



CLIMATE TRANSITION PLAN

OUR ROADMAP TO
A NET ZERO FUTURE

WARSAW, JULY 2026



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1. INTRODUCTION



INTRODUCTION

Company Overview

EPP GP B.V. and its subsidiaries (EPP Group) is the largest retail real estate asset manager in Poland by gross leasable area, managing a diversified portfolio of retail and office properties across the country. Headquartered in Amsterdam and owned by Redefine Properties, EPP provides strategic management of a real estate investment platform focused exclusively on the Polish market.

As of 31 July 2026, EPP directly owns 5 retail assets and through a series of joint ventures, the company also co-owns and manages an extensive portfolio comprising 22 retail properties and 6 office complexes. The total managed portfolio consists of 33 projects and exceeds **EUR 2.9 billion** in value and more than **one million square meters of leasable area**, making EPP a leading player in the Polish commercial real estate sector*.

EPP's business model is based on the long-term ownership, management and enhancement of retail and mixed-use assets that serve local communities, tenants and consumers. Through active asset management, investment in property modernization and operational excellence, the company aims to create sustainable value for investors, tenants and other stakeholders.

● 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

○ Office

○ Retail



* As of 31 August 2025, EPP directly owned 5 retail assets and co-owned and managed an extensive portfolio comprising 23 retail properties and 6 office complexes. Power Park Kielce was sold in 2026.

INTRODUCTION

Climate Transition Plan and Business Strategy

This Climate Transition Plan sets out EPP's pathway to decarbonise its operations and portfolio, supporting the achievement of its climate targets while maintaining long-term business resilience and value creation. The plan covers EPP's owned and managed assets and addresses material emissions across Scopes 1, 2 and relevant Scope 3 categories and includes short- and long-term actions supporting EPP's climate targets through 2050. The Plan has been developed in response to increasing regulatory requirements, investor expectations and the growing physical and transition risks associated with climate change.

Climate change presents significant risks and opportunities for the real estate sector. For EPP, climate considerations are not treated as a standalone sustainability initiative but as an integral component of business strategy and risk management. The Climate Transition Plan supports the development of a resilient, future-ready portfolio by improving energy efficiency, increasing the deployment of renewable energy solutions, reducing GHG emissions and strengthening climate resilience.

The Transition Plan is fully aligned with EPP's governance framework and sustainability management processes. Climate-related targets and key performance indicators are embedded within management responsibilities and incentive structures, while climate risks and opportunities are regularly assessed through the company's ESG governance mechanisms. This integration ensures that climate-related decision-making is incorporated into investment planning, asset management, capital expenditure programmes and operational activities. Through implementation of

the Climate Transition Plan, EPP aims to decarbonise its portfolio while protecting asset value and meeting the expectations of investors, tenants and regulators.

Alignment with Leading Frameworks

EPP's Climate Transition Plan has been developed with reference to internationally recognised sustainability and climate-related reporting frameworks and regulatory requirements. The plan builds upon the company's existing sustainability reporting practices, which are aligned with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).

The strategy also reflects the principles and recommendations of leading climate governance and disclosure frameworks, including:

- **The Task Force on Climate-related Financial Disclosures (TCFD)**, particularly in the areas of governance, strategy, risk management, and climate-related metrics and targets;
- **The International Sustainability Standards Board (ISSB)**, including IFRS S1 and IFRS S2 requirements for sustainability and climate-related disclosures;
- **The Greenhouse Gas Protocol (GHG Protocol)** for greenhouse gas accounting and reporting across Scopes 1, 2 and 3 emissions;
- **The Science Based Targets initiative (SBTi)** principles for emissions reduction pathways aligned with climate science;
- **The Paris Agreement** targets limiting global temperature increase and supporting the transition to a low-carbon economy.

Alignment with these frameworks supports transparent, credible and comparable climate reporting while ensuring consistency with evolving regulatory and market expectations.



2. OUR IMPACT



OUR IMPACT

Understanding Our Climate Impact

As the manager of a large commercial real estate portfolio, EPP recognises that its operations and value chain generate greenhouse gas (GHG) emissions and contribute to climate change. At the same time, the Company has an opportunity to support the transition to a low-carbon economy through energy efficiency improvements, portfolio decarbonisation and collaboration with tenants, suppliers and business partners.

The commercial real estate sector plays a key role in achieving climate-neutral economy, as buildings account for a significant share of global energy consumption and emissions, both through their direct operation and through activities occurring across the value chain. EPP can influence building performance through investment decisions, technical upgrades, procurement strategies and tenant engagement. EPP's Climate Transition Plan is therefore based on a comprehensive understanding of its emissions profile, climate-related risks and opportunities, providing the foundation for long-term decarbonisation.

Our Starting Point

EPP established 2019 as its baseline year for measuring greenhouse gas emissions and tracking progress against its climate ambitions and Science Based Targets initiative (SBTi) commitments. The baseline reflects the Company's operational structure and portfolio composition and provides a consistent reference point for assessing emissions reductions over time.

EPP calculates and reports greenhouse gas emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol), including

the Corporate Accounting and Reporting Standard, Scope 2 Guidance and Corporate Value Chain (Scope 3) Standard. Reporting also considers the UK Green Building Council's guidance for commercial real estate. The inventory covers all relevant greenhouse gases and reports emissions as carbon dioxide equivalent (CO₂e) using internationally recognised Global Warming Potential (GWP) factors.

Organisational and Operational Boundary

The greenhouse gas inventory covers EPP and its subsidiaries included within the Group's sustainability reporting boundary under CSRD and ESRS requirements. Joint ventures are incorporated in accordance with EPP's reporting methodology. EPP applies the operational control approach for organizational consolidation. Scope 1 and Scope 2 emissions include assets under operational control, while emissions from tenant spaces are reported under Scope 3 Category 13 (Downstream Leased Assets). The inventory includes emissions from:

- **Scope 1** – direct emissions from fuel consumption associated with building operations, heating systems, backup generators, company vehicles and refrigerants losses;
- **Scope 2** – indirect emissions from purchased electricity and district heating, reported using both market-based and location-based approaches;
- **Scope 3** – relevant value-chain emissions, including purchased goods and services, capital goods, fuel- and energy-related activities, waste, business travel, employee commuting and downstream leased assets.

* Full GHG Emission Calculation methodology can be found in the ESG report

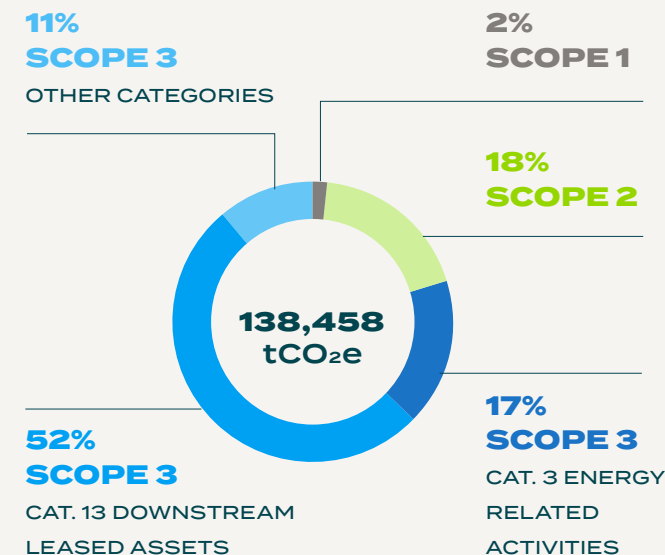


[See EPP N.V. Sustainability Statement →](#)

Scope 1&2 is responsible for ~20% of total emissions. Scope 3 emissions remain the largest contributor to EPP's carbon footprint, with downstream leased assets and energy-related activities representing the most significant emission sources, around 69%. This confirms that continued collaboration with tenants and further decarbonisation of energy consumption remain the Company's highest priorities.

EPP continues to improve the quality of emissions data by increasing the use of primary activity data and reducing reliance on estimation methods where feasible.

GHG EMISSIONS (tCO₂e; %) FY2025*



OUR IMPACT

Looking Ahead

The emissions profile presented in this Climate Transition Plan provides the foundation for EPP's future decarbonisation pathway. While substantial progress has already been achieved, further reductions will require continued investment, technological innovation and close collaboration across the value chain.

EPP will continue to monitor emissions performance, review emerging climate-related risks and opportunities and refine its decarbonisation strategy to remain aligned with evolving scientific guidance, regulatory requirements and stakeholder expectations. The emissions profile presented in this section forms the basis for the climate targets, decarbonisation pathway and implementation measures described in the following chapters.

Total Scope 1&2 GHG emissions in base year FY2019 in market-based approach equaled to **83,482.4 tCO₂e** and accounted for around 30% of total GHG emissions. **In FY2025**, total Scope 1&2 GHG emissions equaled to **28,094.4 tCO₂e** and accounted for around 20% of total GHG emissions.

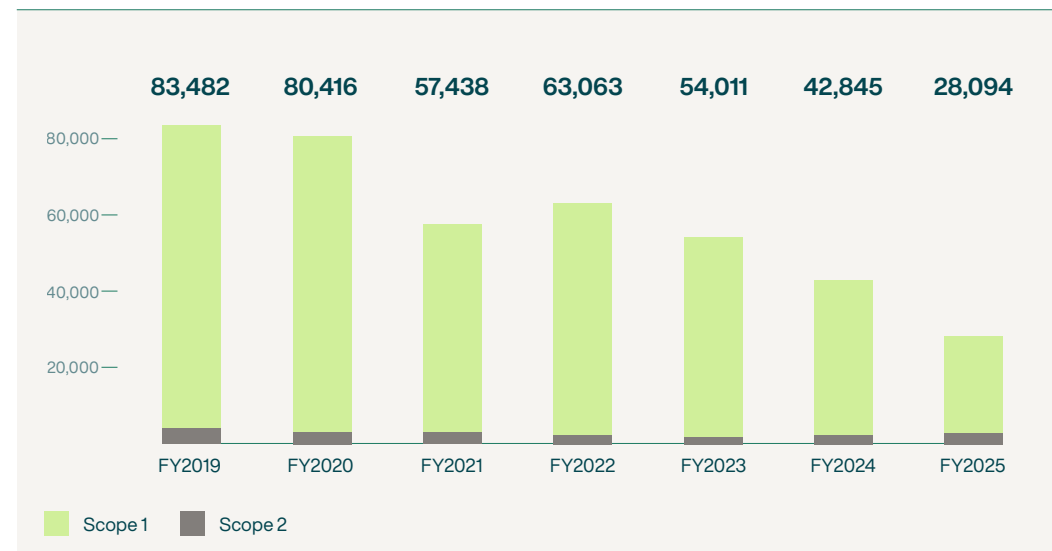
Total Scope 3 GHG Emissions in base year FY2019 in market-based approach equaled to **193,463.7 tCO₂e**. **Category 3&13 of Scope 3 GHG Emissions** in FY2019 equaled to **179,188.7 tCO₂e** (93% of total Scope 3 emissions and 65% of total GHG emissions).

