



Sustainable
Development
Report
2021

Dear Shareholders, Customers, Partners and Employees!

Please find enclosed Develia Group's first sustainable development report. Today, sustainability is becoming a fundamental determinant of a responsible approach to business by companies that want to remain competitive in a rapidly changing environment. At the same time, as a developer that builds residential developments and commercial facilities in Poland's largest cities, we have influence and feel a shared responsibility for the space we create, as well as for those who use it. Every day we strive to make responsible decisions in the ESG (Environmental, Social, Governance) areas. This report summarizes the activities we conducted in each area in 2021. We recognize that we are at the beginning of the journey toward sustainability and the relevant reporting, but we are nevertheless consistently developing internal processes that will help us collect data in a uniform manner by all Develia Group entities.

In 2021, we announced the *Develia Group's Strategy for 2021-2025*, which envisions increasing the Company's value by increasing the scale of our business and focusing on our key areas. Observing the changes in the real estate market, we have set our sights on expanding in the residential and PRS (Private Rental Sector) segments while reducing our involvement in commercial projects.



As a developer, we recognize the important role of the real estate sector and the construction industry in creating urban spaces with respect for the natural environment. We minimize the negative impact of our operations on the environment and strive to go beyond meeting the obligations imposed on us by law. In setting the long-term goals of the *Develia Group's Strategy for 2021-2025*, we have declared that the Company will significantly redirect its activities toward positive environmental impact and adapt selected projects to the urban context. Systematically, step by step, we are fulfilling this declaration, as you will read more about in the section *Our approach to environmental protection* on page 26.

We employ 175 people, in addition to working with dozens of business partners on a daily basis. In addition, through the development of residential estates or commercial facilities, we co-create places to live and work for thousands of people. Due to the scale and nature of our business, we have a strong impact on our surroundings, and our priority is to treat all stakeholders responsibly.

From the beginning of the project planning process, we have the safety and convenience of future residents in mind. For this reason, our developments are located close to green areas and developed service and transportation infrastructure.



We also take the environmental dimension and the needs of users into account when designing commercial buildings. A prime example is Warsaw's Wola Retro office building, which was developed by adapting a pre-war building in cooperation with the historic building conservation officer. We wanted, while caring for the heritage of history, to develop a building distinguished by a number of modern solutions ensuring the comfort of work for the users.

We actively ensure that our employees can say that Develia is a good employer by, among other things, providing them with attractive employment conditions, guaranteeing full respect for their rights, and enabling them to develop and improve their competencies. We consistently develop an open and friendly work environment.

Our business is closely related to the construction industry, where safety is key. That is why we prioritize health and safety issues – both for those we employ directly and for the employees and subcontractors of our supply chain partners. We require contractors to respect human rights and environmental responsibility.

The sustainable development of the company requires commitment and responsible action by all employees and business partners, but it is corporate governance that sets the framework for how our company operates. Therefore, we are improving the system of internal regulations, such as procedures, rules and regulations, policies or organizational structures, as described in the *Responsible management* section on page 12.

In the work on the report we have engaged our employees, customers and other stakeholders, as they co-create our organization and their opinions are very important to us. I would like to thank everyone who participated in this project. The activities summarized in this document are only the beginning of our journey to fully integrate ESG factors into the strategic management of the organization, and our ambitions go much further. We have embarked on a path of sustainable development and will improve every area of our business year after year, maintaining value growth in both the financial and non-financial dimension.

A handwritten signature in black ink, reading "Andrzej Ośliźło". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrzej Ośliźło

President of the Management Board

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Introduction.



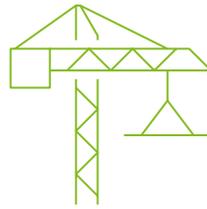
About us

GRI 102-2

We are one of the largest and most experienced real estate development companies in Poland. We develop residential and commercial projects in Wrocław, Warsaw, Gdańsk, Kraków, Katowice and Łódź.

Since the establishment of the company in 2006 to the end of 2021, we built

38 housing developments



consisting of a total of **100** investment project stages
this is more than **14** thousand units
with a total area of more than **760,000** square meters



We have also built commercial facilities, including the Arkady Wrocławskie shopping mall and the Wola Retro office building, which we own, and the Sky Tower mixed-use development (we sold all the shares we owned in this complex in March 2022). With a wealth of experience and a staff of high-level professionals, we deliver **real properties of the highest quality**.

When designing our projects, we put the comfort of future residents first. We work with recognized and proven architectural studios and general contractors. Our developments are located close to green and recreational areas, with easy access to developed service and transportation infrastructure.



The idea of sustainable construction is embedded in the company's DNA. We are implementing it by, among other things, using low-carbon materials in our projects, building rain gardens, planting trees, including the so-called oxygen trees, and supporting the development of electromobility.

We closely monitor Poland's residential property market and are aware of the changes taking place in it. A noticeable trend is the increased interest in renting modern, well-finished and furnished units in attractive neighborhoods. That is why we have decided to prepare a suitable offer and enter the institutional rental market. Our first goal is to develop replicable PRS projects of several hundred apartments per year.



In 2021, we generated

PLN 154
million

in consolidated net profit

PLN 912
million

in sales revenues

GRI 102-3, 102-4

We operate in Poland – the cities in which we carry out our projects are Wrocław, Warsaw, Gdańsk, Kraków, Katowice and Łódź.



The registered office of the parent company and, at the same time, the headquarters of the Develia Group S.A. (also referred to as Develia Group) is located in Wrocław at ul. Powstańców Śląskich 2-4.

GRI 102-1

Develia S.A.¹ was established by a notarial deed on 3 March 2006, and was entered in the National Court Register on 15 March 2006. It is the parent company of the entities comprising the Develia S.A. Group, which, as of 31 December 2021, included 27 subsidiaries and 6 affiliates.

The company has been listed on the Warsaw Stock Exchange since 2007. It belongs to the Polish Association of Developers (PZFA), which obliges us to comply with the PZFD Code of Good Practices.

¹ Until 1 September 2019, operating under the name LC Corp S.A.



GRI 102-45

List of entities included in the consolidated financial statements of the Develia S.A. Group as of 31 December 2021.

Company name	Registered office	Develia S.A.'s effective share in the capital as of 31 December 2021
Subsidiaries		
Arkady Wrocławskie S.A.	Wrocław	100%
Sky Tower S.A.	Wrocław	100%
Warszawa Przyokopowa Sp. z o.o.	Wrocław	100%
Kraków Zielony Złocień Sp. z o.o.	Wrocław	100% (directly and indirectly)
LC Corp Invest I Sp. z o.o.	Wrocław	100% (directly and indirectly)
LC Corp Invest II Sp. z o.o.	Wrocław	100%
LC Corp Invest III Sp. z o.o.	Wrocław	100%
LC Corp Invest VII Sp. z o.o.	Wrocław	100%
LC Corp Invest VIII Sp. z o.o.	Wrocław	100%
LC Corp Invest IX Sp. z o.o.	Wrocław	100%
LC Corp Invest X Sp. z o.o.	Wrocław	100%
LC Corp Invest XI Sp. z o.o.	Wrocław	100%
LC Corp Invest XII Sp. z o.o.	Wrocław	100%
LC Corp Invest XV Sp. z o.o.	Wrocław	100%
LC Corp Invest XVI Sp. z o.o.	Wrocław	100%
LC Corp Invest XVII Sp. z o.o.	Wrocław	100%
LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.	Wrocław	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 4 Sp. k.	Wrocław	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 6 Sp. k.	Wrocław	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 7 Sp. k.	Wrocław	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 8 Sp. k.	Wrocław	100% (indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.	Wrocław	100% (directly and indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.	Wrocław	100% (indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k.	Wrocław	100% (directly and indirectly)
LC Corp Invest XV Sp. z o.o. Investments S.K.A.	Wrocław	100% (directly and indirectly)
Develia Invest Sp. z o.o.	Wrocław	100%
LC Corp Service S.A.	Wrocław	100% (directly and indirectly)
Affiliates		
Projekt Ciszewskiego Sp. z o.o.	Warsaw	80%
Projekt Myśluborska Sp. z o.o.	Warsaw	80%
Projekt Lizbońska Sp. z o.o.	Warsaw	80%
Projekt Ciszewskiego Sp. z o.o. Sp. k.	Warsaw	80% (directly and indirectly)
Projekt Myśluborska Sp. z o.o. Sp. k.	Warsaw	80% (directly and indirectly)
Projekt Lizbońska Sp. z o.o. Sp. k.	Warsaw	80% (directly and indirectly)



Our projects

When designing our developments, we take into account both the needs of future customers and current residents of the surrounding areas.

We strictly adhere to local zoning plans and ensure that the new development fits into the character of the neighborhood, taking care of its aesthetic qualities. We are committed to ensuring that our projects do not inconvenience local communities, so, among other things, we make sure that all the noisiest work is carried out during the day, and we carry out demolition work using specialized technologies instead of heavy equipment, which makes it possible to significantly reduce noise.

By building new facilities, we also influence the development of their neighborhoods. Business premises support the creation of new jobs and the enrichment of the neighborhood with retail and service outlets.

In implementing them, **we strive to have a positive impact on local socioeconomic development.**

GRI 203-01

We also take care of the landscaping around the residential buildings. We are developing road infrastructure that benefits not only the residents of our developments, but also local communities. In addition, we design and implement green spaces, rain gardens, playgrounds and outdoor gyms. These facilities are mostly open to the public.

Develia S.A. Group in 2021 in numbers

GRI 102-7



² Group sales revenue as at 31 December 2021

³ The Group's non-current liabilities as presented in the balance sheet as of 31 December 2021.

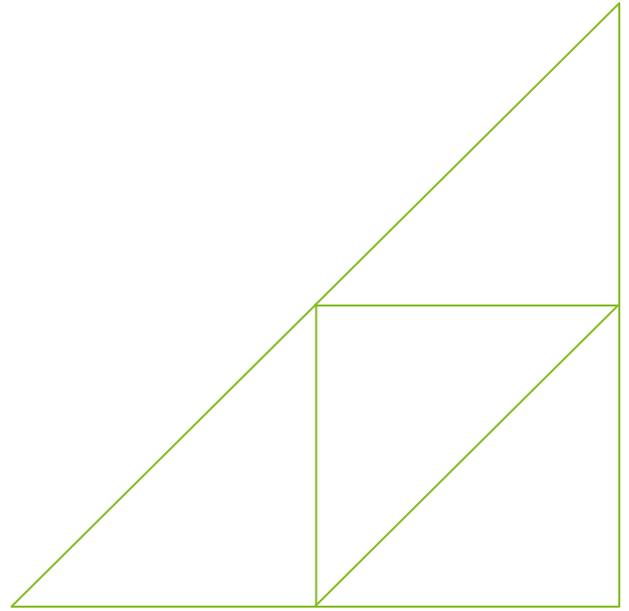
⁴ The Group equity as of 31 December 2021.

GRI 201-1

Direct economic value generated and distributed in 2021 ⁵	[PLN thous.]
A – Total revenues	977,602
B – Operating costs	696,902
B – Employee wages and benefits	49,967
B – Payments to providers of capital (dividends)	94,784
B – Payments to government (taxes)	32,027
B – Community investments (donations and investments for the benefit of society)	50
B – Total costs	873,730
Economic value retained (A-B)	103,872

⁵ The figures shown in the table are derived from GRI Standards guidelines. The breakdown is based on Develia Group's 2021 financial statements.

Responsible management.



Develia S.A.'s corporate bodies

According to the Commercial Company Code, the Company's management body is the Management Board, and the supervisory body is the Supervisory Board.

