GTC

ESG Report



#### Table of contents

President's letter	3
Introduction	5
Aboutus	6
Business model and strategy	9
Our investment portfolio	14
Approach to sustainable development	16
Our stakeholders	18
Partnerships and awards	21
Evironmental impact	23
Principles and main directions of commitment	25
Our response to climate change	27
Investments for sustainable cities and communitie	es30
2020 results	35

Social impact	36
Principles and main directions of commitment Safe and friendly workspace Obligations towards tenants and support during the pandemic Activities for local communities A responsible supply chain	.38 .40 .49 .55
Corporate governance	66
Leadership and principles of Corporate Governance Ethics and values Risks and Opportunities Management	68 73 76
ESG results breakdown	84
E - environment S - social G - governance	. 85 107

115
116
118





#### GRI 102-14

Ladies and Gentlemen,
I am delighted to present to you the
GTC Group's 2020 ESG Report. This
is the first document of its kind,
in which we present our approach to
sustainable development and responsible business principles in such a
comprehensive manner.

For 25 years, we have been successfully developing our business based on a quality offering, long-term relationships, and transparency of processes. We openly inform our stakeholders about material issues affecting the potential of the GTC Group to create value in the short and long term, and about the results we achieve.

People are the foundation of the GTC Group: our employees, tenants, and investors. It is with people and their needs in mind that we operate, not forgetting our shared responsi-

bility for the environment and our immediate surroundings. Our ambition is to deliver such real estate solutions that improve the quality of life.

The COVID-19 pandemic has taken its toll on the lives of all of us in the past year, and I am proud that in this extremely difficult time we have passed the test of continuing our business effectively. We have proven our business acumen and confirmed that social responsibility is integral to our strategy regardless of the circumstances.

Our business model has proven resilient in the face of the turmoil caused by the pandemic that hit the economy. For the first time in the history of our business, two group companies: Globe Trade Centre S.A. and GTC Real Estate Development Hungary Zrt, received an investment rating of BBB-/with a stable outlook. Our key performance indicators have remained at a satisfactory level and at the end of the year we could boast, among other things, a high office leasing rate. We have been able to maintain high occupancy in our malls as well, with new important retail anchors willing to commit to new stores.

The year 2020 outlined a new order and the word "dialogue" took on even greater meaning. In this particularly challenging year for all of us, we tried our best to support our tenants to enable them to operate despite the adversities and often to save them from closure. Together, we learned new regulations, faced new restrictions, and responded to the dynamically changing needs of our customers.

The real estate industry has an important role to play in mitigating climate change and reducing environmental risks. It is our responsibility to take firm action to limit adverse environmental changes. We have set ourselves the goal of building and managing properties that meet the highest environmental standards. We are systematically increasing the value of GTC's certified assets, and so in 2020 Matrix A and Matrix B office buildings in Zagreb achieved LEED certification at the highest possible Platinum level. We do not intend to stop there; we are obtaining certification for all buildings under construction as well as for already completed projects.

In 2020, we developed and implemented a "Green Bond Framework", which defines the guidelines for issuing green bonds by the companies of our Group. We want to use the funds raised in this way to finance or refinance existing and future projects promoting energy efficiency and the use of alternative energy sources. The first issue of ten-year bonds

on the Hungarian market, totaling EUR 110 million, was a great success and was completed on 3 December 2020.

Every investment is the beginning of changes in its surroundings. We create places to meet and spend time, we take care to increase the greenery in the city. By revitalizing facilities, we bring them back to the urban tissue. When designing our facilities, we think about improving the quality of local urban transport and stimulating the local economy, especially small and medium-sized production and service enterprises.

We want to be a good neighbor involved in the problems of the local community.

GTC is all about people, team, relationships, and atmosphere. I have the pleasure to lead a team of experts and professionals, extremely committed to the development of our company. It is very important to me to create an environment that is friendly, safe, and gives perspectives to our employees. Every day, together we make sure that GTC is synonymous with effective cooperation, healthy working conditions, stable employment in a supportive and motivating environment.

On behalf of the entire Management Board of the GTC Group, I would like to thank all our business partners for their cooperation, and our stakeholders for the trust they place in us. It is an honor and motivation to boldly pursue the direction we have chosen to deliver properties that truly benefit all our partners.