Total Scope 3 GHG Emissions in **FY2025** in market-based approach equaled to **110,363.5 tCO₂e**. **Category 3&13 of Scope 3 GHG Emissions** in FY2025 equaled to 95 330,5 tCO₂e (86,4% of total Scope 3 emissions and 69% of total GHG emissions)

Since the base year, the Company has implemented a broad range of decarbonisation initiatives, including energy efficiency improvements, building modernisation, renewable electricity procurement, photovoltaic installations and tenant engagement through green lease arrangements. These actions have enabled EPP to achieve its near-term SBTi targets ahead of schedule, reducing Scope 1 and Scope 2 emissions by more than 50% compared with the baseline year while also delivering significant reductions in Scope 3 emissions.

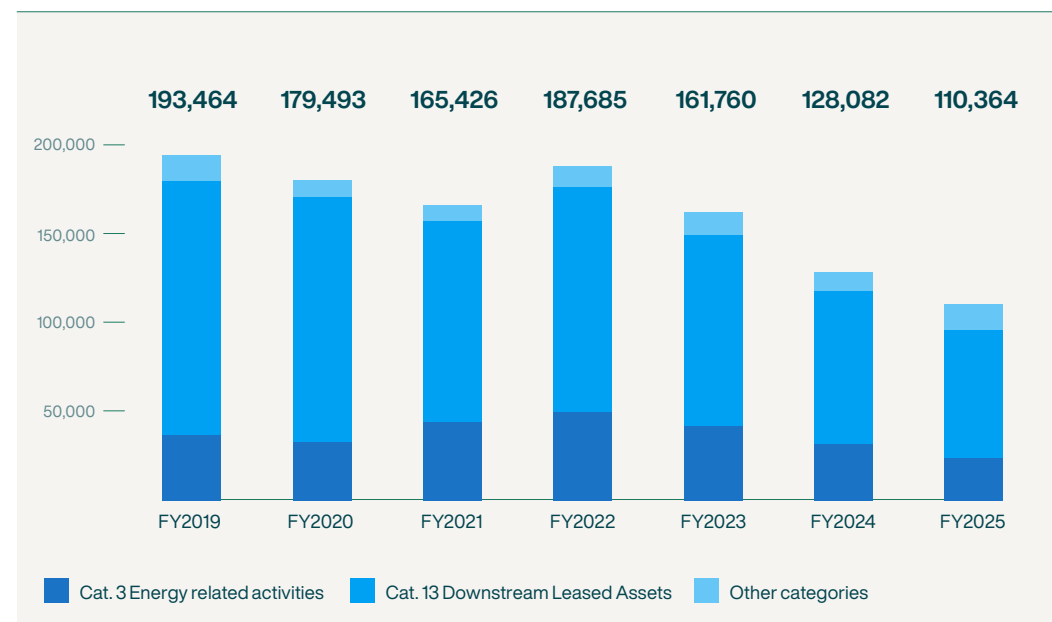
SCOPE 1&2 (tCO₂e)

GHG EMISSIONS, MARKET-BASED



SCOPE 3 (tCO₂e)

GHG EMISSIONS, MARKET-BASED





3. OUR STRATEGY

OUR STRATEGY

Our Decarbonisation Strategy

EPP's decarbonisation strategy focuses on reducing emissions at source while maintaining operational excellence and long-term asset value. The Company prioritises actions that deliver measurable emissions reductions, improve energy efficiency and support the transition to renewable energy.

EPP's Climate Transition Plan is based on reducing greenhouse gas (GHG) emissions across its operations and value chain. The strategy prioritises emissions reductions at source through energy efficiency improvements, electrification, renewable energy, tenant and supplier engagement, and climate-resilient asset management. Climate considerations are integrated into investment planning, refurbishment programmes and asset management decisions to support the Company's long-term net-zero commitment and alignment with its science-based climate targets.

The Company's transition is built around five strategic pillars:

1. Improving energy efficiency across the portfolio;
2. Accelerating the adoption of renewable energy;
3. Decarbonising building operations and technical infrastructure;
4. Engaging tenants and value chain partners;
5. Enhancing climate resilience and future-proofing assets.

Together, these initiatives form the foundation of EPP's pathway towards net-zero emissions.

1.

Energy Efficiency and Operational Excellence

Improving energy efficiency remains the most significant and cost-effective mechanism for reducing operational greenhouse gas emissions. EPP continuously invests in modernising building systems and improving operational performance across its portfolio. The Company implements measures aimed at reducing energy consumption while maintaining high levels of comfort, safety and service quality for tenants and visitors.

Key decarbonization levers include:

- optimisation of heating, ventilation and air-conditioning (HVAC) systems;
- deployment and enhancement of Building Management Systems (BMS);
- replacement of conventional lighting with energy-efficient LED technologies;
- installation of advanced monitoring and energy management systems;
- optimisation of operating schedules and equipment performance;
- thermal efficiency improvements and building modernisation projects.

The refurbishment of buildings demonstrates EPP's approach to integrating sustainability considerations into asset management and renovation projects.

2.

Renewable Energy Transformation

The transition to renewable energy represents one of the most important drivers of EPP's future emissions reductions.

The Company continues to increase the share of renewable electricity consumed across its portfolio through a combination of following decarbonization levers:

- on-site renewable energy generation;
- long-term renewable electricity procurement agreements, Power Purchase Agreements (PPAs);
- Guarantees of Origin (GOs);

The Company intends to further expand renewable energy generation opportunities where technically and economically feasible.

OUR STRATEGY

3.

Decarbonisation of Building Operations

EPP aims to progressively reduce reliance on fossil-fuel-based technologies and support the transition towards lower-carbon building operations.

Decarbonisation levers include:

- replacement of ageing and inefficient technical equipment;
- deployment of heat pump technologies where appropriate;
- electrification of selected building systems;
- continuous improvement of operational energy performance.

Climate-related criteria are incorporated into refurbishment projects, technical upgrades and long-term asset management plans to avoid future carbon lock-in and support alignment with the Company's net-zero ambitions.

4.

Tenant and Value Chain Engagement

A substantial share of EPP's emissions footprint is influenced by activities occurring within leased spaces and across the broader value chain. Collaboration with tenants and suppliers therefore forms a critical component of the Climate Transition Plan.

The Company promotes sustainable operational practices through following decarbonization levers:

- green lease agreements;
- tenant awareness and engagement initiatives;
- sharing of energy performance data and best practices;
- collaboration on energy efficiency projects;
- sustainability requirements within procurement and supplier engagement processes.

Through these initiatives, EPP seeks to encourage collective action and support emissions reductions beyond its direct operational control.

5.

Climate Resilience and Asset Future-Proofing

Climate change presents both transition and physical risks to the real estate sector. EPP therefore integrates climate resilience considerations into asset management and investment planning.

The Company assesses climate-related risks and opportunities and incorporates adaptation measures into building modernisation programmes where relevant. These measures aim to strengthen portfolio resilience against changing climatic conditions while supporting long-term asset value preservation.

Examples include:

- climate risk assessments for managed assets;
- infrastructure upgrades supporting resilience to extreme weather events;
- building improvements aligned with EU Taxonomy adaptation requirements;
- integration of climate considerations into investment and refurbishment decisions.

OUR STRATEGY

Delivering the Transition

These strategic initiatives support reductions in Scope 1, Scope 2 and material Scope 3 emissions while improving operational performance and strengthening the resilience of the portfolio.

Progress against the Climate Transition Plan is monitored through defined climate targets, regular performance reviews and ongoing assessment of technological developments, regulatory requirements and market conditions. EPP will continue to identify and implement additional decarbonisation opportunities to support delivery of its net-zero commitment by 2050.

This approach reflects EPP's commitment to achieving long-term net-zero ambitions while maintaining a financially resilient and competitive portfolio.

KEY DECARBONISATION LEVERS AND EXPECTED CONTRIBUTION TO EMISSIONS REDUCTION

INITIATIVE	TIME HORIZON	CONTRIBUTION	INFLUENCE IN SCOPE
Expanding on-site renewable energy generation through photovoltaic installations	2025-2030	HIGH	Scope 2
Increasing renewable electricity sourcing through PPAs and Guarantees of Origin	Ongoing	HIGH	Scope 2 & 3
Improving building energy efficiency through modernisation and optimisation initiatives	Ongoing	MEDIUM	Scope 1, 2, 3
Reducing dependence on fossil fuel-based technologies	Ongoing	MEDIUM	Scope 1, 3
Engaging tenants and suppliers to reduce value chain emissions	Ongoing	MEDIUM	Scope 3
Green leases	Ongoing	MEDIUM	Scope 3
Aligning the property portfolio with net-zero building principles	Ongoing	MEDIUM	Scope 1, 3
Strengthening climate resilience across managed assets - climate adaptation projects	Long-term	RESILIENCE	Physical risk