GRI 102-10, 102-18

Management Board

The Company's Management Board manages all of the Company's activities and represents it externally. Its powers include all matters not reserved to the powers of the Shareholder Meeting or the Supervisory Board. When making decisions on economic, environmental and social issues, the Management Board consults with the Company's relevant organizational units in accordance with the responsibilities set forth in the organizational structure. The President of the Management Board is additionally responsible for all strategic decisions and actions and communication of key issues to external stakeholders.

The Management Board consists of one to seven members, appointed and dismissed by the Supervisory Board. The term of office of Management Board members is three years.

The composition of the Develia S.A. Management Board as of 1 January 2021 was as follows:

- ▲ **Andrzej Oślizło** – President of the Management Board
- ▲ **Paweł Ruszczak** – Management Board Member responsible for Financial Matters
- ▲ **Mirosław Kujawski** – Management Board Member
- ▲ **Tomasz Wróbel** – Management Board Member

On 25 January 2021, Mirosław Kujawski resigned from the Management Board. On that day, the Supervisory Board appointed Mariusz Poławski to the Management Board, entrusting him with the position of Vice President.

On 18 February 2021, the Supervisory Board entrusted Paweł Ruszczak, Management Board Member responsible for Financial Matters, to serve as Vice President of the Management Board.

Due to Tomasz Wróbel's resignation from seeking appointment to the Management Board for another term of office, his term expired on 30 June 2021.

The composition of Develia S.A.'s Management Board as of 31 December 2021 was as follows:



Andrzej Oślizło
President of the
Management Board



Mariusz Poławski
Vice-President of the
Management Board



Paweł Ruszczak
Vice-President of the
Management Board

The composition shown above is also valid as of the date of publication of the report, i.e. 7 December 2022.

Distribution of duties and responsibilities of Management Board Members⁶



⁶ As at 31 December 2021



Worth knowing.

The biographies of current Management Board members can be found at the website:

<https://bit.ly/ZarzadDevelia>.

Supervisory Board

The Supervisory Board exercises constant supervision over all areas of the Company's activities.

The Supervisory Board consists of five to seven members, appointed and dismissed by the Shareholder Meeting (the resolution on the appointment of a member may specify his or her function on the Board). The term of office of Supervisory Board members lasts three years.

The composition of Develia S.A.'s Supervisory Board as of 1 January 2021 was as follows:

- ▲ **Jacek Osowski** – Supervisory Board Chairman
- ▲ **Artur Osuchowski** – Supervisory Board Deputy Chairman
- ▲ **Marcin Eckert** – Supervisory Board Member
- ▲ **Piotr Kaczmarek** – Supervisory Board Member
- ▲ **Paweł Małycka** – Supervisory Board Member
- ▲ **Robert Pietryszyn** – Supervisory Board Member
- ▲ **Piotr Pinior** – Supervisory Board Member

The Ordinary Shareholder Meeting of Develia S.A. appointed a new Supervisory Board on 1 July 2021 for another three-year term. It was as follows:

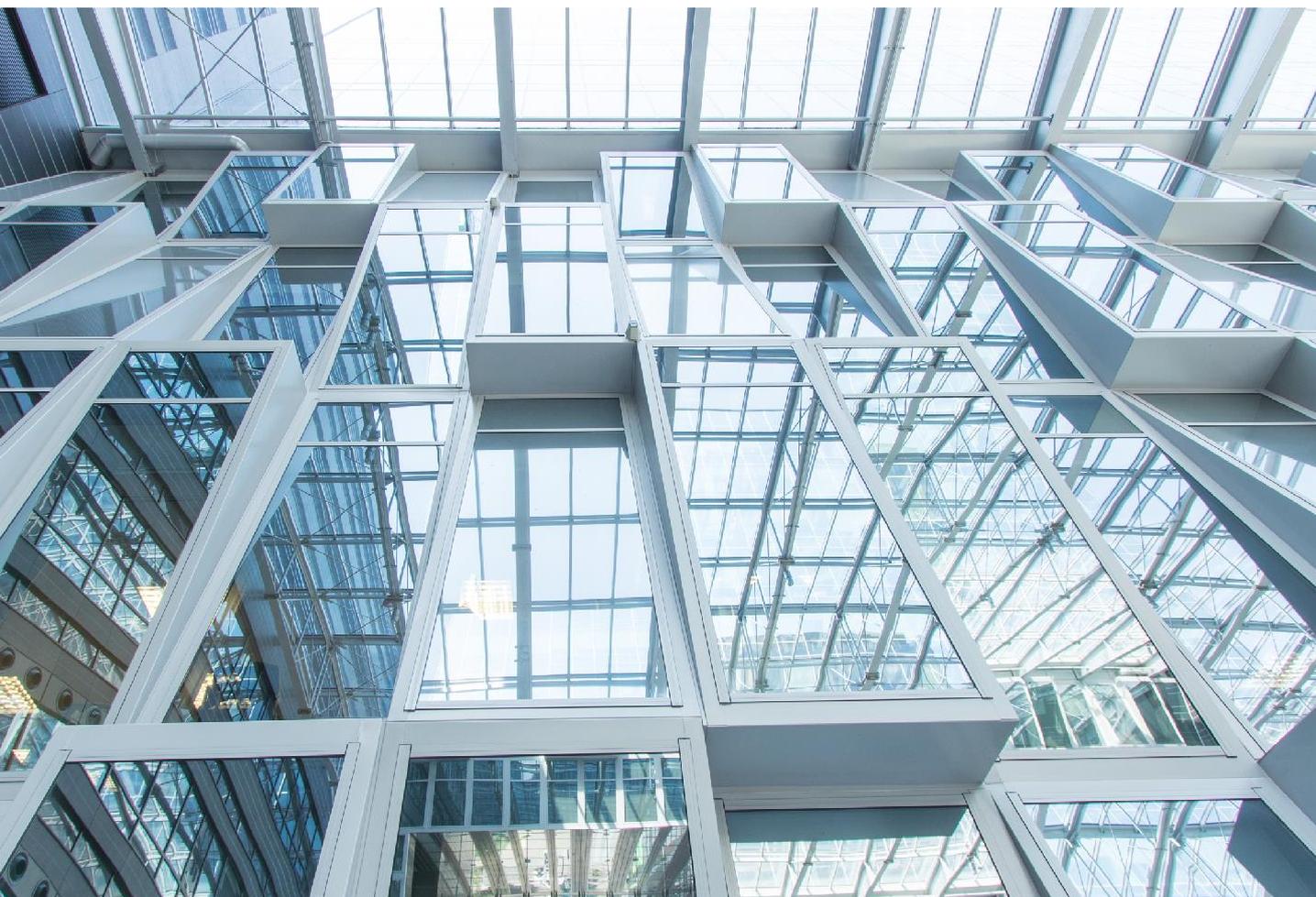
- ▲ **Jacek Osowski** – Supervisory Board Chairman
- ▲ **Paweł Małycka** – Supervisory Board Deputy Chairman
- ▲ **Piotr Borowiec** – Supervisory Board Member
- ▲ **Piotr Kaczmarek** – Supervisory Board Member
- ▲ **Artur Osuchowski** – Supervisory Board Member
- ▲ **Robert Pietryszyn** – Supervisory Board Member
- ▲ **Piotr Pinior** – Supervisory Board Member

In 2021, the composition of the Supervisory Board has not changed.

As of the date of publication of the report, on 7 December 2022, Develia S.A.'s Supervisory Board included:

- ▲ **Jacek Osowski** – Supervisory Board Chairman
- ▲ **Piotr Borowiec** – Supervisory Board Member
- ▲ **Filip Gorczyca** – Supervisory Board Member
- ▲ **Michał Hulbój** – Supervisory Board Member
- ▲ **Piotr Kaczmarek** – Supervisory Board Member
- ▲ **Robert Pietryszyn** – Supervisory Board Member
- ▲ **Piotr Pinior** – Supervisory Board Member





In 2021, all Supervisory Board members met the independence criterion set forth in the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017. Michał Hulbój, who joined the Supervisory Board in 2022, does not meet the aforementioned criterion due to having held management positions at the company over the past 5 years.

If necessary, the Supervisory Board appoints from among its members permanent or ad hoc teams or committees to perform specific tasks, acting as its collegial advisory and opinion-making bodies. The object and mode of operation of the teams and committees are determined by rules and regulations adopted by the Supervisory Board. In 2021, there was an Audit Committee and Nomination and Compensation Committee operating within the Supervisory Board.



Worth knowing.

The biographies of current Supervisory Board members can be found at the website:
<https://bit.ly/RadaNadzorczaDevelia>.



Audit Committee

The Audit Committee carries out its statutory duty to monitor internal control, risk management and internal audit systems, including with regard to financial reporting.

The composition of Develia S.A.'s **Supervisory Board Audit Committee** as of 31 December 2021 was as follows:

- **Artur Osuchowski** – Committee Chairman
- **Piotr Kaczmarek** – Committee Member
- **Paweł Małyska** – Committee Member
- **Robert Pietryszyn** – Committee Member

As of the publication date of the report, on 7 December 2022, it consisted of:

- **Piotr Kaczmarek** – Committee Chairman
- **Filip Gorczyca** – Committee Member
- **Michał Hulbój** – Committee Member
- **Robert Pietryszyn** – Committee Member

The Audit Committee operates in accordance with the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017. Most of its members in 2021 had knowledge in the area of accounting or auditing of financial statements.



Nomination and Compensation Committee

The Nomination and Compensation Committee was established to assist the Supervisory Board in carrying out its statutory duties, including control and supervisory activities, in particular in providing opinions on and recommending: candidates for positions on the Company's Management Board, rules for remunerating members of the Company's Management Board, incentive programs at the Company, as well as in evaluating the Company's human resources management system.

The composition of the Develia S.A. Supervisory Board **Nomination and Compensation Committee** as of 31 December 2021 was as follows:

- ▶ **Jacek Osowski** – Committee Chairman
- ▶ **Piotr Borowiec** – Committee Member
- ▶ **Piotr Kaczmarek** – Committee Member
- ▶ **Paweł Małyska** – Committee Member
- ▶ **Piotr Pinior** – Committee Member

As of the publication date of the report, on 7 December 2022, it consisted of:

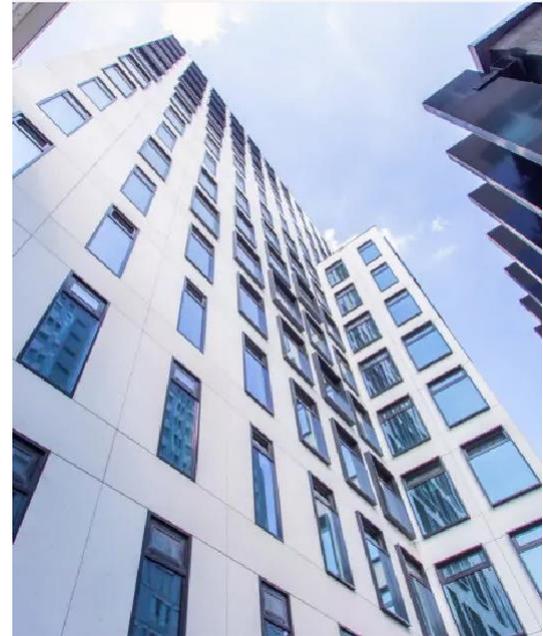
- ▶ **Jacek Osowski** – Committee Chairman
- ▶ **Piotr Borowiec** – Committee Member
- ▶ **Piotr Kaczmarek** – Committee Member
- ▶ **Piotr Pinior** – Committee Member

