to this element at all other locations. EPP makes sure that the subcontractors follow health and safety rules and regulations, and facilities are regularly inspected. Internal health and safety audits are held several times a year (every 3-4 months), i.e. in the form of a local visit by the facility manager, during which technicians and employees of subcontractors are interviewed. After each visit, a summary report is prepared and sent to the director of the property in question.

3.3. S4 CONSUMERS AND END-USERS

METRICS AND TARGETS

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

EPP conducts several actions improving material impacts on consumers and end-users. These measures are aimed at increasing accessibility and health and safety. In terms of accessibility, those actions involve:

- Quiet Hours: since May 2021, EPP has been running a "Quiet Hours" initiative in the managed shopping centres. The purpose of this initiative is to provide a comfortable shopping experience for people who are sensitive to loud noises and bright lights as well as those who prefer to shop in silence. For at least three hours a week, music is turned off in the shopping centres, voice announcements are kept to a minimum and lights are dimmed where possible. The number of "Quiet hours" resulting from this initiative held in EPP CORE assets totalled 1377.
- Pet Friendly: over the past few years, pets have become an important part of our families, therefore, EPP has opened its managed properties to visitors with furry companions. This initiative has been implemented in all EPP-managed properties and is supported by the majority of tenants who welcome pets in their shops and offices. Additionally, retail and office properties provide easily accessible water coolers and rest areas for pets. Under this measure, 33 828 pets visited EPP's shopping centres.

- En route with health: health of our customers is EPP's priority. Accordingly, EPP takes great care to support preventive measures aimed at early detection of potential health threats. As part of these activities, EPP is organizing a special campaign during which clients of the managed facilities will have the opportunity to have a blood count taken - a simple but extremely important test that can help detect many diseases at an early stage.

The area of accessibility is managed by performing audits and certifications of the properties, as described in details in ESRS S4 SBM-3.

To enhance awareness and knowledge within the company around data protection and cybersecurity, EPP maintains cybersecurity training for employees. To ensure effective protection, EPP have categorised employees into two groups. The first group, representing ca. 25% of all employees, consists of employees that are most vulnerable to cyberattacks. In this group, 100% of employees were provided with comprehensive training on cybersecurity in 2024. Employees with a lower risk exposure underwent basic cybersecurity training to prevent or mitigate potential risks across the company. In 2024, EPP underwent also a comprehensive assessment in accordance with the NIST Framework on standards, guidelines, and best practices on cybersecurity risks, and achieved NIST Score 4 level.

There were no severe human rights issues and incidents connected to consumers and/or end-users between 1.09.2023 and 31.08.2024.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As a part of the ESG strategy for 2021-2025, EPP N.V. has set goals in the following areas connected to consumers and end users:

- Accessibility: 100% of properties subject to accessibility audits (described above).
- Health & Safety: zero accidents (caused by EPP's negligence) at the properties.
- Conducting end-customer (visitor) satisfaction surveys in 100% of the retail properties.

All of the goals mentioned above have been already achieved. It does make EPP very proud, but also aware that it is not the end of the path. Therefore, new goals and accompanying measures will be defined in the next financial year as part of our work on the strategy for the coming years.

The 2021-2025 Strategy was developed with help of an external consulting company and additional stakeholders were not involved in the process.

4. GOVERNANCE INFORMATION

4.1. G1 BUSINESS CONDUCT

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

G1-1 Corporate culture and business conduct policies and corporate culture

EPP N.V. shapes its corporate culture and business conduct in a lawful and ethical way, by implementing and updating set of corporate documents that include:

EPP Code of Conduct

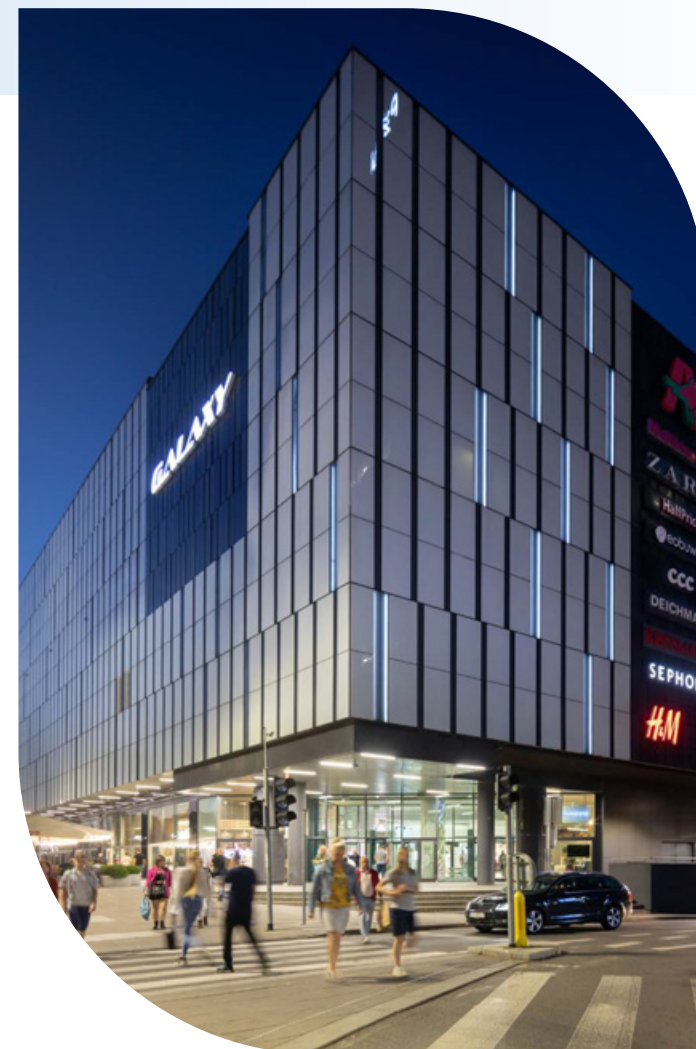
The Code of Conduct applies to all employees and non-employees. It is implemented by EPP Board of Directors and introduced to employees and non-employees by the Director of the Legal Department and HR Director during onboarding and annual training sessions. It is also available on the intranet. The Board is responsible for the implementation, application and monitoring of its application. The Code covers, among others, the responsibility for applying the Code, standards of conduct, diversity and the principle of equal treatment, compliance with law and business ethics, security matters, reliability of financial reporting, business integrity, and conflicts of interests. Any concerns or infringements of the rules of the Code

of Conduct must be reported in line with the Whistleblowing Rules or through communication channels described in the Code.

In 2021, EPP extended the scope of the Code of Conduct providing a comprehensive definition of ethically acceptable behaviour within the Company. The updated Code of Conduct has been in the process of implementation since 2022. Additionally, EPP complies with the Dutch Civil Code and the Dutch Corporate Governance Code. Every year, each employee and associate are required to sign a declaration confirming that they understand the EPP's Code of Conduct and will apply its rules whilst performing their daily duties.

Anti-Corruption Policy

EPP is committed to the principle of zero tolerance for corruption, as demonstrated in the Anti-Corruption Policy adopted by the EPP. Its goal is to prevent, detect and appropriately respond to events that may constitute corruption and which may occur in the course of business activity conducted by EPP. The policy contains rules that must be observed in all economic activities of EPP and indicates conduct that can be regarded as corruption. The Policy is complemented with Anti-Corruption Manual (the 'Manu-



4.1. G1 BUSINESS CONDUCT

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

al') and the Gift Policy. The Policy is available to all employees and non-employees through intranet and is communicated during the onboarding. Each employee must sign a statement that he or she is familiar with the Policy. The responsibility of the Board of Directors with regard to the Policy and assessment of the risk of corruption in EPP's activities was specified as well as the responsibility of the Director of the Legal Department to apply the policy and to address doubts and HR Director to provide training.

Human-Rights and Due Diligence Policy

EPP has implemented the policy to ensure that human rights and due diligence are respected along the entire value chain. The policy obliged all employees and non-employees to respect and follow international documents, including the Universal Declaration of Human Rights, International Bill of Human Rights, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work. The Policy is available to all employees and non-employees through intranet and is communicated during the onboarding. It is implemented and monitored by ESG Director and the Legal Director.