4. OUR TARGETS



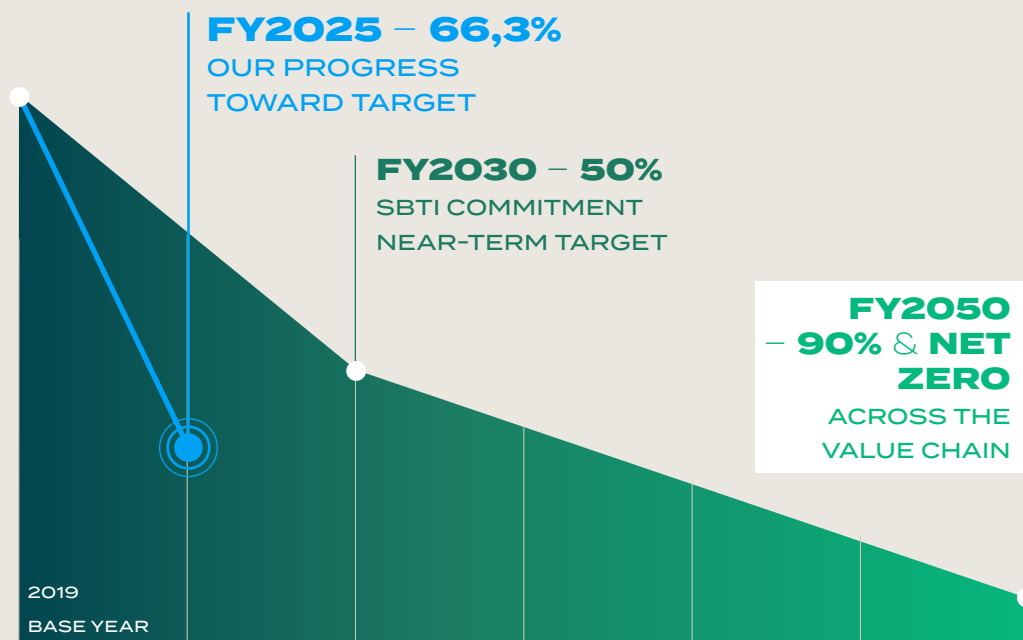
OUR TARGETS AT A GLANCE



OUR OPERATIONS:

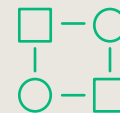
Setting targets for our own emissions and driving actions across our business (Scope 1&2 emissions)

ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS REDUCTION FROM A FY2019 BASE YEAR



LEVERS FOR OUR TARGET

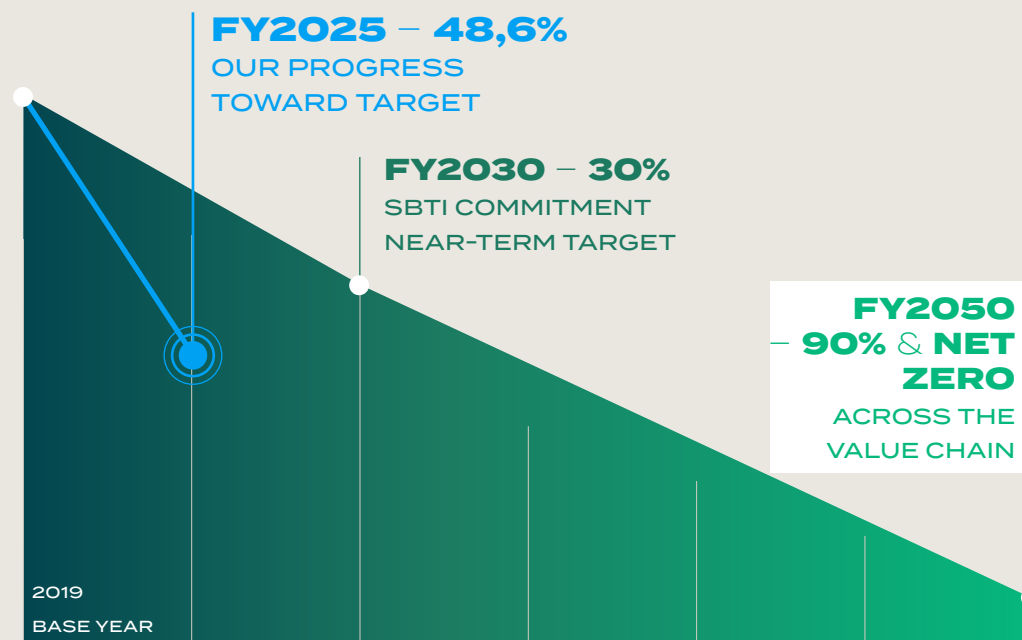
1. Improving building energy efficiency through modernisation and optimisation initiatives
2. Increasing renewable energy sourcing through PPAs, GOs and on-site generation
3. Reducing dependence on fossil fuel-based technologies



OUR VALUE CHAIN:

Setting targets across our value chain and driving climate-related actions (Scope 3 emissions)

ABSOLUTE SCOPE 3 GHG EMISSIONS REDUCTION FROM FUEL AND ENERGY-RELATED ACTIVITIES AND DOWNSTREAM LEASED ASSETS FROM A FY2019 BASE YEAR



LEVERS FOR OUR TARGET

1. Improving building energy efficiency through modernisation and optimisation initiatives
2. Increasing renewable energy sourcing through PPAs, GOs and on-site generation
3. Reducing dependence on fossil fuel-based technologies
4. Engaging tenants and suppliers to reduce value chain emissions

OUR TARGETS

Climate Ambition

EPP is committed to supporting the transition to a low-carbon and climate-resilient economy by reducing greenhouse gas (GHG) emissions across its operations and value chain while maintaining the long-term resilience and competitiveness of its real estate portfolio.

The Company's climate ambition is aligned with the objectives of the Paris Agreement and informed by climate science, regulatory developments and stakeholder expectations. EPP plans to achieve its ambition through energy efficiency improvements, renewable energy deployment, operational optimisation and collaboration with tenants, suppliers and business partners.

Target Setting Methodology

EPP's climate targets are based on internationally recognised methodologies and have been developed in accordance with the Science Based Targets initiative (SBTi), supporting emissions reductions consistent with the Paris Agreement. Targets are reviewed periodically to ensure continued alignment with evolving scientific knowledge, regulatory requirements and market expectations.

Science-Based Targets

EPP established 2019 as its baseline year for greenhouse gas emissions management and adopted science-based emissions reduction targets validated by the Science Based Targets initiative (SBTi). The Company's validated near-term targets:

- **EPP commits to reduce absolute scope 1 and 2 GHG emissions 50% by FY2030 from a FY2019 base year;**
- **EPP commits to reduce absolute scope 3 GHG emissions from fuel and energy-related activities and downstream leased assets 30% within the same timeframe.**

Through a combination of energy efficiency initiatives, renewable electricity sourcing and operational optimisation measures, in FY25 EPP successfully achieved its validated near-term SBTi targets ahead of schedule. This achievement demonstrates the effectiveness of the Company's decarbonisation strategy and provides a strong foundation for future climate ambitions.

Long-Term Decarbonisation Targets

Building on the progress achieved to date, EPP is committed to continuing its decarbonisation journey through a structured transition pathway extending to 2050. EPP has developed long-term GHG reduction targets, which were validated by the Science Based Targets initiative (SBTi). The Company's validated long-term targets developed in line with 1.5°C pathway:

- **Overall Net Zero Target – EPP commits to reach net-zero greenhouse gas emissions across the value chain by FY2050;**
- **EPP commits to reduce absolute scope 1 and 2 GHG emissions 90% by FY2050 from a FY2019 base year. EPP also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.**

Progress towards these targets is monitored through defined interim milestones and regular performance assessment. The achievement of the long-term targets is subject to technological progress, regulatory developments and the availability of credible decarbonisation solutions.

OUR TARGETS

Decarbonisation Pathway

Through a combination of science-based targets, clear interim milestones and transparent performance monitoring, EPP aims to deliver a credible and measurable pathway towards a net-zero future.

VALIDATED TARGETS SUMMARY

FY2030

NEAR-TERM TARGET

50%

Absolute **Scope 1 & 2** GHG emissions reduction
50% by FY2030 from a FY2019 base year

30%

Absolute **Scope 3** GHG emissions reduction
from fuel and energy-related activities and
downstream leased assets **30%** by FY2030 from
a FY2019 base year

FY2050

LONG-TERM TARGET

90%

Absolute **Scope 1 & 2** GHG emissions reduction
90% by FY2030 from a FY2019 base year

90%

Absolute **Scope 3** GHG emissions reduction
90% by FY2030 from a FY2019 base year

NET ZERO

LONG-TERM TARGET

NET ZERO

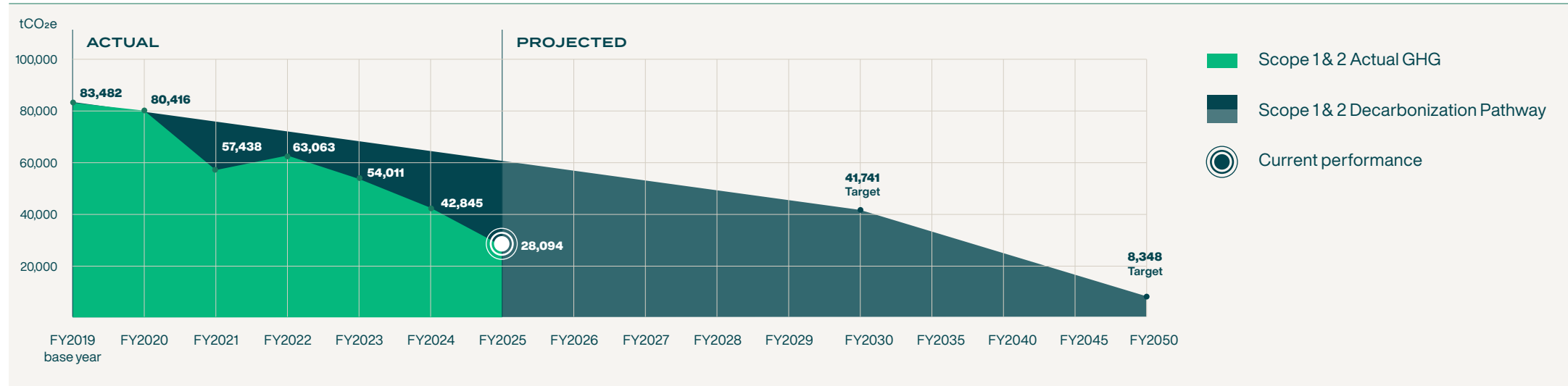
Net-zero greenhouse gas emissions across
the value chain by FY2050