GRI 102-5, 102-10

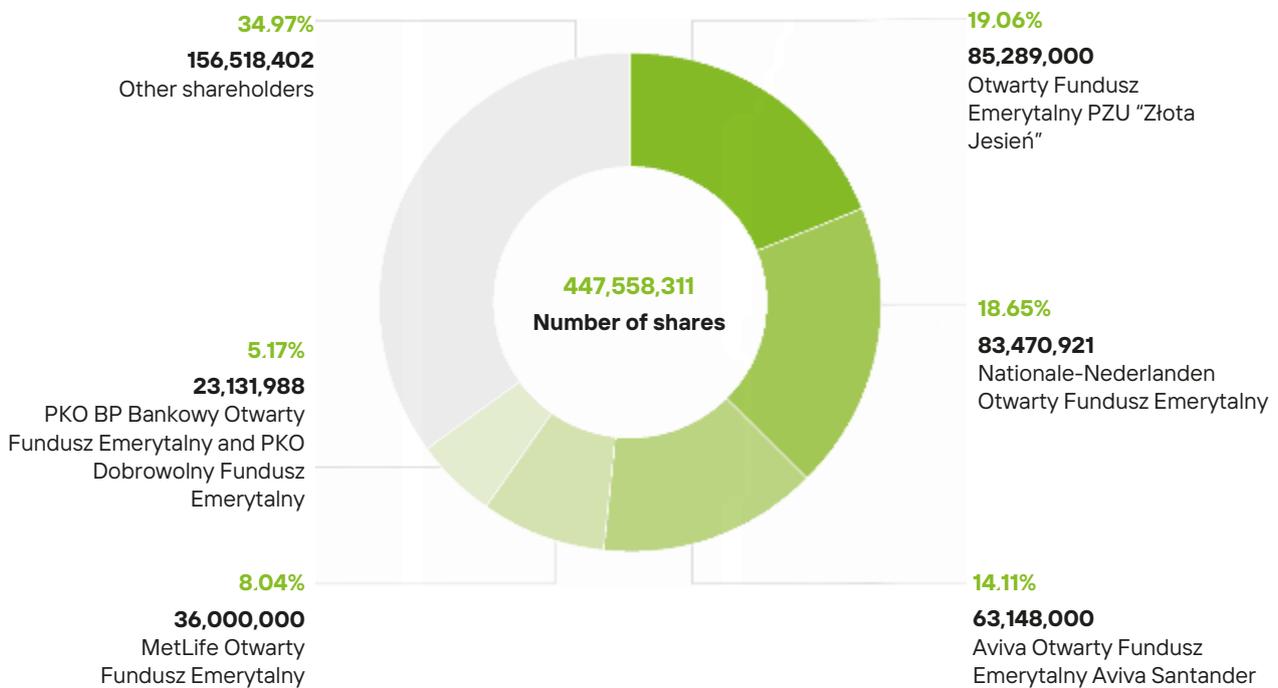
Shareholding structure

As of 31 December 2021, Develia S.A.'s share capital amounted to PLN 447,558,311, divided into 447,558,311 ordinary bearer shares with a nominal value of PLN 1 each, entitling the holder to one vote per share at the Shareholder Meeting.

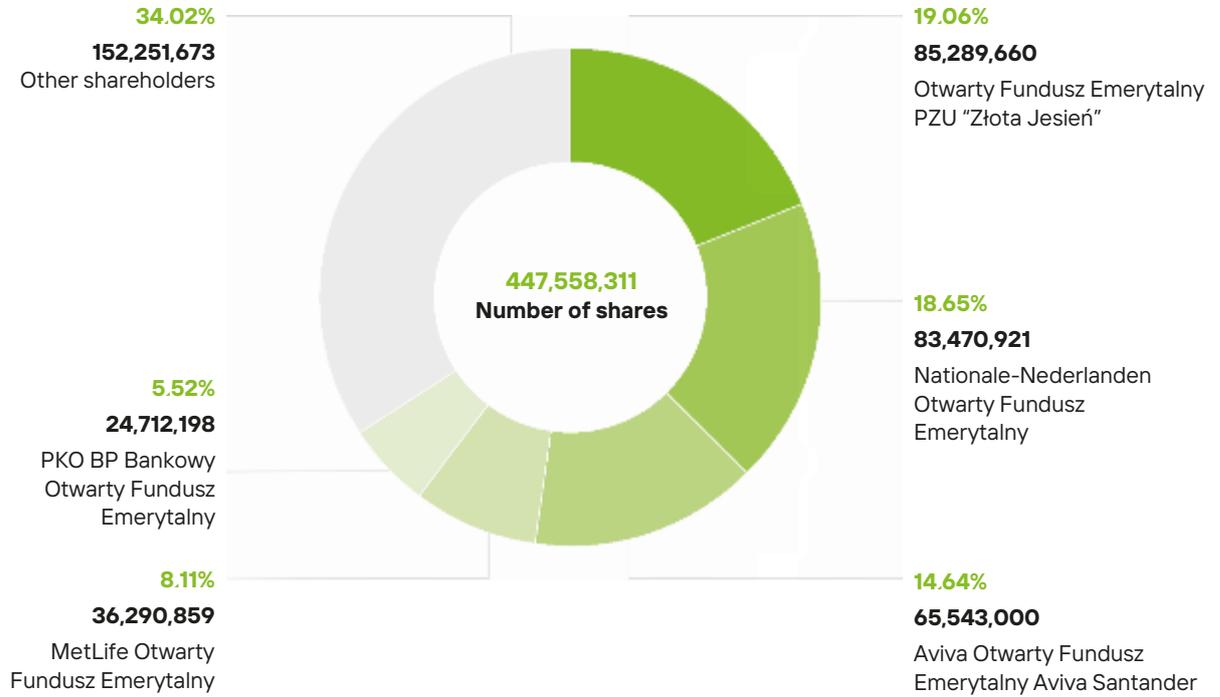
Starting in 2007, the Company's shares have been traded on the regulated market of the Warsaw Stock Exchange. This means that the Company is subject to the regulations on public companies.



Shareholders holding directly or indirectly at least 5% of the total number of votes at the Shareholder Meeting as of 16 November 2021



Shareholders holding directly or indirectly at least 5% of the total number of votes at the Shareholder Meeting as of 15 November 2022



Organizational culture and corporate governance

GRI 102-16

We build Develia Group's organizational culture based on its values, but also on the values and expectations of its stakeholders. Our pillars are **compliance and adherence to internal regulations, mutual trust, respect for the views and diversity of our employees, equal treatment and prevention of any abuse.**

We systematically improve the system of internal regulations, such as bylaws, rules, procedures, policies, instructions, orders, and organizational charts and structures. They are developed by the Company's relevant substantive units or qualified external entities in accordance with the legal regulations in effect at the time. New employees are acquainted with the contents of internal regulations, and then confirm (online) that they have become acquainted and undertake to comply with them. The completeness of the collected statements is verified periodically.





In the Develia Group's internal telecommunications network (intranet), we have developed and regularly update a knowledge base of the standards that apply to us. Due to the listing of the parent company's shares on the Stock Exchange, we publish selected documents on the website, also in English.

We maintain effective systems: internal control and compliance supervision, as well as an effective internal audit function, appropriate to the type and scale of our business.

As an issuer of shares listed on the Main Market of the Warsaw Stock Exchange, based on the provisions of the Warsaw Stock Exchange Rules, we are subject to the set of corporate governance principles *Code of Best Practice for WSE Listed Companies 2021*.



Worth knowing.

Information on our application of individual policies can be found on our website:
<https://bit.ly/DPSN2021Develia>.

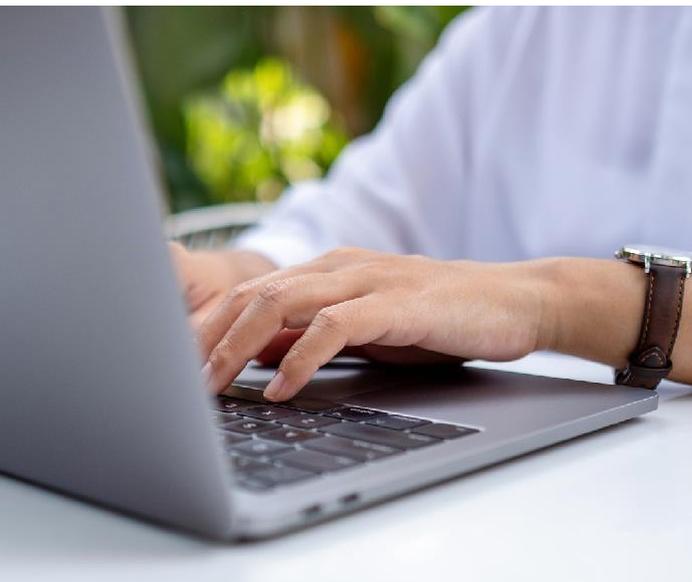
Prevention of fraud and abuse

GRI 102-17

We systemically prevent any instances of non-compliance with the law or generally recognized ethical principles in the Group.

Our activities in this area are based on, among other things:

- 1 Anti-Corruption Code, developed in late 2021 and adopted for use by the Company's Management Board on 20 January 2022,
- 2 Anti-Money Laundering and Countering the Financing of Terrorism Procedure, adopted on 18 June 2020, and fulfilling the obligations imposed on the Company by the *Act on Anti-Money Laundering and Countering the Financing of Terrorism of 1 March 2018* (the so-called AML Act),
- 3 Develia S.A. Group's Anti-Harassment and Anti-Discrimination Procedure (see *Responsibility to society* on page 39 for more detail), adopted on 15 January 2020,
- 4 The Develia S.A. Whistleblowing Procedure, adopted on 15 January 2020, setting out the rules for employees to report violations of the law and ethical procedures and standards to a designated member of the Management Board, and in special cases to the Supervisory Board.



The possibility to report violations fully anonymously is guaranteed by a form available on the Company's website, which has no built-in mechanisms that make it possible to identify whistleblowers. For those who, out of goodwill, report their suspicions of abuse or fraud, we provide free contact on the matter with the member of the Management Board or Supervisory Board responsible for receiving and verifying reports, as well as full protection from possible negative consequences. After checking the report, an internal investigation is initiated or the report is rejected. Depending on the outcome of the investigation, a decision is made on follow-up actions (disciplinary measures, Management Board meeting, notification of relevant authorities). At each stage, information about the status of the case is sent to the reporting person.



Countering corruption, anti-competitive behavior and monopolistic practices

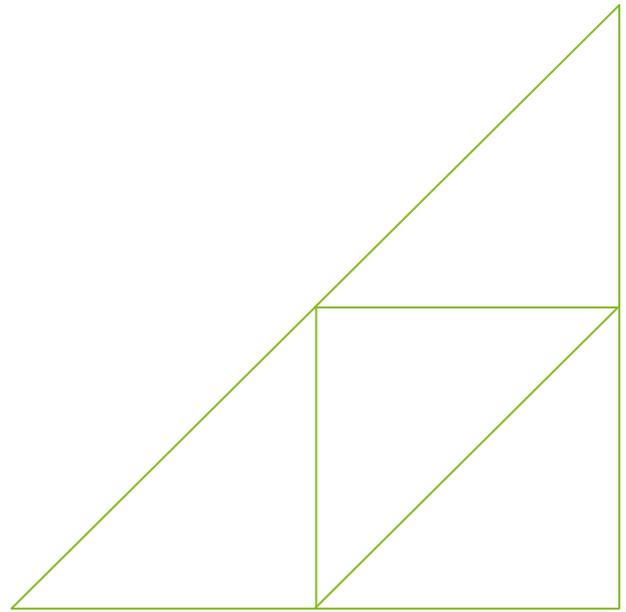
GRI 103-2, 103-3

Our goal is to ensure that the conduct of all persons working in the Develia S.A. Group complies with generally applicable laws, market standards and ethical norms in the prevention of corruption, including counteracting activities undertaken for the purpose of gaining undue competitive advantage. Therefore, in 2021, we developed the Anti-Corruption Code, which systematizes and clarifies activities in this respect. Among other things, it contains provisions prohibiting our employees from engaging in corrupt activities for the benefit of any third party, including persons holding public office. It was adopted by the Management Board and came into effect on 20 January 2022.