Whistleblowing Rules

EPP has implemented a whistleblowing policy to ensure that all employees and non-employees have a process to report any activities considered illegal, unethical or in violation of human rights. The whistleblowing system is managed by an external provider to guarantee a complete anonymity of the whistleblower. To ensure

the correct operation of the EPP N.V. and all assets under its management (the 'EPP Group') in line with legal regulations, the EPP's internal rules of operation and the Group's values, EPP introduced a system of reporting irregularities, undertaking follow-up actions, protection against retaliation in case of an incident reported under the Whistleblowing Rules.

The EPP Board of Directors is responsible for the implementation, application and monitoring of the whistleblowing system. At the same time, it entrusts the Ethics Committee of EPP Polska sp. z o.o. (the "Ethics Committee") and the external entity EthicsLine with the tasks related to the acceptance and processing reports of misconduct and undertaking all actions that will be assessed as necessary or needed to follow the reported misconduct or the raised doubt.

By complying with listed documents EPP ensures that all employees and non-employees practice and share EPP's values, namely:

Integrity

EPP communicates honestly and openly to employees and non-employees even if the message is negative. EPP expresses criticism in a constructive way, keeping in mind the purpose of the business.

Respect

EPP respects the time, competence and experience of others. EPP fulfils the promises it makes and explains the reasons and gives another alternatives, whenever possible.

Responsibility

EPP holds itself accountable for the decisions it makes and the task at hand. EPP does not point the blame in case of failures, but looks for solutions and takes corrective action.

Freedom of speech

In EPP people have the right to express their opinions in face-to-face conversations or on the public forum without negative consequences. Differences of opinion are normal as they stimulate healthy discussions and creativity in the team.

4.1.G1 BUSINESS CONDUCT

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

WHISTLEBLOWING RULES

It is the duty of employees and non-employees to report a misconduct or an incident of infringement, including violation of law, breach of internal policies and procedures, incidents of mobbing behaviour or discrimination or other misconduct listed in Whistleblowing Rules. Employee who witness a misconduct or an incident, or has reasonable suspicion that a misconduct may have occurred or may occur, should use one of the dedicated channels of communications to fill-in the report:

INTERNALLY:

- to the immediate superior
[directly or by e-mail]
- to the Ethics Committee composed of the director of the Legal Department and HR Director by e-mail at the following e-mail address:
komisja.etyki@epp-poland.com
or directly to a member of the Ethics Committee.

EXTERNALLY:

- via the website: **epp.liniaetyki.com**
- by sending a report to the following
e-mail address: epp@liniaetyki.pl
- by calling the confidential line:
+48 22 290 28 68
(operating Monday to Friday,
from 07.00 a.m. to 06.00 p.m.).

Direct report means the possibility to make a report during the meeting. Reports can be made anonymously.

Whistleblowing Rules also ensure protection against retaliation in case a report is made. EPP does not undertake any retaliation actions against persons who report a misconduct or an incident in accordance with the Whistleblowing Rules. The whistleblower is protected against unfavourable treatment, including but not limited to termination of employment with or without notice of termination of any other legal relationship between them and EPP, reducing their remuneration, as well as other adverse changes to their employment conditions.

Starting from 2022, all employees and non-employees receive annual training in business ethics relating to the Code of Conduct. EPP launched an e-learning platform that allows to provide training for all employees and non-employees irrespective of the local or global circumstances and to monitor the progress made on this matter. EPP wants to achieve the target of 100% hired and new employees and non-employees trained in business ethics issues by 2025. In 2024, the target was achieved.

In 2024, EPP had no (zero) legal proceedings, significant fines or non-monetary sanctions associated with non-compliance with laws and regulations

EPP does not identify specific functions that are most at risk in respect of corruption and bribery. All the policies, including the anti-corruption policy, apply to all employees and non-employees.

4.1. G1 BUSINESS CONDUCT

METRICS AND TARGETS

G1-2 Management of relationships with suppliers

As at 31.08.2024, EPP does not have a policy dedicated to preventing late payments, including those affecting small and medium-sized enterprises and acts in accordance with the contractual provisions and national legislation.