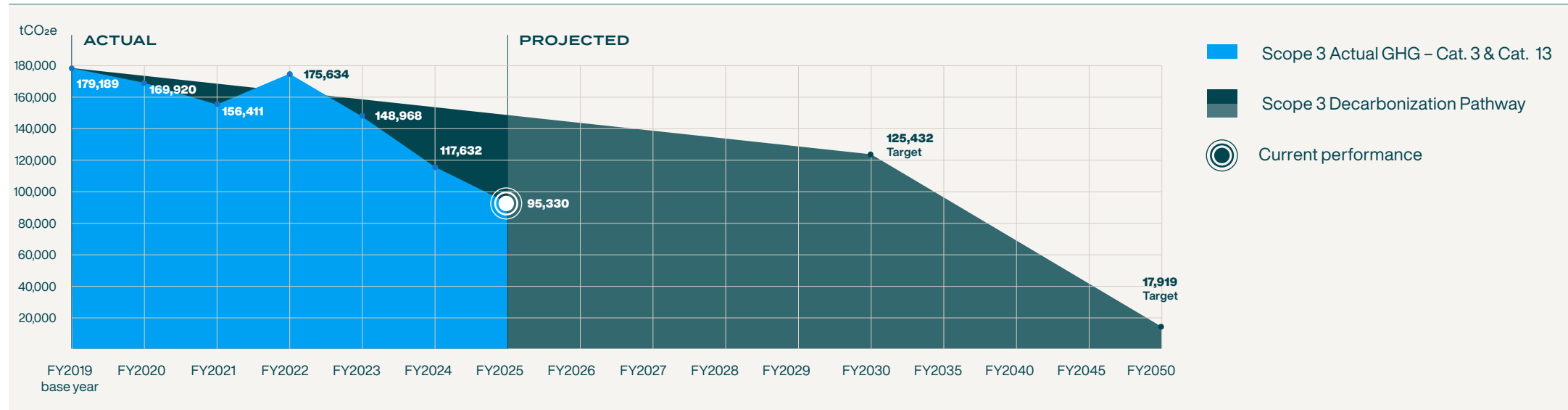
OUR TARGETS AND PROGRESS

CLIMATE TARGETS AND EMISSIONS REDUCTION PATHWAY

SCOPE 1&2 CLIMATE TARGETS AND EMISSIONS REDUCTION PATHWAY (tCO_{2e})



SCOPE 3 CATEGORY 3&13 CLIMATE TARGETS AND EMISSIONS REDUCTION PATHWAY (tCO_{2e})



OUR TARGETS AND PROGRESS

Overall progress against climate targets

EPP has made significant progress in delivering its science-based greenhouse gas (GHG) reduction targets validated by the Science Based Targets initiative (SBTi). The Company's climate targets use 2019 as the baseline year and cover absolute reductions in Scope 1, Scope 2 and selected Scope 3 emissions across its managed real estate portfolio.

By FY2025, EPP had achieved its validated near-term emissions reduction targets ahead of the 2030 target timeline:

- **Over 50% reduction in Scope 1 and Scope 2 emissions, driven primarily by improvements in energy efficiency and increased procurement of renewable electricity;**
- **Over 30% reduction in Scope 3 emissions, reflecting improved tenant engagement, energy consumption reductions and value chain decarbonisation efforts.**

The achieved reductions confirm progress in line with EPP's SBTi-validated transition pathway and demonstrate the effectiveness of the implemented decarbonisation measures.

Key drivers of emissions reductions

The reduction in emissions has been driven by a combination of operational improvements, investments and value chain initiatives, including:

- **Energy efficiency improvements, including optimisation of building systems and reduced energy consumption in common areas and tenant spaces;**
- **Modernisation of technical infrastructure, including upgrades to HVAC systems, lighting and building management systems (BMS);**
- **Increased renewable electricity sourcing, including Guarantees of Origin (GOs) and Power Purchase Agreements (PPAs);**
- **On-site renewable energy generation, including the rollout of photovoltaic installations across managed assets;**
- **Tenant engagement initiatives, including green lease agreements and cooperation on energy efficiency measures.**

These measures have supported reductions across Scope 1, Scope 2 and relevant Scope 3 emission categories while improving the energy performance and resilience of EPP's portfolio.

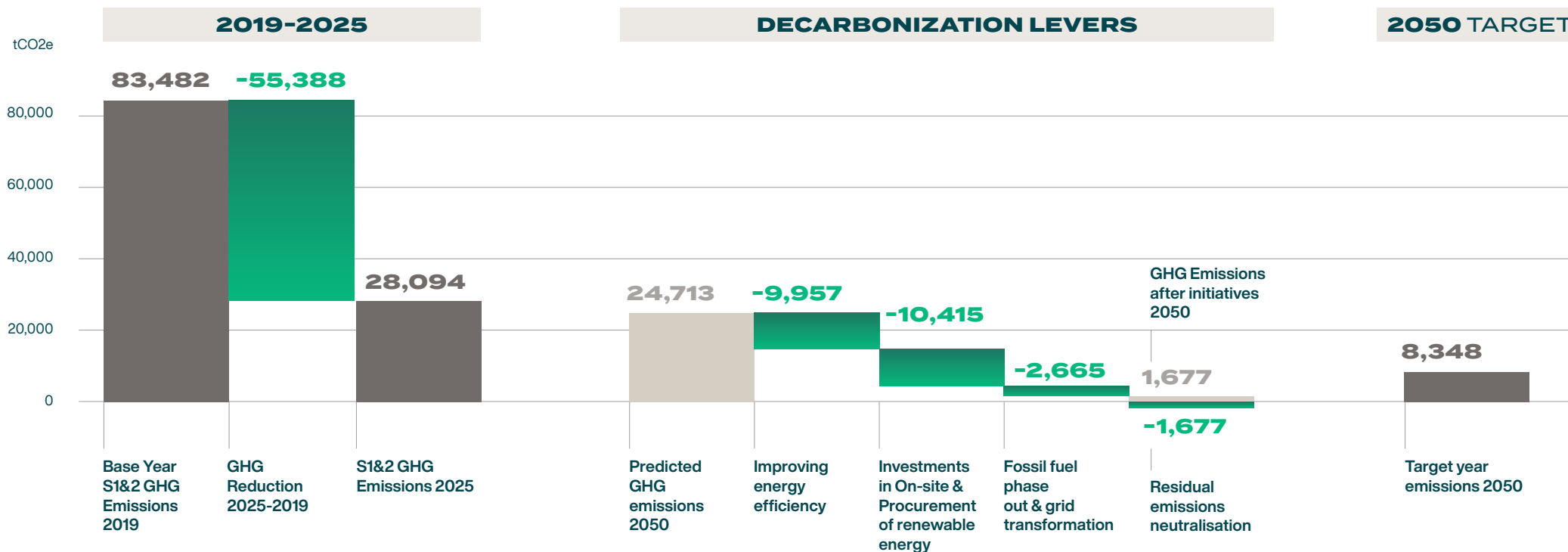
Future pathway and monitoring

Following the achievement of its near-term targets, company recognises that continued emissions reductions will become progressively more challenging. EPP will continue implementing measures required to deliver its long-term climate targets, including deeper building retrofits, further building energy efficiency improvements, electrification of building systems, expansion of renewable energy solutions and continued tenants and stakeholder engagement.

Progress against climate targets is monitored annually through EPP's ESG governance and reporting processes. Emissions performance is assessed against the defined decarbonisation pathway, with the implementation roadmap reviewed where necessary to reflect changes in portfolio composition, regulatory requirements, technological developments and emissions accounting methodologies. Where progress deviates materially from the planned trajectory, additional decarbonisation measures and investment priorities will be reassessed through the Company's governance framework.

NET-ZERO PATHWAY SCOPE 1&2

SCOPE 1&2 CLIMATE NET-ZERO TARGET AND DECARBONIZATION LEVERS (tCO₂e)



Improving energy efficiency

The Company will continue to reduce energy consumption across its real estate portfolio by implementing energy efficiency measures identified through regular energy audits and technical assessments. These measures include the optimisation of building management systems, replacement of inefficient HVAC equipment, lighting upgrades, insulation improvements, and other operational enhancements. Improving energy performance will reduce both direct fuel consumption (Scope 1) and purchased electricity demand (Scope 2), while supporting lower operating costs and increased asset resilience.

Investments in on-site renewable energy generation

The Company will progressively increase the share of renewable energy generated on-site through investments in photovoltaic (PV) installations across suitable properties. On-site renewable generation will reduce reliance on grid electricity, lower Scope 2 emissions, and strengthen the long-term energy security of the portfolio. Investment decisions will be based on technical feasibility, economic viability, and the characteristics of individual assets.

Procurement of renewable electricity

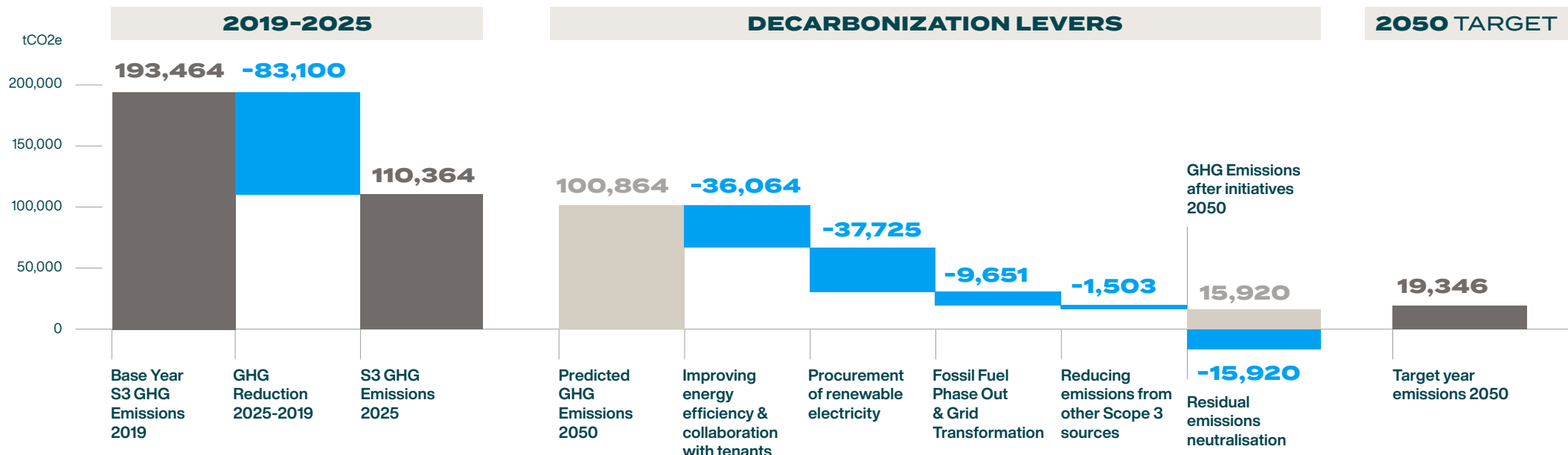
To further decarbonise its electricity consumption, the Company will increase the share of renewable electricity sourced through long-term Power Purchase Agreements (PPAs) and the purchase of Guarantees of Origin (GOs). These instruments will complement on-site renewable generation and support the transition towards a low-carbon electricity supply. The Company will seek to prioritise high-quality renewable electricity procurement solutions that provide long-term emissions reductions while ensuring cost effectiveness and supply stability.