GRI 205-3, 206-1

In 2021, there were no confirmed cases of corruption in the Develia Group, as well as no lawsuits pending or concluded regarding anti-competitive behavior and antitrust violations to which we were a party.

Environmental protection.



Our approach to environmental protection

We recognize the important role of the construction industry in solving environmental problems and society's expectations in this regard.

Minimizing the negative impact of our operations on the environment, we strive to go beyond meeting the obligations imposed on us by law. One of the Develia Group's long-term strategic goals is to **redirect activities toward positive environmental impact and to adapt selected projects to the urban context**. Aiming to achieve this goal, we use, among other things, low-carbon materials and energy-efficient solutions, renewable energy sources and rainwater management systems in our projects.

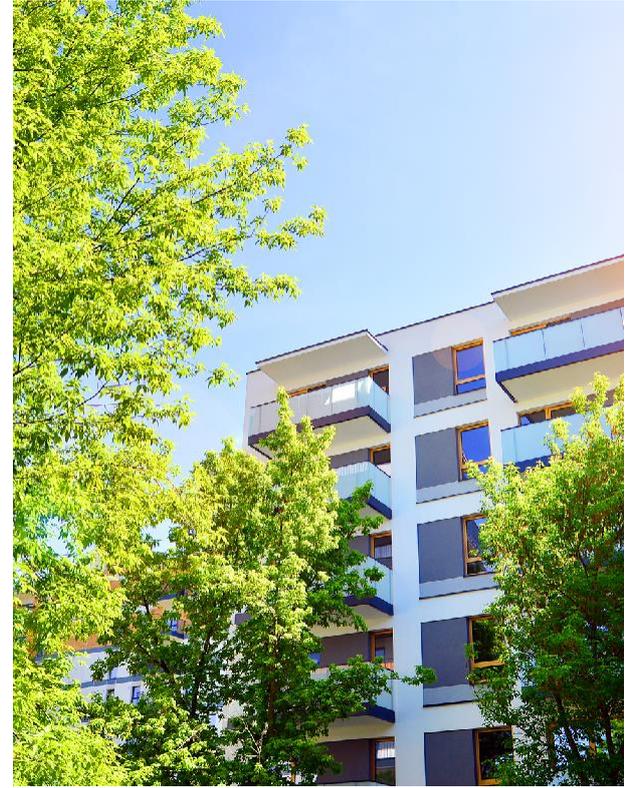
We also use plantings of trees and other plants in such a way as to maximize pollution absorption and oxygen production. We support the pro-environmental habits of our customers, including by providing them with bicycle infrastructure in our developments. Our ambition is that the apartments and offices on offer will stand out in the market not only for their functionality and modernity, but also for their positive impact on the environment, which will be demonstrated by the electric vehicle charging stations we plan to include in some of the new developments.



Environmental compliance

GRI 103-2, 103-3, 307-1

We strictly comply with all regulations in the area of environmental protection. No penalties or sanctions for violations of these regulations were imposed on Develia Group S.A. in 2021. We expect an equally rigorous approach from our business partners, so we include adequate clauses in the contracts we sign, whether for general contracting or with designers. Contractors declare that they observe and, in the performance of the contract, undertake to comply with applicable laws and regulations in the field of broadly understood environmental protection, in particular with regard to the executed project, including in obtaining all necessary permits, approvals, making notifications and submitting information, as well as in the area of proper waste management. What is more, our partners must confirm that by acting and performing contracts they are committing to operate in a way that reduces their negative impact on the environment, in particular reducing CO2 emissions within their value chains.



Consumables and raw materials used and their recovery

The basic material used on our construction sites is concrete. It is used to build the foundations, columns, ceilings, part of the walls, as well as roads (curbs, concrete block paving).

We buy it locally (within 40 kilometers of the construction site), which reduces transportation costs and associated greenhouse gas emissions. Concrete is accessible, durable and fireproof. It has features important not only for its utility, but also for its sustainability – it has high energy efficiency and thermal mass, and it is 100% recyclable and reusable.



GRI 103-2, 103-3

We minimize the consumption of consumables and raw materials by properly managing them at the stage of design preparation and project implementation. We manage waste with the assumption that it can be used in other processes on the site or transferred to external entities for recovery.

Examples of activities in the area of materials management

1.

At the design stage



We verify that the building is not oversized and that the envisaged solutions, especially structural and foundation solutions, are optimal in terms of material consumption.

2.

At the execution stage



We use good quality, certified materials and control material sheets, which reduces the risk of failure and repair during the building's life cycle.



We choose contractors who offer optimal materials management (including recovery of aggregates, prefabrication of reinforcing steel on site).



We reuse, among other things, leftover reinforcing steel (for reinforcing elements that, in the opinion of the works manager, need reinforcement), sand from excavations under construction sites (especially for road construction) and recovered PVC profiles.



We donate waste defective glass for use in the production of window glass.



We improve the road surface using surplus materials.

Consumables and raw materials consumed by the Develia Group in 2021

Non-renewable consumables and raw materials ⁷	Weight [t]	Volume [m ³]
Raw materials		
Timber		250
Aggregates		4,400
Semi-finished products		
Concrete		8,404
Silicate blocks		36
Mortar		90
Steel	844	
Styrofoam		3,362
Plastering (facade) mortars		31
Precast reinforced concrete (floor slabs)	492	197
Total	1,336	16,810

Renewable consumables and raw materials ⁸	Weight [t]	Volume [m ³]
Semi-finished products		5,496
Concrete		
Steel	556	
Total amount of raw materials and materials used	1,891	22,306

⁷ Applies to projects executed in 2021 in the Wrocław area.

⁸ Applies to projects executed in 2021 in the Warsaw area.

GRI 303-5

In 2021, for the residential projects we have completed in Wrocław and the commercial projects (Wola Retro and Arkady Wrocławskie) we used 34.3 ML of water.



Reducing energy consumption

GRI 103-2, 103-3, 302-1, own disclosure

We want the projects we execute and the materials we use to be energy efficient. **We want the projects we execute and the materials we use to be energy efficient.** We focus our efforts in this direction on optimizing processes related to the operation of common areas, and in the case of commercial developments, also on increasing tenant awareness of energy-saving opportunities.

We know that the above issues are important not only from the perspective of reducing our impact on the environment, but also in the context of customer expectations, which are increasingly paying attention to the energy efficiency of buildings.



The solutions we use to reduce energy consumption in buildings

1.

Design phase



Use of appropriate guidelines during design and optimal utility solutions, including ensuring the most efficient selection of energy indicators.



Control of design compliance with the applicable requirements of the Technical Conditions.



Adaptation of technical, technological and architectural solutions to improve the energy efficiency parameters of buildings and energy demand.

We do this by, among other things, juxtaposing the data prepared for energy efficiency certificates with architectural details to optimize indicators in terms of the ergonomics of the interiors and the external appearance of our buildings.



Taking into account the policy of using energy-efficient equipment and materials.

2.

Execution phase



Thoughtful planning of work, construction facilities and lifting equipment. To this end, we select solutions for vertical transport of materials on the construction site to reduce energy consumption as much as possible.



Developing the construction works schedule during the execution so that the so-called wet works are carried out during the period that does not require the supply of energy for drying/ventilating the premises during the drying of finishing materials.

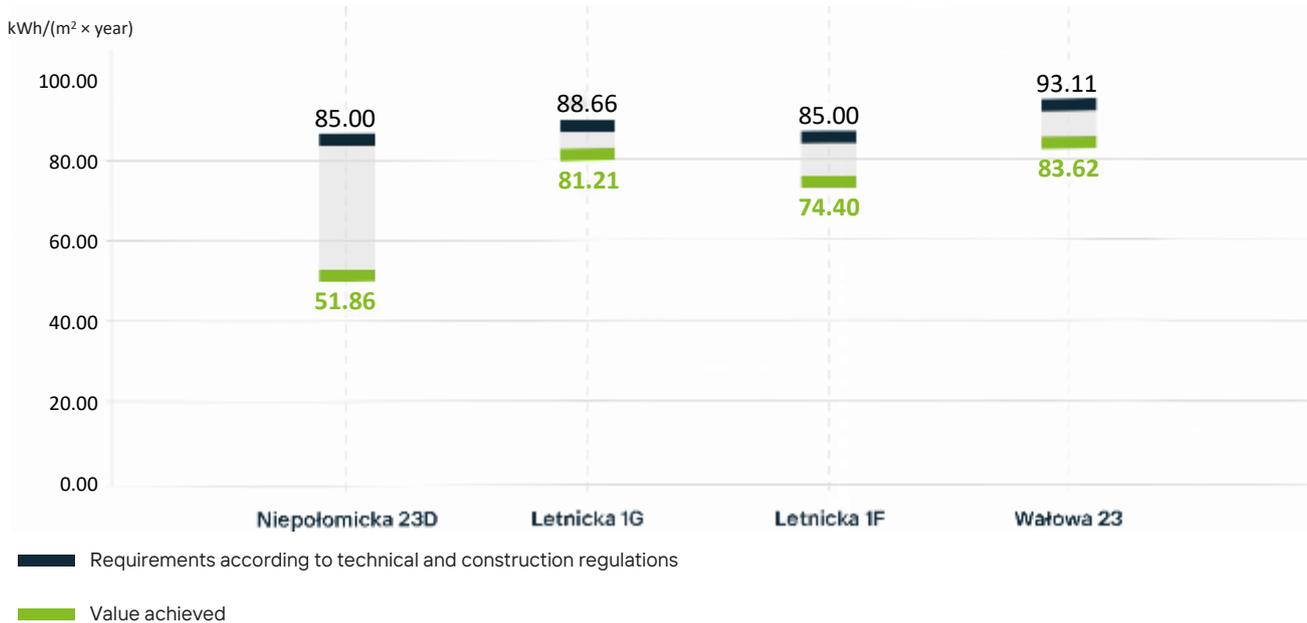


Use of energy-saving equipment and materials (e.g. LED light bulbs and fixtures, motion sensors, proper thermal insulation of the building and roof, and window frames with high thermal insulation properties).

A measure of the effectiveness of our energy-efficient construction efforts is the primary energy consumption (EP) index, which determines the development's annual demand for non-renewable primary energy. We obtain data in this regard from companies that specialize in the preparation of energy performance certificates and have the appropriate authorizations.

They are confirmation that the buildings we build have a significantly lower demand for non-renewable primary energy than allowed by current technical and construction regulations.