The main policy shaping the business relations with suppliers is EPP Suppliers Code of Conduct introduced in 2022. It is to be adhered to by suppliers that EPP cooperates with who share the Company's values and ethical standards. The policy outlines EPP's commitment to building a responsible and sustainable supply chain and establishes a set of ethical and environmental principles. Suppliers are expected to integrate environmental considerations into their operations which includes practices such as sustainable use of resources such as water and other materials, minimizing hazardous substances, responsible waste management, reduction of recycling, and proper disposal. Furthermore, the code encourages the use of recycled materials and renewable energy sources whenever possible.

The Code also serves as a framework for ongoing progress. All suppliers with contracts exceeding 25 000 PLN have to sign the Code of Conduct. To ensure continuous improvement EPP conducts in-depth assessments of the key suppliers to evaluate their environmental, social and governance performance. The list of principles that EPP's suppliers are required to follow include hu-

man rights, anti-competitive behaviour and corruption, as well as diversity and inclusion. The Code is appended to the contracts.

All suppliers' contracts above 100 000 euro need to go through ESG scoring questionnaire which is appended to the contract. The survey assesses the supplier commitment to environmental sustainability including goals, actions and renewable energy use. EPP expects its suppliers to make genuine efforts towards sustainable development but does not require full achievement of goals due to their dynamic nature. Goals can include environmental protection, carbon footprint reduction and sustainable resource utilization, implementing renewable energy solutions, and maintaining good working conditions within their organization. The purpose of the questionnaire is to enable EPP to gather information on the actions taken by the suppliers to implement the principles laid down in the EPP Suppliers' Code of Conduct.

In 2024 100% of the key suppliers with contracts above 100k EUR signed the Suppliers' Code of Conduct and 100% were assessed.

G1-3 Prevention and detection of corruption and bribery

Every EPP's employee is required to read and obey the EPP Anti-Corruption Policy and report any cases of corruption through dedicated channels (described in G1-1). The Policy is available on the intranet and recapped annually during the Code of Conduct training sessions. The training session covers topics such as:

- Forms of corruption and different relations,
- Channels to report acts of corruption or bribery,
- The investigation process of reported acts,
- Gift Policy.

During the reporting period 100% of employees and non-employees in Poland completed the session.

EPP also has a Whistleblowing Policy that provides an opportunity to report any incidents related to corruption or bribery (described in details in G1-1). The investigation committee is independent from the chain of management involved in the reported incident. All the follow-up steps are taken by impartial persons. If members of the Ethics Committee or the EPP Board of Directors are reported by a whistleblower, the person receiving the report will take steps to ensure that the person does become aware of the report and the whistleblower's identity. The outcome of the investigations is later reported to the Board of Directors.

4.1. G1 BUSINESS CONDUCT

METRICS AND TARGETS

G1-4 Confirmed incidents of corruption or bribery

In the reporting period there were no convictions for violation of the Anti-Corruption Policy in EPP Group and no fines were imposed. EPP N.V. did not record or confirm any incidents of corruption or bribery.

G1-6 Payment practices

EPP's business partners are crucial to the Group's operations, therefore EPP makes sure that the payment practices are transparent and clear. EPP does not differentiate the suppliers into categories and the payment time is set individually in each case. In the reporting period the average payment time of EPP N.V. was 16 days, which was calculated based on cost invoices in the 2024 fiscal year. The value is the sum of the average payment due date on the invoice and the average number of days between the due date set on the invoice and the actual payment. The payment due date is based on contractual provisions set out in contracts with suppliers, and it is usually 14 or 21 days.

There were no legal proceedings for late payments in the reporting period.



5. ASSURANCE REPORT



Independent practitioner's limited assurance report on EPP N.V. Greenhouse Gas (GHG) Statement

To the Management Board of EPP N.V.

We have undertaken a limited assurance engagement of the accompanying GHG Statement of EPP N.V. and its subsidiaries (together hereafter the "Group") for the year ended 31 August 2024, comprising the emission inventory and the explanatory notes on pages 54 and 57-58 of the "SUSTAINABILITY STATEMENT, EPP N.V. Group, for the year ended 31 August 2024" (hereafter the "Sustainability Statement"). This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental scientists.