Residual emissions neutralisation

After maximising emissions reductions across its operations, the Company may neutralise residual greenhouse gas emissions that cannot be technically or economically eliminated in order to achieve its net zero target. The use of carbon removals will be limited to residual emissions only and will complement, rather than replace, direct decarbonisation efforts. The Company will prioritise high-quality, scientifically credible carbon removal solutions that demonstrate permanence, additionality, robust monitoring and verification, and alignment with recognised international standards.

NET-ZERO PATHWAY SCOPE 3

SCOPE 3 CLIMATE NET-ZERO TARGET AND DECARBONIZATION LEVERS (tCO₂e)



Improving energy efficiency in tenant-occupied spaces

The Company will support the reduction of Scope 3 emissions associated with energy consumption in tenant-occupied areas by promoting the implementation of energy efficiency measures identified through building energy audits and operational assessments. Continuous improvements in building systems, energy management, and the optimisation of technical installations will contribute to lower energy demand across the portfolio and reduce indirect emissions associated with tenant operations.

Procurement of renewable electricity

Where the Company is able to influence electricity sourcing for tenant-occupied areas, it will seek to increase the share of renewable electricity through Power Purchase Agreements (PPAs) and Guarantees of Origin (GOs). The use of renewable electricity will support the decarbonisation of energy consumption throughout the portfolio and contribute to reducing tenant-related Scope 3 emissions.

Collaboration with tenants and green lease agreements

The Company recognises that effective decarbonisation of tenant-related emissions requires close collaboration with occupiers. It will strengthen tenant engagement through awareness programmes, the sharing of energy performance data, and joint initiatives to improve energy efficiency and reduce carbon emissions. The Company will also promote the adoption of green lease agreements that incorporate sustainability-related provisions, including commitments to energy efficiency, renewable energy use, environmental data sharing, waste management, and cooperation on achieving decarbonisation objectives.

Reducing emissions from other Scope 3 sources

In addition to operational building emissions, the Company will implement measures to reduce emissions across other relevant Scope 3 categories. These include optimising business travel through increased use of virtual meetings and low-carbon transport options, as well as integrating sustainability criteria into procurement processes. The Company will prioritise lower-carbon materials and products for both operational expenditure (OPEX) and capital expenditure (CAPEX), taking into account embodied carbon, lifecycle performance, and supplier decarbonisation efforts where feasible.

Residual emissions neutralisation

After maximising emissions reductions across its operations and value chain, the Company may neutralise residual greenhouse gas emissions that cannot be technically or economically eliminated in order to achieve its net zero target. The use of carbon removals will be limited to residual emissions only and will complement, rather than replace, direct decarbonisation efforts. The Company will prioritise high-quality, scientifically credible carbon removal solutions that demonstrate permanence, additionality, robust monitoring and verification, and alignment with recognised international standards.

BEYOND VALUE CHAIN MITIGATION

Beyond value chain mitigation

EPP recognises that achieving net-zero greenhouse gas (GHG) emissions by 2050 will require deep decarbonisation across its operations and value chain, supported by complementary approaches for residual emissions that cannot be fully eliminated through available technologies and operational measures.

The company prioritises emissions reduction within its own operations and value chain as the primary decarbonisation lever, while recognising that BVCM may play a supplementary role in addressing hard-to-abate emissions over the long term. EPP applies a mitigation hierarchy based on the principle of avoiding and reducing emissions before considering Beyond Value Chain Mitigation (BVCM) measures.

The transition approach follows three key steps:

1. **Avoid and reduce emissions at source** through energy efficiency improvements, electrification, renewable energy sourcing and engagement with tenants and suppliers;
2. **Transform assets and operations** through building modernisation, technical upgrades and deployment of low-carbon solutions;
3. **Address residual emissions** that remain technically or economically difficult to eliminate, particularly in selected Scope 3 categories.

BVCM may play a complementary role in the long-term net-zero phase through support for credible emissions reduction and carbon removal initiatives aligned with recognised standards. **Any such measures will remain supplementary and will not replace EPP's commitment to achieving substantial absolute emissions reductions within its own value chain.**

Currently, EPP's Climate Transition Plan does not rely on carbon offsets or external compensation mechanisms to achieve its near- and medium-term climate targets. The Company's priority remains the decarbonisation of its portfolio and operations, while maintaining the potential to support high-quality BVCM solutions for neutralization of residual emissions in the long term, on the way to achieving the net-zero target in 2050. Any future use of BVCM will require Management Board approval and periodic review to ensure consistency with the Company's climate strategy.





5. FINANCING THE TRANSITION

FINANCING THE TRANSITION

Integration into Decision-Making and Capital Allocation

EPP integrates climate-related considerations into its financial planning, investment appraisal processes, asset management strategies and capital expenditure decisions. The Company's climate transition initiatives are financed through its own operating revenues and external financing. Investments supporting the Climate Transition Plan are prioritized based on their potential to reduce energy consumption, improve energy performance, reduce greenhouse gas emissions and enhance resource efficiency. By focusing on measures that improve building efficiency, the Company generates long-term operational savings that support and reinforce future decarbonisation efforts, ensuring a financially sustainable transition while strengthening its resilience and climate performance.

The implementation of the transition pathway is supported by dedicated capital expenditure programmes focused on energy efficiency improvements, renewable energy deployment, low-carbon building technologies and climate adaptation measures. Climate-related criteria are assessed alongside financial and operational considerations to ensure that investments support both decarbonisation objectives and long-term portfolio performance.

For EPP the climate-related expenditures are a strategic tool for protecting asset value, supporting refinancing capabilities, improving operational efficiency and responding to evolving tenant and investor expectations.

Climate-Related Capital Expenditure Priorities

EPP's climate-related investments focus on the following areas:

- **improvement of building energy efficiency, including HVAC optimisation, Building Management Systems (BMS), LED lighting and energy monitoring solutions;**
- **expansion of renewable energy generation through PV installations and increased renewable electricity sourcing;**
- **implementation of climate adaptation and resilience measures across the portfolio;**
- **reduction of fossil fuel dependency through electrification, technical upgrades, deployment of lower-carbon technologies.**

A key example of this approach is the modernisation programme at King Cross Marcelin in Poznań, which improved building energy performance and reduced common area energy consumption by approximately 20%.

Renewable Energy Investments

Renewable energy investment remains a key element of EPP's transition pathway. In FY2025, a key milestone was the partnership established with Sunbird Solar Solutions to install photovoltaic systems across 13 retail assets under management, with planned installed capacity exceeding 7.1 MWp. Once fully operational, the project is expected to deliver significant renewable electricity generation capacity and contribute to reducing dependence on grid-supplied electricity. EPP also continues to increase renewable electricity sourcing through Power Purchase Agreements (PPAs) and Guarantees of Origin (GOs).

Future Investment Outlook

Future capital allocation priorities include further deployment of renewable energy solutions, continued improvement of portfolio energy efficiency, reduction of fossil fuel dependency and implementation of technologies supporting net-zero operations.

Investment priorities will be reviewed regularly to reflect technological developments, regulatory requirements and market conditions, ensuring alignment with EPP's long-term decarbonisation pathway.

CLIMATE-RELATED CAPEX AND OPEX ALIGNMENT

ACTION AREAS	FY 2025 CAPEX	FY 2025 OPEX	UNTIL FY2050 CAPEX	UNTIL FY2050 OPEX
Energy efficiency improvments	2 MLN PLN	0	150 MLN PLN	0
Own renewable energy generation	26 MLN PLN	0	26 MLN PLN	0
Renewable Energy Procurement (PPA & GOs)	0	0.85 MLN PLN	0	40 MLN PLN

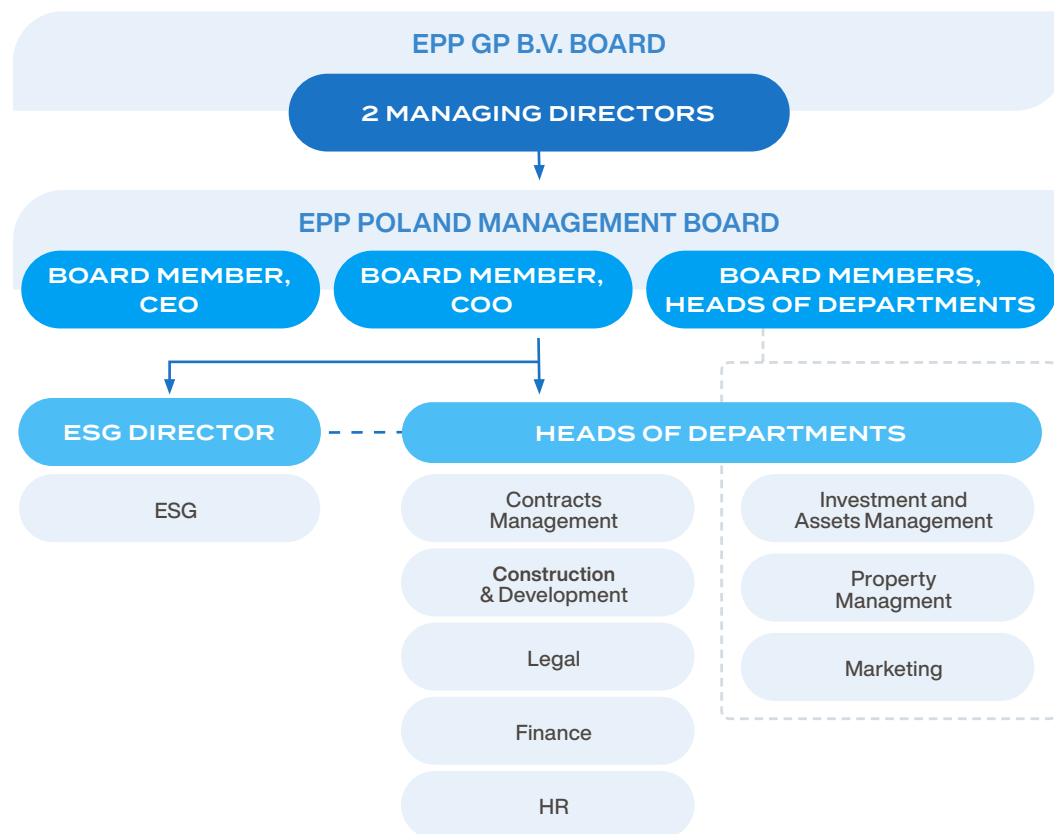
6. GOVERNANCE



GOVERNANCE

Climate Governance

Effective governance ensures that climate-related targets are integrated into EPP's strategy, operations and decision-making processes. Climate governance is embedded within the Company's corporate governance framework, providing clear accountability, oversight and decision-making responsibilities across all organisational levels.