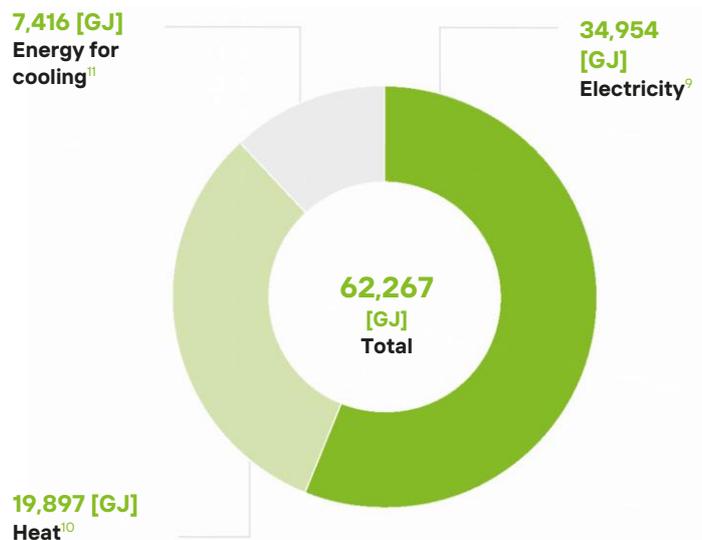
Energy demand of selected projects executed by Develia S.A. in Gdańsk



GRI 302-1

The residential buildings we build are increasingly energy-efficient. **Primary energy consumption in individual residential developments we build is lower than in previous years' developments and is steadily declining.** This is a result of our use of the most modern technologies and materials possible, as well as the need to comply with strict legal and technical standards.

Total energy consumption in selected residential projects built by Develia Group S.A. in 2021



⁹ Including electricity consumed in residential developments in Warsaw and Wrocław and at Arkady Wrocławskie.

¹⁰ Including heat consumed in residential developments in Warsaw and Wrocław and at Arkady Wrocławskie.

¹¹ Including electricity for cooling consumed at Arkady Wrocławskie.

Our impact on the climate

Greenhouse gas emissions

With the type of operations we conduct, the main sources of greenhouse gas emissions into the air are construction processes and emissions from the commercial properties we manage. For 2021, the company presents only partial data, as it did not have a consistent methodology adopted for calculating greenhouse gas emissions for its operations.

Gross volume of direct greenhouse gas emissions in 2021¹² – Arkady Wrocławskie

	[t CO ₂ e]
HFC	15.08
CO ₂	3,869
Total	3,884.08

¹² The data applies only to the Arkady Wrocławskie building and includes emissions from chillers.



Climate risks and opportunities

GRI 201-2

We have identified various risks and opportunities arising from climate change that may affect the operations and/or costs of our organization. We adapt the listed solutions to the specifics of the projects we execute.



Increase in average temperatures or prolonged periods of high temperatures

Risks and opportunities

Risk

- Withering of vegetation (drought).
- Fire hazard.
- Excessive drainage of the ground (area subject to stricter terms of protection of groundwater intake points).
- Deterioration of thermal comfort indoors.

Impact on the organization

- Risk of structural damage or damage to the whole building.
- Construction delays.
- Destruction of vegetation.
- Need to install window blinds/shades.
- Need to intensify the operation of cooling units.
- Deteriorated user experience.

Financial consequences of the risk or opportunity before the taking of action by the organization

- Higher costs associated with the need to apply solutions that minimize the impact of high temperatures.
- Increase in fees for electricity.

Methods applied to manage the risk or opportunity

- Use of fire-protection materials.
- Drainage of excavations, continuous monitoring of groundwater levels.
- Selection of drought-tolerant vegetation.
- Proper planning of construction works in line with the time of year.
- Selection of external partitions with a proper heat permeability coefficient.
- Upgrade of air conditioning in facilities.

Greater frequency/intensity of torrential rains

Risks and opportunities

Risk

- ▲ Flooding of garages and basements.
- ▲ Dying of vegetation.

Opportunity

- ▲ Use of stored water to water the plants.

Impact on the organization

- ▲ Risk of infrastructure destruction and need to build additional infrastructure.

Financial consequences of the risk or opportunity before the taking of action by the organization

- ▲ Increase in expenses and compensation for damage.
- ▲ Need to apply permanent drainage solutions.
- ▲ Additional arrangements with the administrator of the water and sewage system regarding the drainage works

Methods applied to manage the risk or opportunity

- ▲ Construction of retention basins and rain gardens

Greater frequency/intensity of gale winds

Risks and opportunities

Risk

- ▲ Damage to elements of architecture and facades.
- ▲ Hindered assembly works requiring the use of cranes.
- ▲ Risk of relocation of temporary fencing.

Impact on the organization

- ▲ Adverse impact on the structure of buildings (facade stability) and the safety of users.
- ▲ Delays in the performance of construction works.

Financial consequences of the risk or opportunity before the taking of action by the organization

- ▲ Need to pay compensation for injury to employees affected by an accident.
- ▲ Greater cost of solutions preventing the consequences of undesirable factors.

Methods applied to manage the risk or opportunity

- ▲ Proper securing of construction sites.
- ▲ Use of appropriate design solutions.
- ▲ Ongoing monitoring of applied security measures.
- ▲ More frequent inspections and repairs of the façade and additional protection of other elements.

Sustainable buildings and developments

We strive to ensure that our commercial buildings stand out on the Polish market as exceptionally friendly to the environment and their users.



An example of this approach is our Wola Retro office building – a unique facility of its kind in Warsaw's Wola district. It is an unusual combination of a historic building from the 1930s and two modern A-class buildings. The technologies applied in the complex, including the Building Management System, enabled us to cut operating expenses and provide users with clean and healthy air. UV-C Care Flow Light lamps effectively reduce the proliferation of microorganisms inside the building, while Kone fans, installed in the elevators, minimize the quantity of pollutants in the cabins.

BREEAM®

When executing our housing projects, we use the greatest possible number of environmentally friendly solutions. Stages I, II and VI of the Aleje Praskie construction project in Warsaw were awarded **BREEAM certificates** confirming the minimum adverse environmental impact of the development, low operating expenses and a high degree of comfort for users.

Green common areas

Common areas in our developments are friendly places both for residents and for plants and animals. Instead of rolled lawns, we use meadows sown with species of long-blooming flowers that are friendly to pollinating insects. We also establish safe havens for birds by installing nest boxes. Worth emphasizing are our efforts to avoid cutting down healthy trees. In situations where such a tree needs to be removed, we replant it with its entire root system to a municipal park.



Rainwater management systems

In some of our developments, retention basins are built in the form of picturesque ponds for collecting rainwater and snowmelt. We use rainwater to water the greenery in our developments. By doing so, we not only generate environmental benefits, but also help residents save money by reducing their consumption of water from the municipal network. We also build 'rain gardens' to hinder the runoff of rainwater into the sewage system.

Solutions for clean air

Free from exhaust fumes or other urban pollutants, the air in our apartments is delivered through special anti-smog vents. They are fitted with high-quality filters that prevent even small pollutant particles from passing through, including dust and allergens. We also improve the quality of air in our facilities by planting trees that generate large amounts of oxygen ('oxygen trees'). In the Ceglana Park development in Katowice, sidewalks are installed made of special concrete which breaks down harmful compounds (such as nitrogen dioxide) into harmless substances.



Renewable energy sources

We have planned the installation of photovoltaic panels in three developments the construction of which was launched in 2021. They will generate electricity for use in the common areas of our buildings – entrance halls, staircases, garage halls, etc. Moreover, a special lighting control system, which we have already installed in most of our developments, will enable the users to cut even more costs as energy-saving LEDs get activated only when necessary through motion sensors.



Charging stations for electric vehicles

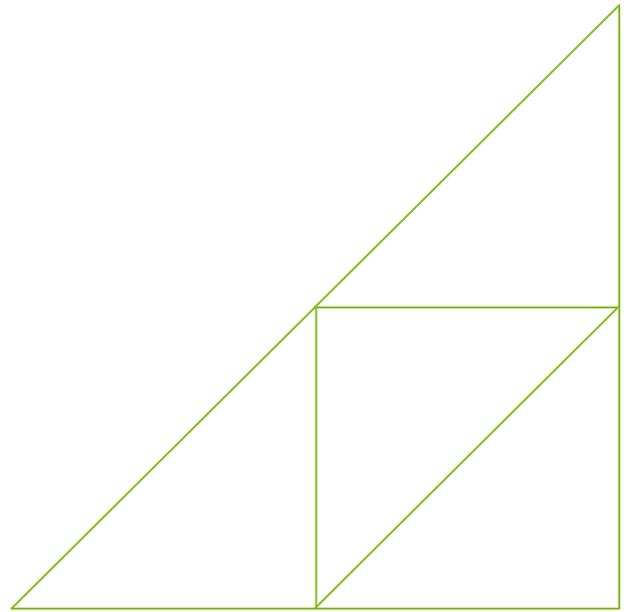
We bring electromobility infrastructure closer to our customers. Some of the developments we have completed are fitted with charging stations for electric vehicles that are available to all residents. Also, as many as 25% of the parking spaces in our garage halls are prepared for the installation of vehicle chargers.

Bicycle infrastructure

We provide the residents of our housing developments with bicycle racks and roofed bicycle parking lots (or bicycle parking zones within garage halls).



Responsibility to society.



Responsible workplace design

We actively build our brand of a reliable employer, ensuring attractive employment policies and proper working conditions. We follow a policy of full respect for employee rights, including gender equality.

Our employees obtain support in their professional and personal development and enjoy a friendly work atmosphere. The intensity of our endeavors in this area has been confirmed by the high 17th place in the 2021 ranking of the best employers in Poland compiled by the "Wprost" weekly.



Our staff

We strive to ensure that our staff at Develia S.A. is as knowledgeable and versatile as possible. On 31 December 2021, we had 175 full-time employees: 105 women and 70 men. For more on our work environment, please see the *Human rights* section on page 46.

GRI 102-8

Total number of employees by type of contract and gender in 2021

Women



Men

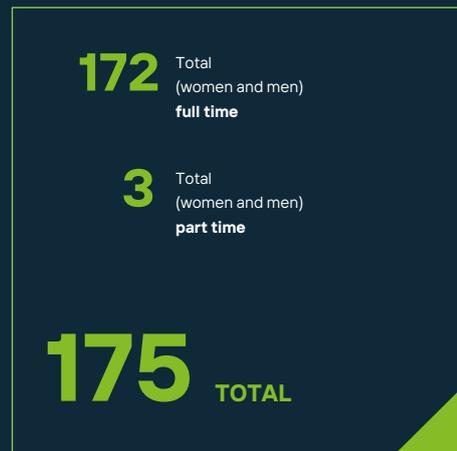


Total number of employees by type of employment in 2021

Women



Men



GRI 405-1

Corporate authorities

2021	Women	Men	Total
Management Board			
aged under 30	0	0	0
aged 30-50	0	2	2
aged above 50	0	1	1
Total	0	3	3
Supervisory Board			
aged under 30	0	0	0
aged 30-50	0	6	6
aged above 50	0	1	1
Total	0	7	7

Company's employees

2021	Women	Men	Total
Upper management¹³			
aged under 30	0	0	0
aged 30-50	10	7	17
aged above 50	0	3	3
Total	10	10	20
Middle management			
aged under 30	1	1	2
aged 30-50	11	16	27
aged above 50	2	1	3
Total	14	18	32
Other employees			
aged under 30	22	6	28
aged 30-50	56	29	85
aged above 50	3	4	7
Total	81	39	120

¹³ Excluding the Management Board.

GRI 401-1

Total number of new employees by gender and age

2021	Women	Men	Total
aged under 30	7	2	9
aged 30-50	11	9	20
aged above 50	1	1	2
Total	19	12	31
Number of all employees	105	70	175
Hiring ratio¹⁴	18%	17%	18%

Total number of employee departures by gender and age

2021	Women	Men	Total
aged under 30	1	1	2
aged 30-50	4	5	9
aged above 50	1	2	3
Total	6	8	14
Number of all employees	105	70	175
Employee turnover¹⁵	6%	11%	8%

¹⁴ Ratio of new hires to all employees.¹⁵ Ratio of departing employees to all employees.