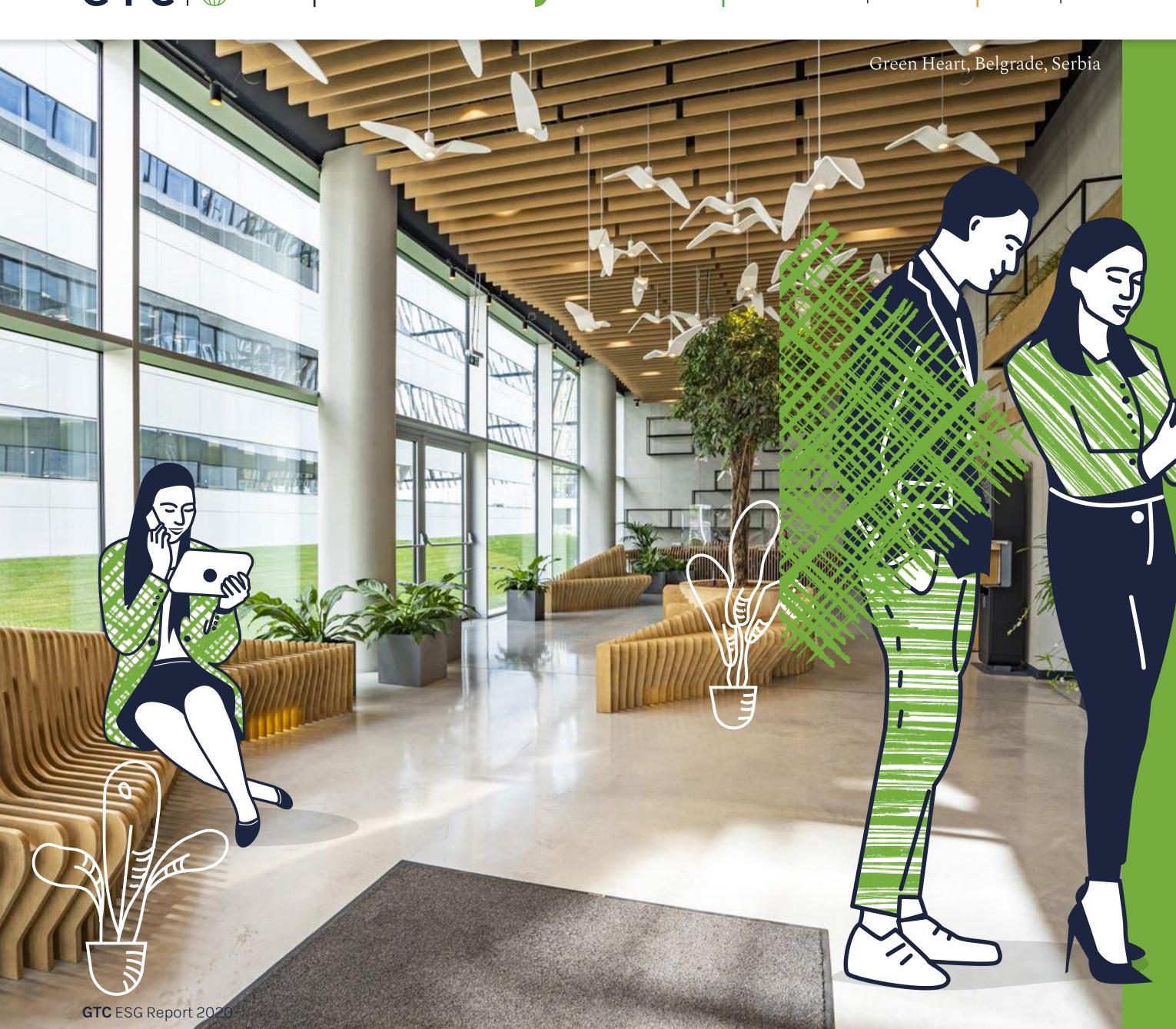
Enjoy your read.

#### **Yovav Carmi**

#### **President of the Management Board**

Globe Trade Centre S.A.





**Chapter 01** 

# Introduction

- 1. About us
- 2. Business model and strategy
- 3. Our investment portfolio
- 4. Approach to sustainable development
- 5. Our stakeholders
- 6. Partnerships and awards

Bucharest

# About us

GRI 102-1, 102-2, 102-3, 102-5, 102-6, 102-7, 102-10, 102-12

We are a leading developer and investor in the commercial property market segment of Central and Eastern Europe. We develop office buildings and service and retail centers that we manage afterward.

As one of the leading companies in the property sector in this part of Europe, we develop space promoting the development of numerous companies and institutions. By designing shopping centers and office buildings and then managing them responsibly, we care about health and comfort of thousands of tenants of our buildings, their employees, and customers.

Our ambition is to conduct our business in a manner contributing to achieving sustainable development goals. We support urban and community development wherever we operate. Every year, we pay more and more attention to reducing our carbon footprint already at the planning stage of new investments, as well as by implementing innovations in existing facilities.



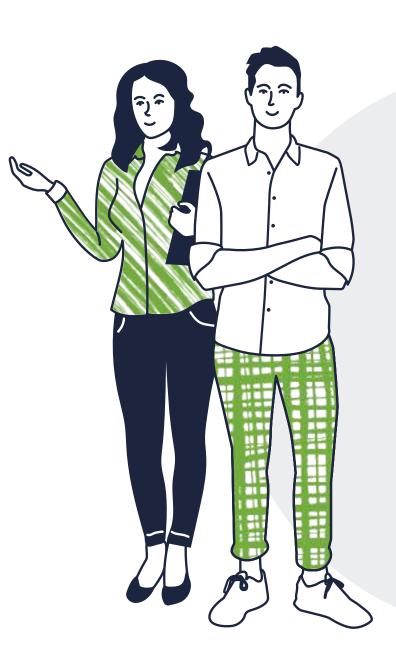
Zagreb



of our subsidiaries – operating in seven Polish cities and five capital cities of other European countries make up the Globe Trade Centre S.A.