Governance of Climate-Related Matters

EPP recognises climate change as a strategic business risk and opportunity that may materially affect the long-term performance, resilience and value of its real estate portfolio.

The EPP GP B.V. Board of Directors provides overall oversight of the Company's sustainability strategy and climate-related performance. The Board is responsible for setting the strategic direction, approving the governance framework and monitoring the Group's economic, social and environmental performance. EPP GP B.V. Board of Directors establishes strategic ESG targets for the Management Board in Poland, reviews progress against these targets.

Operational responsibility for implementing the ESG strategy rests with the Management Board, supported by the Chief Operating Officer (COO) and the ESG Director. The ESG Director, reporting directly to the COO, coordinates implementation of ESG targets across the organisation, ensuring alignment between strategic objectives and day-to-day activities.

Climate-related performance is monitored through monthly ESG meetings involving representatives from ESG, technical, asset management, HR and legal functions. These meetings review progress on greenhouse gas (GHG) emissions across Scopes 1, 2 and 3, green building certifications, climate-related risks, regulatory developments and delivery of strategic ESG KPIs. Progress is reported regularly to senior management, supporting timely decision-making and implementation of corrective actions where necessary.

The Management Board oversees climate-related risks, opportunities, targets and strategic initiatives, integrating climate considerations into business planning, risk management and capital allocation. It regularly reviews progress against climate objectives and key environmental performance indicators.

The EPP GP B.V. Board of Directors oversees the Company's sustainability strategy and reviews material climate-related risks, opportunities and performance as part of its broader responsibilities for long-term value creation, supporting the integration of sustainability considerations into strategic decision-making and ensuring alignment with stakeholder expectations and regulatory requirements.

GOVERNANCE

Roles and Responsibilities

Responsibility for the implementation of climate-related initiatives is assigned across relevant business functions to ensure accountability and integration into day-to-day operations. Sustainability and environmental management activities are coordinated by dedicated ESG specialists working in close cooperation with asset management, property management, technical, investment and finance teams.

Climate-related responsibilities include:

- **monitoring greenhouse gas (GHG) emissions and energy consumption across the portfolio;**
- **identifying and implementing energy efficiency measures;**
- **supporting the deployment of renewable energy solutions;**
- **assessing climate-related risks and opportunities;**
- **ensuring compliance with environmental regulations and reporting requirements;**
- **coordinating sustainability disclosures and stakeholder engagement activities.**

This cross-functional approach ensures that climate considerations are incorporated into investment decisions, refurbishment projects, operational management and long-term asset planning.

Integration with Enterprise Risk Management

Climate-related risks and opportunities form an integral part of EPP's Enterprise Risk Management Framework (ERM). The com-

pany regularly assesses both physical and transition risks and evaluates their potential impacts on operations, assets, tenants and financial performance. Results of climate risk assessments are considered when evaluating major refurbishments, leasing strategies and long-term capital expenditure plans.

The Chief Operating Officer is responsible for overseeing ESG-related risks and opportunities, supported by the ESG Director, who coordinates monthly reporting prepared by the technical, HR and legal teams and monitors progress against strategic ESG targets.

Material climate-related risks, opportunities and sustainability performance are reported to the EPP GP B.V. Board on a regular basis. The Board is informed quarterly on material impacts, risks and opportunities, due diligence activities, implemented policies, progress against strategic actions and climate-related targets.

This governance framework enables EPP to respond proactively to evolving regulatory requirements, market developments and climate-related disruptions while strengthening the resilience of its portfolio.

Performance Monitoring and Incentives

Progress towards climate-related targets is monitored through a set of environmental performance indicators, including greenhouse gas emissions, energy consumption, renewable energy generation, energy efficiency improvements and other resource efficiency metrics. Performance data is regularly reviewed by management and informs operational improvements, investment

planning and capital allocation decisions. Operational KPIs are monitored monthly, while strategic progress against the Climate Transition Plan is formally reviewed annually by the Board.

To reinforce accountability, sustainability targets are incorporated into management performance assessments and remuneration structures. EPP links both short-term and long-term incentive schemes to ESG performance, with incentive arrangements approved by Redefine Properties in accordance with the Group's Remuneration Policy.

LTIs are long-term targets set in 3-year perspective with up to 25% of the total incentive directly linked to ESG-related performance. On the Directors level, LTIs are set for one of EPP GP B.V.'s Directors (Chief Executive Officer of EPP sp. z o.o.). Environmental targets include greenhouse gas emissions reduction and delivery of strategic sustainability initiatives.

STIs are short-term incentives and annual awards. In FY25, the STI for EPP GB B.V. Director (EPP Poland CEO) included 30% ESG-related performance indicators, such as implementation of the ESG Strategy, delivery of greenhouse gas reduction targets and progress in expanding on-site renewable energy generation through photovoltaic installations.

GOVERNANCE OF THE CLIMATE TRANSITION PLAN

Oversight and Accountability

The Climate Transition Plan is approved by the Management Board and overseen by the Supervisory Board as part of its responsibilities for long-term strategy, risk management and sustainability performance.

The Management Board is accountable for implementing the Climate Transition Plan and ensuring that climate considerations are integrated into strategic planning, investment decisions, operational management and capital allocation.

Operational responsibility for delivering individual decarbonisation initiatives is assigned to the ESG, asset management, property management, technical, investment and finance teams, which are responsible for implementing actions, monitoring performance and reporting progress to senior management.

Monitoring and Review

The implementation of the Climate Transition Plan is monitored through a set of climate-related key performance indicators (KPIs) and targets covering, among others:

- **Scope 1, Scope 2 and relevant Scope 3 greenhouse gas emissions;**
- **energy consumption and energy intensity;**
- **renewable energy generation and procurement;**
- **energy efficiency improvements across the portfolio;**
- **implementation of decarbonisation projects and capital expenditure programmes;**
- **climate resilience and adaptation measures.**

Performance against these indicators is reviewed at least annually as part of the Company's sustainability reporting and management review processes. Where appropriate, interim reviews may also be undertaken to assess implementation progress and identify areas requiring corrective action. Where progress deviates materially from planned trajectories, corrective actions are identified and incorporated into subsequent implementation plans.

The Climate Transition Plan will be updated periodically to reflect changes in business strategy, portfolio composition, regulatory requirements, technological developments, stakeholder expectations and emerging climate-related risks and opportunities..

Transparency and Continuous Improvement

EPP is committed to maintaining a transparent and evidence-based approach to climate transition. Progress against climate targets and implementation measures will be disclosed through annual sustainability reporting and other relevant stakeholder communications.

The Company will continuously review the effectiveness of the Climate Transition Plan and update it where necessary to reflect evolving scientific knowledge, market developments, regulatory expectations and the objectives of the Paris Agreement. This approach supports continuous improvement while maintaining business resilience and long-term value creation.

7. RISK MANAGEMENT



RISK MANAGEMENT

Approach to climate-related risk management

EPP integrates climate-related risks and opportunities into its enterprise risk management (ERM) framework, ensuring that climate considerations are incorporated into strategic planning, asset management, investment decisions and operational processes.

Climate risks are assessed alongside other strategic and financial risks through established governance structures. The assessment process includes risk identification, evaluation of potential impacts, prioritisation of mitigation measures and ongoing monitoring at both asset and portfolio levels. Climate-related risks are categorised into physical risks and transition risks, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Risk identification and assessment process

Each risk is assigned a rating using a defined scale ranging from low to extreme, enabling prioritisation of risk response activities and resource allocation. EPP applies a structured approach to assess climate risks based on:

- **likelihood and severity of potential climate-related events;**
- **potential financial and operational impacts on assets and portfolio performance;**
- **expected timing of risk occurrence: (0-5 years) short-, (5-10 years) medium- and (>10 years) long-term;**
- **effectiveness of existing mitigation measures.**

Material climate risks are incorporated into the Company's risk management processes and considered in investment planning, asset management activities and resilience measures.

Detailed climate risk assessments, including identified physical and transition risks, are presented in [EPP's Climate Report](#).



**See EPP N.V.
Climate Risk
Report →**

Physical and transition risks

Physical climate risks relate to the potential impacts of acute and chronic climate hazards, including extreme weather events and long-term changes in climatic conditions. Key risk areas for EPP include increased cooling demand due to rising temperatures, extreme precipitation, flooding, and impacts on asset resilience. As indicated in EPP's climate risk assessment, physical climate risks are currently assessed as **low to medium in terms of overall portfolio impact**, primarily due to existing technical safeguards, asset quality and ongoing adaptation measures. However, the Company recognises that the frequency and intensity of physical climate hazards is expected to increase over time, requiring continuous adaptation and resilience investments.

Transition risks arise from the shift towards a low-carbon economy and include regulatory, technological, market and reputational factors. Key transition risk drivers include evolving climate regulations, energy cost changes, carbon pricing, technological developments and increasing sustainability expectations from tenants and investors.

EPP addresses these risks through its decarbonisation strategy, including energy efficiency improvements, renewable energy deployment, electrification of building systems, climate-focused capital allocation and integration of sustainability criteria into investment decisions.