Occupational health and safety

GRI 103-2, 103-3, 403-1, 403-3, 403-4, 403-7

We prioritize all health and safety issues – both for those we employ directly and for the employees and subcontractors of our supply chain partners.

We take various steps to ensure that our facilities are constructed in compliance with Polish laws and regulations and the highest market standards, even though we do not formally have an occupational health and safety management system or a health and safety committee in place.

We require our general contractors to appoint an occupational health and safety inspector for identifying and eliminating any work-related hazards and informing employees about them. Each of our subcontractors is required to submit a list of employees at the construction site and confirm that each such employee is familiar with our health and safety policy and has an up-to-date medical check-up and appropriate personal protective equipment.

During weekly coordination meetings with our general contractors, we emphasize the significance of ensuring compliance with safety rules on our construction sites and we evaluate potential risks and identified problems related to various types of work. Our project managers carefully review periodic health and safety inspection reports prepared by health and safety inspectors and separate reports on these issues prepared by investor supervision inspectors. These reports permit us to monitor the work of our general contractors in terms of safety, including the quality of any machinery and equipment they use.

In accordance with the contracts executed with general contractors, supervision inspectors oversee the work of health and safety inspectors. In the event of any non-compliance with the applicable laws, general contractors are required to pay contractual penalties.

In our offices, we do our best to encourage employees to maintain the correct physical posture during sedentary work, chiefly by fitting their workstations with appropriate desks and armchairs. We also provide our employees with the support of physiotherapists, such as those specializing in dealing with back pain.



Occupational health and safety training

GRI 403-5

During initial and periodic training, all employees are familiarized with occupational risk assessment at their workstations. Moreover, they are provided with the contact details of a representative of an external cooperating company specializing in occupational health and safety issues.

Staff hired by general contractors for the construction of our developments always complete training as required by law (general, on-the-job and periodic training) in a timely manner. They also discuss with an occupational health and safety specialist ways to prevent recurring hazards on construction sites and take an OSH knowledge test. Some of the general contractors we work with are signatories to the Agreement for Safety in Construction. Its mission is to minimize the number of accidents on construction sites. Within the framework of this initiative, numerous additional training courses are held for staff of signatory companies.



Risk assessment, hazard reporting and investigation of accidents

GRI 403-2

In order to ensure a proper level of occupational health and safety, we have identified and properly documented the risks associated with each administrative, office and technical workstation. To assess the degree of occupational risk, we have applied methods developed by an external company specializing in these issues. They are compliant with the PN-N-18002.2000 standard and are based on a comparison between the respective risk level, scored on a five-point scale, and a level considered acceptable. These occupational risk assessments, which our employees are familiar with, have helped us properly design our work and ensure that all our workstations are properly equipped with protective equipment.

In order to identify work-specific hazards, general contractors carry out internal inspections of construction sites, followed by a report that they share with us.

Supervision inspectors inform our project managers about all accidents and other emergencies. Other matters related to safety are reported to us on an ongoing basis by general contractors and supervision inspectors. Staff employed in the construction of our facilities report to the general contractor all observed work-related hazards and dangerous situations. When an accident occurs, our project managers investigate their causes and make sure that all activities related to providing assistance and maintaining safety at the workstation have been properly performed.

GRI 403-9

In 2021, one employee of the Develia Group suffered an accident at work. The accident was a broken leg during a company sports contest. We have also been notified of an accident which resulted in a serious injury to one of the general contractors' staff working on our construction sites.

Health promotion

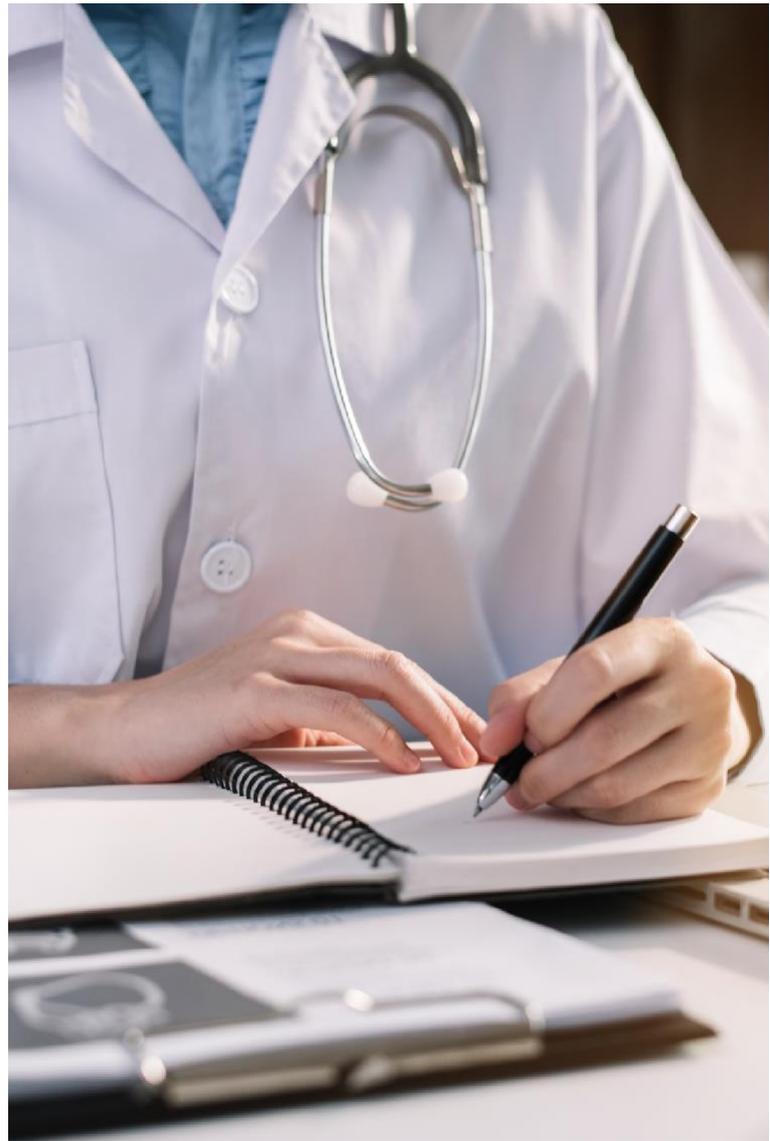
GRI 403-6

We provide all employees with access to private medical insurance under which they may get vaccinated against influenza, tick-borne encephalitis, jaundice and other diseases. Our staff also have unlimited access to general blood tests and urinalysis without a doctor's referral. Our employees may also participate in recreational and sports programs (MultiSport card, regular badminton games). We also participate various sports competitions, including running or cycling contests, that help our employees stay healthy and in good shape.

Human rights

GRI 103-2, 103-3,

We consistently design **our work environment to make sure it is free from discrimination, workplace harassment, sexual harassment and all other forms of psychological violence**. Since the beginning of 2020, the Develia Group has a procedure in place for counteracting workplace harassment and discrimination, applicable to all individuals, regardless of their position or function, remaining in an employment relationship with the Develia Group member companies. In addition to building employee awareness in the area of counteracting workplace harassment and discrimination, our policy defines a procedure for reporting proven or suspected abuses in this sphere and sanctions against perpetrators. On its basis, through an anonymous electronic election, the Committee for the Prevention of Workplace Harassment has been established. In order to ensure the impartiality of its operation, the Committee is composed of the Director of the Human Resources Management Department and the following members elected by the employees: a representative of the Legal Department and a representative of employees. The procedure also contains a provision that a training course in this field must be held at least every 2 years.



The Develia Group also has a procedure in place for reporting various violations, including human rights violations. Under this procedure, employees and persons carrying out work for the Company may report any identified irregularities, including cases of discrimination and workplace harassment, for instance via an online form that guarantees anonymity.

GRI 406-1

In 2021, no discriminatory incidents were recorded in the Develia Group.

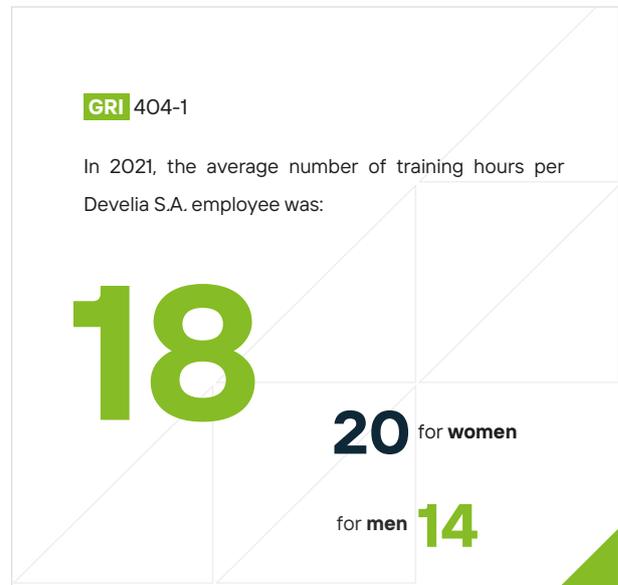
Supporting employee development

GRI 103-2, 103-3

Regular improvement of the knowledge and skills of our employees are an important goal of the Develia Group, because it is only through the continuous acquisition of new competences can we will be able to maintain our competitive edge. Our training courses also affect employee satisfaction and motivation to work. Each employee is offered the opportunity to participate in language courses and improve their professional knowledge, such as in the field of regulatory amendments.

In 2021, due to the announcement of the state of epidemic threat, employee development activities were carried out predominantly in the form of online training. Our employees improved their competences through the ICAN Business Advisor platform for seven months. It was used by **117 participants who completed 917 educational modules** lasting 2-4 hours each and ending with a test. We also organized numerous internal training courses, which additionally resulted in the acquisition of new skills by some of our team members who became trainers themselves.

After each course, the employees were handed out an evaluation questionnaire. Several weeks later, they were requested to describe how they were using the acquired knowledge in their everyday work.



GRI 404-3

Our employees may count on feedback regarding their work and development. By evaluating the performance of our employees against the set objectives, we are able to better monitor the team’s competence base, but also boost employee satisfaction, which is an important factor in the growth of our organization. In 2021, periodic evaluations were regularly carried out among all our employees.

Stakeholder relations

GRI 102-40, 102-42

During an internal meeting of a taskforce which included selected employees of the Company (including managers) and members of the Management Board, we identified the following groups that exert a significant impact on our organization and are subject to its substantial influence:

- ▲ shareholders,
- ▲ architects,
- ▲ general contractors,
- ▲ investors,
- ▲ individual customers,
- ▲ competitors,
- ▲ bondholders,
- ▲ intermediaries in land purchases,
- ▲ employees,
- ▲ potential employees,
- ▲ Supervisory Board members.



GRI 102-43

On an ongoing basis, we communicate with each of our stakeholder groups, using communication channels tailored to the specific nature of each of them. We make sure that all of them have full access to current information about the Company and we try to involve them in our business.

The methods we use to engage selected stakeholder groups are as follows:



Employees.

Ongoing communication, meetings with the Company's Management Board and managerial staff, newsletters.



Investors.

Dissemination of information through stock market reports, press releases, regularly held meetings with investors and presentations.



Local communities.

Website, press releases.



Customers.

Telephone conversations, face-to-face meetings in sales outlets, website, press releases.



Counterparties.

Ongoing communication within the framework of day-to-day cooperation.



Media.