Description of the subject matter information and applicable criteria

The emissions inventory for the period: 1 September 2023 - 31 August 2024 is presented in the table E1-GHG emissions for EPP N.V. (page 54) of the GHG Statement.

The GHG Statement was prepared in accordance with the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (the "GHG protocol") and additional reference criteria defined by EPP N.V.'s policies and disclosed in section 2.1. E1 CLIMATE CHANGE METRICS AND TARGETS (pages 57-58) of the GHG Statement.

The requirements stated above determine the basis for preparation of the GHG Statement (the "Applicable Criteria") and, in our view, constitute appropriate criteria to form the limited assurance conclusion.

The scope of our limited assurance procedures was limited to the GHG Statement for the year ended 31 August 2024 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Statement and, therefore, do not express any conclusion thereon.

EPP N.V.'s responsibility for the GHG Statement

EPP N.V. is responsible for the preparation of the GHG Statement in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG Statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.,
Ul. Polna 11, 00-633 Warszawa, T: +48 22 746 4000, www.pwc.com

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k. is entered into the National Court register maintained by the District Court for the Capital City of Warsaw, under KRS number 0000270901, NIP 7010016448. The seat of the Company is in Warsaw at Polna 11 st.



Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Statement based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG Statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of EPP N.V.'s use of the GHG Protocol and additional methodologies defined by EPP N.V.'s policies as the basis for the preparation of the GHG Statement, assessing the risks of material misstatement of the GHG Statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above:

- We read and gained an understanding of the GHG Statement;
- We gained an understanding of the GHG Protocol and its suitability for the evaluation and/or measurements of the GHG Statement;
- We gained an understanding of the internal control procedures in place supporting the gathering, aggregation, processing, transmittal of data and information and reporting of the GHG Statement, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- Based on that understanding, we assessed the risks that the GHG Statement may be materially misstated and determination of the nature, timing and extent of further procedures;
- We inquired relevant management and personnel of EPP N.V. about the process and data used for preparation of the GHG Statement;
- We performed analytical procedures related to the GHG Statement;
- We considered the significant estimates and judgements made by management in the preparation of the GHG Statement;
- We performed limited testing, on a selective basis of evidence supporting the reported GHG Statement and assessed the related disclosures; and
- We obtained representations from management and the EPP N.V.'s GHG reporting responsible person over the completeness and accuracy of the information presented.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether EPP N.V.'s GHG Statement has been prepared, in all material respects, in accordance with the Applicable Criteria as explained in section 2.1. E1 CLIMATE CHANGE METRICS AND TARGETS (pages 57-58) of the GHG Statement.



Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that EPP N.V.'s GHG Statement for the period 1 September 2023 – 31 August 2024 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction on distribution and use

Our report has been prepared solely for the Management Board of EPP N.V. for the purpose of reporting GHG Statement in the Sustainability Statement that EPP N.V. intends to publish on its website and is not to be used for any other purpose.

In connection with this report, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k. does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than the EPP N.V. The above does not relieve us of liability where such release is excluded by law.

We permit this report to be disclosed in the Sustainability Statement, which will be published on the of EPP N.V.'s website. The Management Board of the EPP N.V. is responsible for publishing the GHG Statement on the Company's website and for the reliability of information on the of EPP N.V.'s website. The scope of our work does not include an assessment of these matters. Accordingly, we are not responsible for any changes that may have been made to the information which is the subject of our assessment or for differences, if any, between the information covered by our report and the information provided on the of EPP N.V.'s website.

Pracownice Coopers Polska Sp. z o.o. z ograniczoną odpowiedzialnością sp. k. umiędziona

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
December 6, 2024



Shaping the face of retail in Poland

We welcome your feedback on this report and the topics covered. If you would like to share your thoughts, please e-mail to:



Aleksandra Noworyta
ESG Director
aleksandra.noworyta@epp-poland.com



Paweł Kwiatkowski
Legal Officer
pawel.kwiatkowski@epp-poland.com



Pieter Prinsloo
Board Member, Non-executive Director
esg@eppnv.nl