PHYSICAL RISKS

Temperature-related		STRATEGIC IMPACTS	TIME FRAME	FOCUS AREA OF MITIGATION
Heat Stress	High temperatures occurring more frequently in the summer season	Operating costs: High – heat waves can lead to increased costs of air-conditioning Capital expenditures and capital allocation: High – due to heat wave-related blackouts, cost of major disruption to tenants' operations must be considered. Acquisitions or divestments: Medium – prolonged heat wave-related blackouts and related to it termination of contracts by tenants can become a factor in divestment eligibility of selected assets. Access to capital: Medium – EPP N.V.'s credit rating can be lowered because of climate-risk materialization affecting the financial position of the Company.	Short-term to long-term	Improving energy efficiency. Adopting green building practices. Switching to renewable energy sources (PV installations). Improving energy efficient Adopting green building practices. Switching to renewable energy sources (PV installations)
Forest- / wildfires	Fires can affect properties' operations due to fire-related blackouts	Operating costs: High – fires can lead to blackouts and major disruption to tenants' operations. Capital expenditures and capital allocation: High – due to fire-related blackouts, cost of major disruption to tenants' operations must be considered. Acquisitions or divestments: Medium – prolonged fire-related blackout and related to it termination of contracts by tenants can become a factor in divestment eligibility of selected assets. Access to capital: Medium – EPP N.V.'s credit rating can be lowered because of climate-risks materialization affecting the financial position of the Company	Medium-term to long-term	Switching to renewable energy sources (PV installations)
Wind-related		STRATEGIC IMPACTS	TIME FRAME	FOCUS AREA OF MITIGATION
Extra-tropical storm Tornado Hail	Storms may cause damages and impair properties' operations also due to blackouts	Operating costs: Medium – water stress can lead to non-standard costs of securing alternative water supplies. Capital expenditures and capital allocation: High – cost of sustaining operations of EPP N.V.'s assets and mitigating disruption to tenants' operations must be considered. Acquisitions or divestments: Medium – prolonged water stress can become a factor in divestment eligibility of selected assets. Access to capital: Medium – EPP N.V.'s credit rating can be lowered because of climate-risks materialization affecting the financial position of the Company	Medium-term to long-term	Comprehensive water management strategy (to be finalized in 2024)
Drought	Limitations in water availability potentially affecting building operations	Operating costs: Medium – water stress can lead to non-standard costs of securing alternative water supplies. Capital expenditures and capital allocation: High – cost of sustaining operations of EPP N.V.'s assets and mitigating disruption to tenants' operations must be considered. Acquisitions or divestments: Medium – prolonged water stress can become a factor in divestment eligibility of selected assets. Access to capital: Medium – EPP N.V.'s credit rating can be lowered because of climate-risks materialization affecting the financial position of the Company.	Medium-term to long-term	Comprehensive water management strategy (to be finalized in 2024)
Heavy precipitation	Flooding due to heavy rainfall causing damage of equipment and lifts and affecting satisfaction of tenants and visitors	Operating costs: High – materialization of flood risk can lead to incurring costs of physical damage mitigation actions and non-standard costs of securing alternative water supplies. Capital expenditures and capital allocation: High – costs required to repair physical damage to buildings must be considered. Acquisitions or divestments: Medium – divestment eligibility of assets in areas that due to climate change can become flood-prone can become a factor in divestment eligibility of selected assets. Access to capital: High – EPP N.V.'s credit rating can be lowered because of climate-risk materialization, including Company's loan-to-value ratio (as in case of decrease in value of assets in affected region).	Short-term to long-term	Comprehensive adaptation plan
Flood	Floods can cause damage of equipment and disrupt properties' operations	Operating costs: High – materialization of flood risk can lead to incurring costs of physical damage mitigation actions. Capital expenditures and capital allocation: High – costs required to repair physical damage to buildings must be considered. Acquisitions or divestments: Medium – divestment eligibility of assets in areas that due to climate change can become flood-prone can become a factor in divestment eligibility of selected assets. Access to capital: High – EPP N.V.'s credit rating can be lowered because of climate-risk materialization, including Company's loan-to-value ratio (as in case of a decrease in value of assets in affected region).	Short-term to long-term	Comprehensive adaptation plan

TRANSITIONAL RISKS

Risk		STRATEGIC IMPACTS	TIME FRAME	FOCUS AREA OF MITIGATION
Regulatory	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).	Operating costs: High – because of new regulations, selected operational costs of managing real estate assets can become increased and influence overall operating costs of the Company. Capital expenditures and capital allocation: High – because of new regulations, further capital expenditures can be necessary, including acquiring low-carbon technologies and equipment. Acquisitions or divestments: High – not meeting the new regulation regime by Company's assets can become a factor in divestment eligibility of selected assets. Access to capital: High – 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.	Medium-term to long-term	Further reducing our carbon footprint. Adopting green building practices.
	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.	Operating costs: Medium – technological changes and need to adjust to them can lead to costs associated with maintaining low-carbon technologies. Capital expenditures and capital allocation: High – technological changes and the need to adjust to them can lead to capital expenditures associated with integrating low-carbon technologies (including solar PV installations) in selected or all assets managed by the Company. Acquisitions or divestments: High – not meeting the new technological trends by Company's assets can become a factor in divestment eligibility of selected assets. Access to capital: Medium – EPP N.V.'s credit rating can be lowered due to lack of meeting the new technological trends by Company's assets.	Medium-term to long-term	Adopting green building practices, Integrating low-carbon technologies.
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).	Operating costs: Medium – reputational risk materialization can lead to lower retention of employees due to climate-related concerns. Capital expenditures and capital allocation: Medium – lower retention of tenants due to climate-related reputational concerns must be considered. Acquisitions or divestments: High – not meeting the new sustainability trends by the Company's assets can become a factor in divestment eligibility of Company's assets. Access to capital: High – overall bankability may be affected in the case where the Company is unable to demonstrate its commitment to sustainable development and climate risks mitigation.	Short-term to long-term	Adopting green building practices. Awareness building and information campaigns. Finetuning climate risk management. Enhancing climate related disclosures.
	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. We consider also increases in energy prices as a high risk to our business	Operating costs: High – increase in energy costs can significantly affect overall operating costs. Capital expenditures and capital allocation: Medium – lower retention of tenants due to market costs increase must be considered. Acquisitions or divestments: High – not meeting the new sustainability trends by Company's assets can become a factor in favor of competitors on the RE market. Access to capital: Medium – not meeting the new sustainability trends by Company's assets can decrease availability of bank loans.	Medium-term to long-term	Improving energy efficiency. Switching to renewable energy sources (PV installations).

CLIMATE SCENARIO ANALYSIS

Scenario analysis and portfolio resilience

EPP uses climate scenario analysis to evaluate the resilience of its portfolio and assess potential impacts under different climate pathways. Scenario analysis is a key input into the Company's long-term risk management and strategic planning processes. The analysis considers both physical and transition risks, including:

- **orderly transition scenarios aligned with limiting global warming to 1.5°C;**
- **delayed or disorderly transition scenarios with higher transition costs;**
- **higher physical risk scenarios reflecting increased frequency and severity of extreme weather events.**

For physical risks, the analysis considers climate pathways consistent with widely used global scenarios (e.g. RCP-based pathways such as RCP 2.6, RCP4.5 and RCP 8.5), assessing potential impacts on asset resilience, energy demand and operational continuity.

For transition risks, scenario analysis incorporates assumptions regarding carbon pricing trajectories, energy system decarbonisation, regulatory tightening and changes in market conditions affecting real estate valuation and operating costs.

The results of scenario analysis support:

- **identification of assets and operations exposed to increased climate risks;**
- **assessment of portfolio resilience under different transition pathways;**
- **prioritisation of adaptation and mitigation measures;**

→ **capital expenditure and investment planning decisions.**

Scenario analysis is periodically reviewed to reflect changes in climate science, regulatory developments, technological progress and portfolio composition.

Monitoring, review and continuous improvement

EPP continuously monitors climate-related risks using updated data, scientific developments and regulatory changes. The risk management framework is periodically reviewed to ensure it remains aligned with evolving best practices and ESRS requirements.

Conclusion

EPP's climate risk management approach ensures that both physical and transition risks are systematically identified, assessed and integrated into strategic and operational decision-making.

Through the use of scenario analysis, structured risk governance and continuous monitoring, the Company aims to maintain a resilient and adaptable portfolio capable of withstanding a wide range of future climate conditions while supporting its long-term net-zero transition objectives.

<2°C 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**

CLIMATE-RELATED OPPORTUNITIES

Overview

EPP recognises that the transition to a low-carbon economy and increasing climate resilience requirements create strategic opportunities linked to energy efficiency, renewable energy, technological innovation and increasing demand for sustainable buildings.

Climate-related opportunities are integrated into strategic planning, capital allocation and asset management decisions. Key opportunities include improving operational efficiency, reducing energy costs, enhancing asset attractiveness, supporting regulatory alignment and strengthening long-term portfolio resilience.

Conclusion

Climate-related opportunities represent a core element of EPP's Climate Transition Plan and are closely integrated with its broader business strategy. By leveraging these opportunities, EPP aims to create long-term value while accelerating the transition towards a low-carbon and climate-resilient real estate portfolio. These opportunities reinforce the Company's decarbonisation strategy and demonstrate that climate action is not only a risk management necessity but also a key driver of competitive advantage and sustainable growth.

Full Climate Risks and Opportunities Report can be found here:



**See EPP N.V.
Climate Risk
Report →**

CLIMATE-RELATED OPPORTUNITIES

OPPORTUNITY	STRATEGIC IMPACTS ON:	TIME FRAME	TENANTS/SUPPLIERS
Transition	Transition to renewable energy sources/ technologies that would help us achieve climate resilience. Operating costs: High – transition to green energy can significantly reduce overall operating costs. Capital expenditures and capital allocation: High – considerable investment is needed to make the transition possible. Acquisitions or divestments: High – transition to green energy can give a competitive advantage on real estate market. Access to capital: High – effective transition can improve access to (green) financing.	Medium-term to long-term	Contributing to the transition as part of own carbon footprint reduction effort.
Improved resource efficiency	Decreasing energy consumption, improvements in energy efficiency, waste management, water management. Adopting green building practices and improving climate resilience of our assets. Operating costs: High – more efficient use of resources, including energy, can significantly reduce overall operating costs. Capital expenditures and capital allocation: Medium – improving energy efficiency may require investment in relevant technical solutions. Acquisitions or divestments: High – improved resource efficiency can give a competitive advantage on real estate market. Access to capital: High – access to (green) financing can be easier for climate-neutral, resource-efficient companies.	Short-term to long-term	Sharing effort to improve resource efficiency (in particular in waste management). Exerting peer pressure.
Sustainable finance	Effective transition helping to secure access to attractive green financing. Operating costs: No direct impact on operating costs. Capital expenditures and capital allocation: High – access to attractive green financing can support the transition to net zero. Acquisitions or divestments: High – improved access to financing can strengthen market position. Access to capital: High – access to capital significantly improved with green / sustainable finance.	Short-term to long-term	N/A

8. CLIMATE-RELATED DISCLOSURES



LOCKED-IN EMISSIONS

Assessment of Locked-in Emissions

EPP recognises that real estate assets are long-lived infrastructure, and that investment and operational decisions may influence greenhouse gas (GHG) emissions over several decades. As part of its Climate Transition Plan, the Company assesses the extent to which existing assets, technologies and operational practices could create future emissions that are difficult or costly to eliminate ("locked-in emissions").