Website, social media, interviews, press releases, spokesperson.



Competitors.

Cooperation within organizations and industry ventures.

Moreover, selected representatives of our key stakeholder groups were involved in the process of preparation of this report. They received an online survey to complete and assess the relative significance of each non-financial dimension of the Company's operation.

Membership of associations

GRI 102-13

Since 25 February 2015, we have been a member of the Polish Association of Developers (PZFD). On 2 January 2019, we became a member of the Polish Association of Listed Companies (SEG). On 6 July 2021, we joined the Rental Market Foundation.

As part of PZFD, we participate in industry meetings which bring us up to date on events taking place in the sector and let us exert an impact on legislative initiatives.

As part of SEG, we participate in events, training courses and webinars, answer industry surveys, etc.

We joined the Rental Market Foundation to have a say in the development of the institutional rental market in Poland. Owing to this form of cooperation, we received regular summaries of the situation in the industry, had the opportunity to share our opinions on draft legislation and were provided with access the rental knowledge base.



Respecting customers' rights.

GRI 102-12

We adhere to the Code of Good Practice in customer-developer relations, prepared by the Polish Association of Developers. In accordance with its provisions:

- we make sure that apartment purchase agreements are written in a comprehensible manner,
- we do not launch any construction projects unless we are sure that we will be able to complete them on time,
- we keep our customers informed about the progress of our work and let them enter our construction sites,
- we do not charge any additional costs to our buyers with without their written consent,
- we provide assistance in organizing homeowner associations.



Preventing breaches of customer privacy

GRI 103-2, 103-3

We ensure the highest standards of personal data protection for our customers. To this end:

- ▶ we have established the position of Data Protection Officer in our corporate structure,
- ▶ we have comprehensive internal regulations in place (Personal Data Protection Policy, Information Security Policy, IT System Management Manual and other security-related instructions adopted for use in the Develia Group),
- ▶ we have unified the rules for entrusting and processing personal data,
- ▶ we use contractual clauses,
- ▶ we hold regular training courses for employees,
- ▶ we keep a record of violations and incidents,
- ▶ we promptly respond to any incidents related to information security breaches and analyze their causes.

The tasks of the Data Protection Officer include:

- ▶ providing the Company and its employees who process personal data with information about their obligations under the applicable laws and providing them with advice in this area,
- ▶ monitoring compliance with the applicable laws and Company policies in the field of personal data protection (including the allocation of duties), awareness-raising activities and training of employees involved in data processing operations,
- ▶ keeping new records regarding the processing of personal data,
- ▶ providing support in granting authorizations and training employees who process personal data,
- ▶ providing support in formulating data processing agreements,
- ▶ providing support in complying with new procedures related to personal data (data transfer and deletion),
- ▶ providing opinions on new personal data processing rules at the Company's request,
- ▶ cooperating, on behalf of the Company, with regulatory authorities in the area of personal data protection,
- ▶ providing employees with information about the rules applicable to data protection, providing advice on difficult/unusual matters.

Identified significant risks in the area of customer privacy protection

1. **Risk** of breaching the security of IT systems

Minimization method
Implementation of security measures and proactive preventive IT resource protection systems

2. **Risk** of non-compliance by employees with applicable procedures

Minimization method
Training

3. **Risk** of employee sabotage

Minimization method
Restrictions imposed on access to data

4. **Risk** of hardware failure

Minimization method
Implementation of backup and business continuity systems

GRI 418-1

In 2021, we did not identify any cases of leaks, theft or loss of customer data. Nor did we receive any complaints about any breaches in this area.

Respect for human rights in the supply chain



GRI 412-3

A significant aspect of our relations with the environment is the observance of human rights by our business partners. In 2021, as many as 91% of major construction project contracts¹⁶ initiated by Develia S.A. contained human rights clauses.

¹⁶ For the purposes of this disclosure, major construction project contracts are construed as general contracting agreements containing pertinent ethical clauses and a joint venture cooperation agreement with the Spain-based Grupo Lar which does not contain any provisions on this subject matter. Other contracts, such as real property purchase agreements, are not included, because they do not contain such clauses by their nature.

Safe purchasing/office environment



In our commercial buildings – the Arkady Wrocławskie shopping mall, the Sky Tower mixed-use facility (sold on 15 March 2022) and the Wola Retro office building – **we have comprehensively taken care of the safety of users, tenants and buyers in connection with the COVID-19 epidemic.** We have significantly increased the frequency of disinfections of surfaces exposed to regular contact, catering zones, elevators and toilets. We have installed handles with disposable gloves at the entrances to the buildings and dispensers with disinfectant liquid in the passages and toilets. In the common areas of our Wola Retro facility, we have installed virucidal and bactericidal flow lamps and specialized purifying fans that pump better-quality air into the facility.

Pro-community initiatives

GRI 103-2, 103-3, own disclosure

We financially and organizationally support various projects of major social significance. Culture, art and public health are important areas of our involvement.

Culture

We organized concerts on the roof of Arkady Wrocławskie, half of which were free of charge. We also held them in various Sky Tower spaces, including on the observation deck located on the 49th floor. We also joined the Night of Museums initiative, during which we offered free night tours of a viewpoint.



In September 2021, at Arkady Wrocławskie, in collaboration with the Wrocław Pantomime Theater, we promoted this form of art and reading by handing out copies of the book "I see my theater spherically".

Art

Contemporary art always inspires us, which is why we want to reach the broadest possible audience with it. We support talented Polish artists by displaying their work in our commercial facilities and decorating the common spaces of our office buildings with paintings and sculptures.

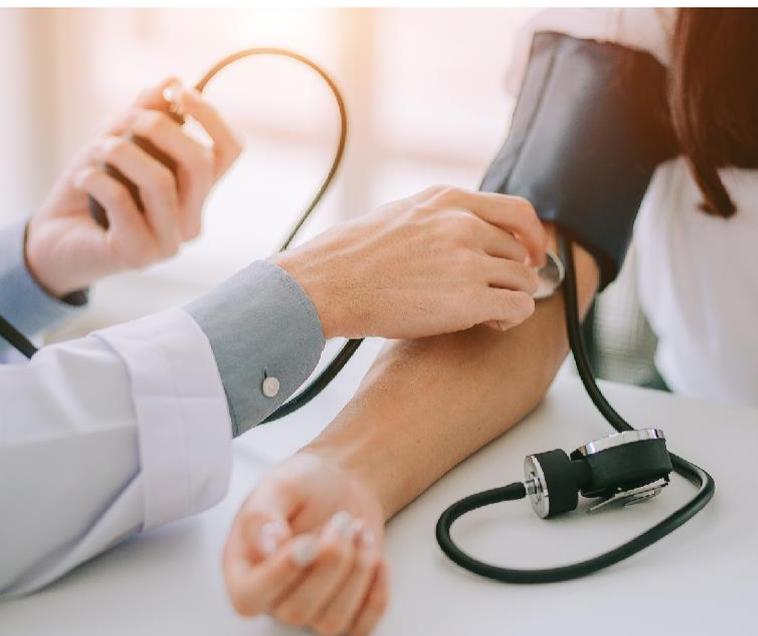
In 2021, we held, among other initiatives:

- ▶ Review of **Monika Ślósarczyk**'s paintings. In December 2021, visitors to the Sky Tower had the opportunity to see, free of charge, the works by an artist who does not use traditional oil paints, but uses her own technique based on construction chemicals (pigments, adhesives, etc.). Painting on colored canvas with prints is characteristic of her style.
- ▶ An exhibition of works by contemporary Polish painters dedicated to femininity, entitled **Women's DNA**.

In June and July 2021, the Sky Tower featured over 20 works representing various genres – from expressive nudes to subtle portraits – and creative techniques. They were united by their subject matter: trying to find an answer to the question of who the contemporary woman is. Admission to the exhibition, organized jointly with a tenant, Galeria DNA, was free of charge.

- ▶ **City's DNA** exhibition. In the spring of 2021, at the Sky Tower viewpoint, in collaboration with Galeria DNA, we displayed paintings that in a variety of diverse manners attempted to interpret urban civilization. They referred, among other aspects, to surrealism, computer games, comics, paintings by famous masters and children's cut-outs. Admission to the exhibition was free of charge.

We also popularize outstanding photographic creativity – the Sky Tower regularly hosted exhibitions of the best reportage photographs participating in the Grand Press Photo competition.



Public health

We are always happy to join various pro-health initiatives. In 2021, these included:

- ▶ **Free blood pressure tests**, carried out on selected days in July at Arkady Wrocławskie in collaboration with a tenant, MXLabs. They were accompanied by **cardiological consultations** provided by members of the Student Scientific Circle at the Academic Hospital and Department of Heart Diseases of the Medical Academy in Wrocław.
- ▶ **Blood donation campaign** "Vampires in Europe", held in July with tenants of Sky Tower: PKO BP, Getin Noble Bank and TU Europa.
- ▶ **Mobile vaccination point against COVID-19** without registration, organized at the Sky Tower with Wrocław's municipal authorities and MPK Wrocław.
- ▶ **Free preventive examinations of men** within the framework of the Movember Polska campaign held by the Captain Świąteko Foundation.

Support for community initiatives

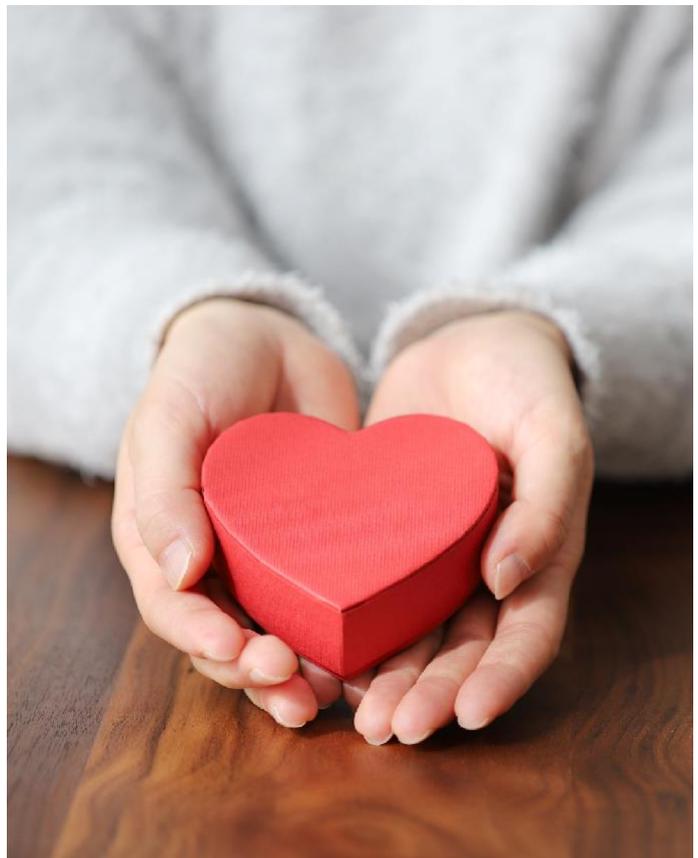
We are involved in various socially beneficial initiatives. In 2021, we once again supported:

- ▶ **Great Orchestra of Christmas Charity**, whose volunteers collected money in January at Arkady Wrocławskie and the Sky Tower. The largest Polish charity campaign was also promoted in our public relations channels, including our social media profiles.
- ▶ **WWF Poland Foundation**, whose volunteers educated customers of Arkady Wrocławskie in December on issues related to endangered species and collected money for their protection.

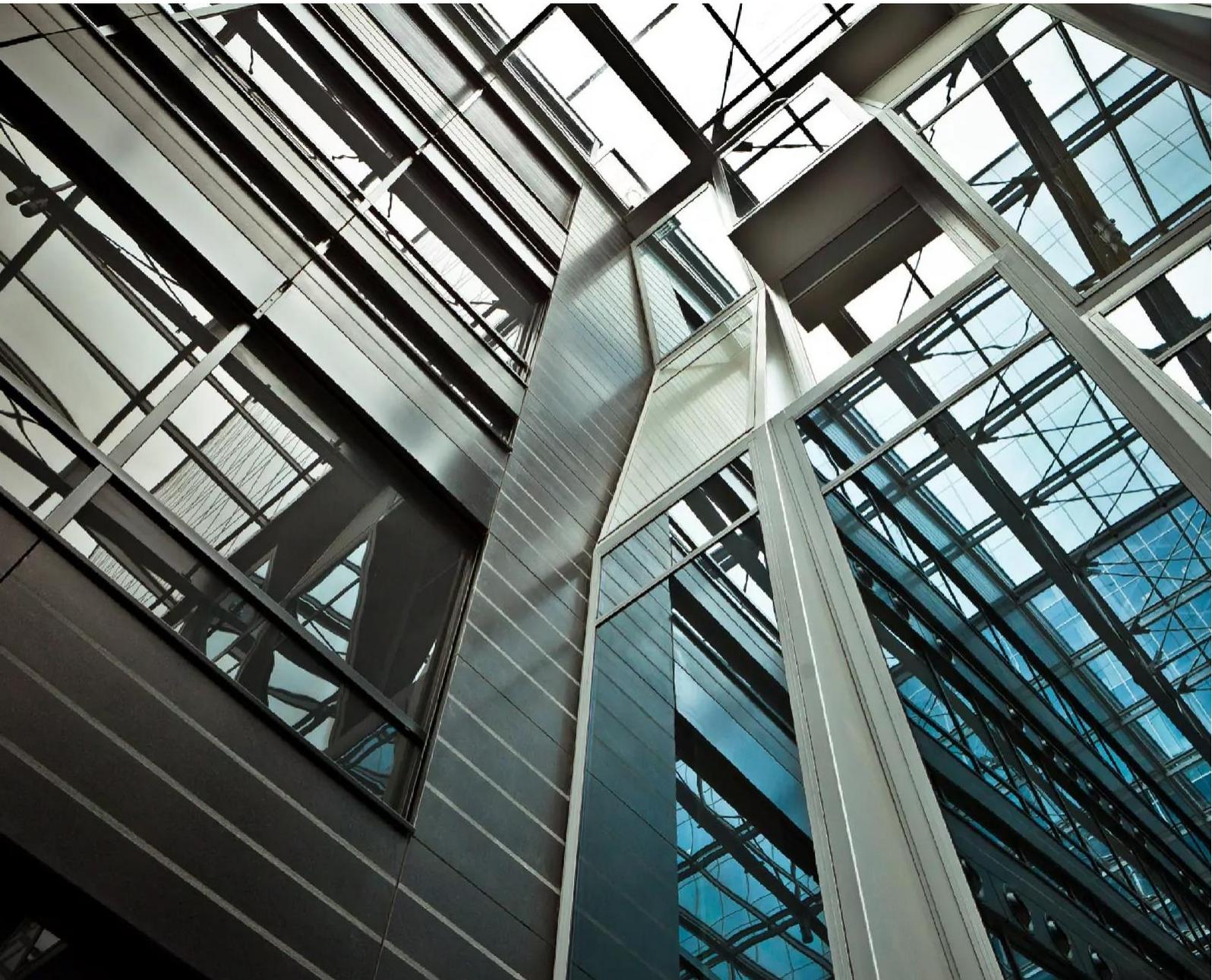
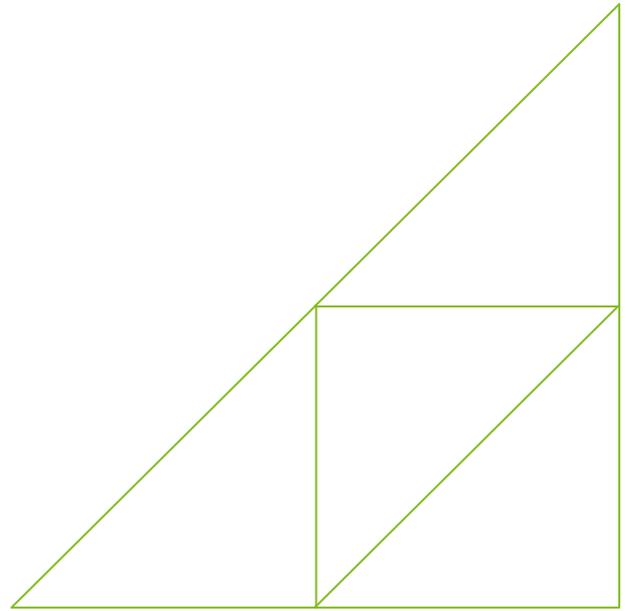
Moreover, we financially supported various organizations, including the Happy Kids Foundation, the Wrocław Children's Hospice Foundation and the Common Hope Foundation. We donated nearly PLN 49,800 in total.



We gladly include elements of health-promoting campaigns in our sales endeavors. An example of such initiative is the **"Join Pucú's Friends"** campaign carried out in October and November 2021, which encouraged children to wash their hands and taught them how to do it properly. People who spent at least PLN 200 on shopping at Arkady Wrocławskie on no more than three receipts combined were offered a plush mascot and a children's book describing the mascot's adventures containing a chart for collecting points for washing hands. Earlier, in July 2021, we conducted the **"We take care of your health"** campaign under which we encouraged customers of Arkady Wrocławskie to take care of their physical fitness by handing out smartbands or pedometers in exchange for their shopping spending.



About this report.



GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

This publication is the first sustainability report of the Develia Group. It contains information on the Group's activities related to responsible management, environmental impact and social responsibility. Unless otherwise stated, it contains information pertaining to 2021.

We intend to publish subsequent such reports on an annual basis. This report has been prepared in accordance with the Core version of the GRI (Global Reporting Initiative) international sustainability reporting standards. It has not been subjected to an external review.

Report preparation process

GRI 102-44, 102-46, 102-47

The first stage of the report creation process was to define its contents. To this end, a survey was conducted among our stakeholders. At the outset, we identified key stakeholder groups of the Develia Group by determining which of them have the greatest impact on the Group.

The outcome of this analysis was the creation of a map of the Company's stakeholders. We then conducted a survey of the opinions of external and internal stakeholders in which they were requested to complete a questionnaire and assess which non-financial operating dimensions of the organization they consider the most important.

The following topics were considered the most important:

1. Indirect economic impact, infrastructure development, local market development
2. Maintaining confidentiality in relations with customers, taking actions to prevent data loss
3. Activities pursued by the Company to prevent corruption
4. Compliance with the applicable laws and regulations, including prevention of breaches of free competition and prevention of monopolistic practices
5. Training and education of employees, support for career development
6. Health and safety of employees
7. Preventing potential cases of discrimination
8. Raw materials and other consumables used by the Company
9. Consumption of electricity and ways to reduce it
10. Prioritizing investments in energy-efficient and sustainable construction
11. Compliance with environmental regulations, prevention of abuses, breaches of the applicable environmental protection laws and regulations

The Develia Group also decided to include the following additional topics in the report:

1. Financial results
2. Employment
3. Diversity and equal opportunities
4. Respecting human rights
5. Greenhouse gas emissions
6. Group's impact on the climate
7. Consumption of water
8. Social initiatives and charitable activities

GRI 102-53

Contact person for any matters covered in the report:



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GRI content index

GRI 102-55

Name of the GRI standard	Disclosure no.	Disclosure	Reporting degree	Reference
GRI 101: Foundation 2016	101	Does not include any disclosures	-	

PROFILE-SPECIFIC DISCLOSURES

GRI 102: General Disclosures 2016	102-1	Name of the organization	Full	
	102-2	Activities, brands, products, and services	Full	
	102-3	Location of headquarters	Full	
	102-4	Location of operations	Full	
	102-5	Ownership and legal form	Full	
	102-7	Scale of the organization	Full	
	102-8	Information on employees and other workers	Full	
	102-10	Significant changes to the organization and its supply chain	Full	
	102-12	External initiatives	Full	
	102-13	Membership of associations	Full	
	102-14	Statement from senior decision-maker	Full	
	102-16	Values, principles, standards, and norms of behavior	Full	
	102-17	Mechanisms for advice and concerns about ethics	Full	
	102-18	Governance	Full	
	102-40	List of stakeholder groups	Full	
	102-41	Collective bargaining agreements	Full	No bargaining agreements
102-42	Identifying and selecting stakeholders	Full		
102-43	Approach to stakeholder engagement	Full		
102-44	Key topics and concerns raised	Partial		

Name of the GRI standard	Disclosure no.	Disclosure	Reporting degree	Reference
	102-45	Entities included in the consolidated financial statements	Full	
	102-46	Defining report content and topic Boundaries	Full	
	102-47	List of material topics	Full	
	102-48	Restatements of information	Full	
	102-49	Changes in reporting	Full	
	102-50	Reporting period	Full	
	102-51	Date of most recent report	Full	
	102-52	Reporting cycle	Full	
	102-53	Contact point for questions regarding the report	Full	
	102-54	Claims of reporting in accordance with the GRI Standards	Full	
	102-55	GRI content index	Full	
	102-56	External assurance	Full	

SPECIFIC DISCLOSURES ON MATERIAL AND ADDITIONAL TOPICS

Economic topics				
Economic results				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Full	
	201-2	Financial implications and other risks and opportunities due to climate change	Partial	
Indirect economic impact				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Partial	
	103-2	The management approach and its components	Partial	
	103-3	Evaluation of the management approach	Partial	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Partial	

Name of the GRI standard	Disclosure no.	Disclosure	Reporting degree	Reference
Anti-corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Full	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Full	
Anti-competitive Behaviour				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Full	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Full	
Environmental topics				
Materials				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Full	
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Partial	
	103-2	The management approach and its components	Partial	
	103-3	Evaluation of the management approach	Partial	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Partial	
Water				
GRI 303: Water and effluents 2018	303-5	Water consumption	Partial	
Emissions				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Partial	

Name of the GRI standard	Disclosure no.	Disclosure	Reporting degree	Reference
Environmental compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Full	
Social topics				
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Full	
Occupational health and safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Full	
	403-2	Hazard identification, risk assessment, and incident investigation	Full	
	403-3	Occupational health services	Full	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Full	
	403-5	Worker training on occupational health and safety	Full	
	403-6	Promotion of worker health	Full	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Full	
	403-8	Workers covered by an occupational health and safety management system	Partial	
	403-9	Work-related injuries	Partial	

Name of the GRI standard	Disclosure no.	Disclosure	Reporting degree	Reference
Training and education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Full	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Partial	
	404-3	Percentage of employees receiving regular performance and career development reviews	Full	
Diversity and equal opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Full	
Non-discrimination				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions	Full	
Human rights				
GRI 412: Human Rights Assessment 2016	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Full	
Customer privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Full	

Name of the GRI standard	Disclosure no.	Disclosure	Reporting degree	Reference
Own disclosures				
Energy-efficient and sustainable construction				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
	Own disclosure	Prioritizing investments in energy-efficient and sustainable construction	Full	
Social initiatives and charitable activities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Full	
	103-2	The management approach and its components	Full	
	103-3	Evaluation of the management approach	Partial	
	Own disclosure	Pro-community initiatives	Full	