The assessment considers the characteristics of the existing portfolio, including building energy systems, energy sources, refurbishment cycles, lease structures and the expected operational lifetime of installed technologies..

Exposure and sources of potential Locked-in Emissions

EPP considers its exposure to material locked-in emissions to be decreasing as energy efficiency measures are implemented and the share of renewable electricity increases. The Company has achieved substantial reductions in greenhouse gas emissions compared with the 2019 baseline and met its approved near-term Science Based Targets initiative (SBTi) emissions reduction targets ahead of schedule, demonstrating the effectiveness of its decarbonisation strategy.

Despite the progress achieved, certain residual emission sources remain within the portfolio and may continue to contribute to future emissions unless further addressed. These include:

- **fossil fuel consumption associated with selected building heating and backup systems;**
- **embodied carbon associated with refurbishment works, construction materials and value chain activities;**
- **tenant-controlled energy consumption and fit-out activities;**
- **electricity consumption that remains dependent on the pace of decarbonisation of the Polish heat and electricity grid;**
- **long-life technical equipment installed before the implementation of current decarbonisation standards.**

Given the typical lifespan of commercial real estate assets and building systems, these sources may continue to generate emissions over the medium term unless replaced or upgraded through planned investment programmes.

To minimise future locked-in emissions, EPP integrates decarbonisation considerations into long-term asset management and capital planning. Planned measures include the electrification of building systems where technically and economically feasible, implementation of energy efficiency improvements, increased sourcing of renewable electricity, replacement of fossil fuel-based equipment where feasible and the incorporation of lower-carbon solutions into refurbishment and redevelopment projects.

Internal Carbon Pricing

The Company does not currently apply an internal carbon price as a tool for climate-related decision-making. Instead, the Company monitors and evaluates its climate transition efforts based on the actual capital and operating expenditures incurred for initiatives that contribute to the reduction of greenhouse gas emissions.

These expenditures primarily relate to the modernization and energy performance improvement of buildings, replacement and upgrade of technical systems, implementation of energy efficiency measures, and other investments aimed at reducing emissions from the Company's building portfolio and operations. The level of these investments is regularly monitored and serves as a key indicator of the Company's financial commitment to the implementation of its Climate Transition Plan and the decarbonization of its operations. This approach enables the Company to assess the resources allocated to climate-related actions while supporting the achievement of its emissions reduction targets.

For the purpose of assessing the cost-effectiveness of decarbonization measures, the Company has estimated an indicative Internal Carbon Price of **EUR 110 per tCO₂e**. The value was derived based on data from energy audits of the Company's buildings, taking into account the investment costs of identified energy efficiency measures and the corresponding greenhouse gas emission reduction potential. At this stage, the calculated Internal Carbon Price is used as a reference value to support the evaluation of decarbonization initiatives and the Company's climate transition planning and has not yet been integrated into broader financial or investment decision-making processes.

WIDER SUSTAINABILITY CONTRIBUTION

Additional Sustainability Initiatives Aligned with the Sustainable Development Goals (SDGs)

Beyond its core decarbonisation strategy, EPP implements a broader set of sustainability initiatives that contribute to selected United Nations Sustainable Development Goals (SDGs). These initiatives reflect the Company's understanding that climate transition is closely interconnected with social, environmental and governance dimensions of sustainability, particularly within the real estate sector.

While the primary focus of the Climate Transition Plan is the reduction of greenhouse gas emissions, EPP's sustainability activities generate wider co-benefits that support long-term value creation for stakeholders, improve operational resilience and enhance the positive impact of its assets on local communities.

Integration of SDGs into Business Strategy

The Company considers the SDGs as a complementary framework that helps contextualise its sustainability strategy within globally recognised development priorities. While climate-related objectives remain the primary driver of the Climate Transition Plan, selected SDGs provide a broader reference point for understanding the wider environmental and social impacts of EPP's operations.

MINDFUL MANAGEMENT KEY TARGETS

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



	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

EARTH CITIZEN KEY TARGETS

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



	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

Sustainability initiatives aligned with the SDGs are integrated into EPP's asset management approach, capital investment planning and stakeholder engagement activities. This ensures that climate transition efforts are implemented in a way that also supports social value creation, responsible resource use and long-term urban development objectives. Through this integrated approach, EPP aims to ensure that its Climate Transition Plan delivers not only emissions reductions, but also broader positive contributions to sustainable development in the markets in which it operates.

The remaining targets can be found in the ESG report:



**See EPP N.V.
Sustainability
Statement →**

EU TAXONOMY

EU Taxonomy

The EU Taxonomy provides a reference framework supporting EPP's Climate Transition Plan by guiding investment decisions, capital allocation and asset-level decarbonisation activities in line with the European Union's climate objectives.

EPP uses the EU Taxonomy as a strategic framework to identify and prioritise activities that contribute to climate mitigation, energy efficiency improvements and the long-term transition towards a low-carbon real estate portfolio.

Role of the EU Taxonomy in EPP's transition strategy

The EU Taxonomy supports EPP's transition pathway in:

- **identification of climate-aligned investment activities;**
- **prioritisation of CapEx contributing to emissions reduction and energy efficiency;**
- **assessment of portfolio alignment with EU climate objectives;**
- **integration of sustainability criteria into asset management and refurbishment decisions;**
- **enhancement of transparency for investors and financial stakeholders.**

The Taxonomy is embedded in EPP's broader Climate Transition Plan as a supporting framework for delivering emissions reductions across Scope 1, Scope 2 and relevant Scope 3 categories.

Taxonomy-Related Capital Expenditure

Climate-related investments supporting alignment with the EU Taxonomy include:

- **energy efficiency improvements and building modernisation projects;**
- **upgrades of technical systems, including HVAC and energy management solutions;**
- **deployment of renewable energy installations, including photovoltaic systems;**
- **refurbishment measures improving building energy performance.**

These investments support EPP's decarbonisation objectives by reducing energy consumption, improving asset performance and contributing to the reduction of Scope 1, Scope 2 and relevant Scope 3 emissions.

Integration into Investment Decisions

EU Taxonomy criteria are progressively incorporated into EPP's investment and asset management processes. Relevant sustainability and climate criteria are considered in CapEx planning, refurbishment decisions and investment assessments to support the long-term resilience and decarbonisation of the portfolio.



ATTACHMENT: GHG EMISSIONS INVENTORY

*Assurance report can be found in the ESG report on page 93



See [EPP N.V. Sustainability Statement](#) →

E1-6 GHG EMISSIONS FOR EPP N.V. AND JOINT VENTURES (tCO₂e)

(validated in SBTi)	FY FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Scope 1 GHG emissions	3,857	2,949	2,876	2,223	1,791	2,198	2,662
Mobile combustion	233	203	158	182	118	152	223
Stationary combustion	3,171	2,596	2,525	1,784	1,278	1,411	1,645
Fugative emissions	453	150	193	256	394.35	635	794
Scope 2 GHG emissions market-based	79,626	77,466	54,562	60,841	52,220	40,647	25,433
Scope 2 GHG emissions location-based	79,238	71,802	62,027	69,702	66,637	63,651	41,193
Purchased electricity market-based	77,280	74,897	51,314	58,565	49,706	38,255	23,104
Purchased electricity location-based	76,892	69,233	58,779	67,426	64,124	61,258	38,864
District heat	2,346	2,570	3,249	2,276	2,513	2,393	2,328
Scope 3 GHG emissions market-based	193,464	179,493	165,426	187,685	161,760	128,082	110,364
Scope 3 GHG emissions location-based	193,324	169,853	175,482	201,079	191,294	174,793	144,267
Cat. 1 Purchased goods and services	2,099	2,616	3,286	3,865	5,618	3,028	4,664
Cat. 2 Capital goods	10,255	5,504	4,537	6,933	5,442	5,815	9,140
Cat. 3 Energy related activities market-based	36,667	32,767	44,034	49,741	41,996	31,489	23,617
Cat. 3 Energy related activities location-based	36,667	32,767	47,996	53,957	50,858	45,141	33,483
Cat. 5 Waste generated in operation	1,684	1,216	955	1,017	1,472	1,285	956
Cat. 6 Business travel	25	24	24	24	40	19	9
Cat. 7 Employee commuting	213	213	213	213	221	304	264
Cat. 13 Downstream Leased Assets market-based	142,522	137,153	112,377	125,892	106,972	86,142	71,714
Cat. 13 Downstream Leased Assets location-based	142,382	127,514	118,471	135,070	127,645	119,201	95,751
Scope 1, 2 & 3 Total GHG market based	276,9462	259,908	222,865	250,748	215,771	170,927	138,458
Scope 1, 2 & 3 Total GHG location based	276,419	244,605	240,385	273,004	259,722	240,641	188,121
Scope 1 & 2 GHG emissions market-based	83,482	80,416	57,438	63,063	54,011	42,845	28,094
Scope 1&2 Reduction achieved vs Base Year:		-3.7%	-31.2%	-24.5%	-35.3%	-48.7%	-66.3%
Scope 3 GHG emissions Cat 3 & 13 market-based	179,189	169,920	156,411	175,634	148,968	117,632	95,330
Scope 3, Cat 3&13 Reduction achieved vs Base Year:		-5.2%	-12.7%	-2.0%	-16.9%	-34.4%	-46.8%

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



Wiktoria Żaczek

ESG Manager

wiktoria.zaczek@epp-poland.com



Aleksandra Noworyta

ESG Director

aleksandra.noworyta@epp-poland.com



Pieter Prinsloo

Board Member, Managing Director

esg@eppnv.nl