<sup>1</sup>Hereafter referred to interchangeably: "GTC", "Group" or "GTC Group".

Capital Group.1

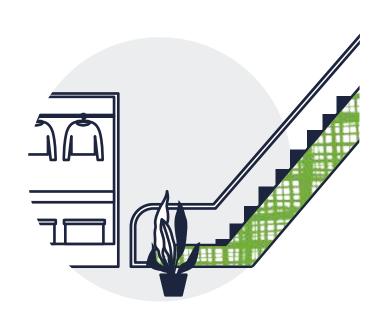


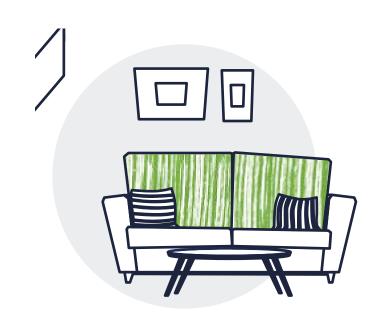
In all our locations, we employ a total of

180 employees under employment contracts and 29 contractors.2

<sup>2</sup> As at 31 December 2020, in full-time equivalents.







Today, we manage **48 buildings** offering **752 500 sq m** of commercial space to our customers, including **536 400 sq m** of office and **216 100 sq m** of retail space. We are currently developing over **37 000 sq m** in our new projects.

Offices

**Shopping centers** 

Residential

Since the start of our operations, i.e., since 25 years, we have:



developed

**76** 

commercial properties - offices and shopping centers with over **1 300 000 sq m** GLA;



bought

12

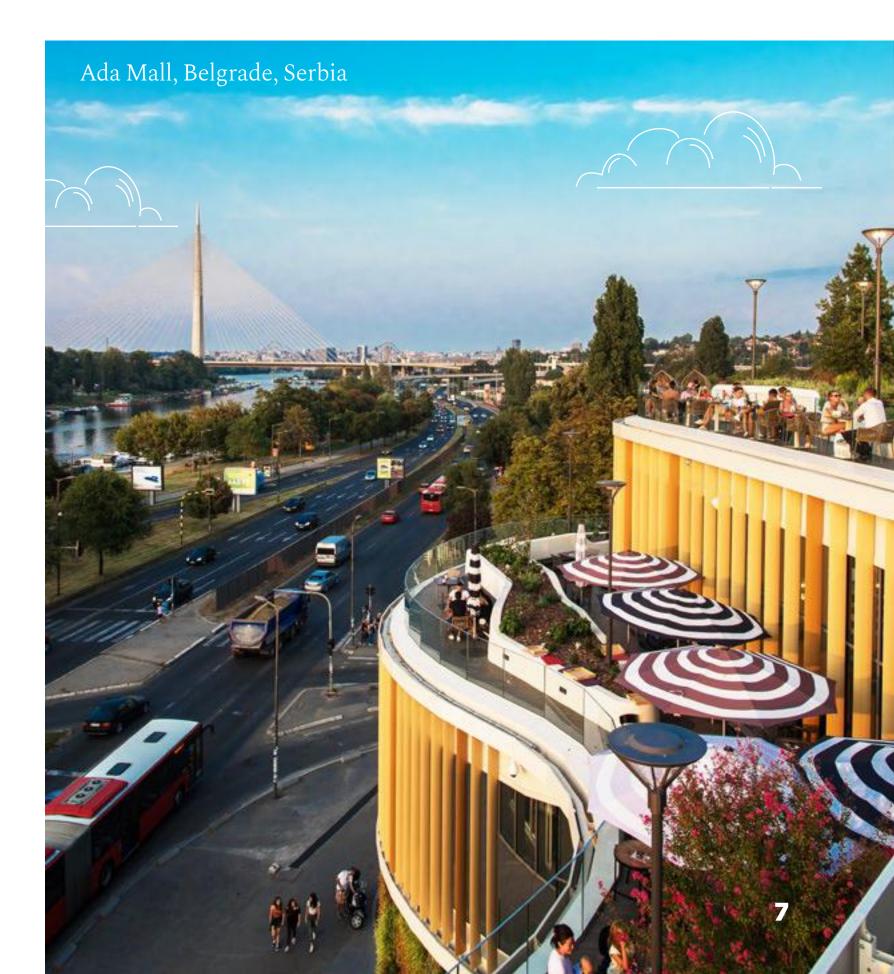
commercial properties with a total GLA of approximately **160 000 sq m** which, thanks to our management, have become landmarks in their respective locations;



sold some of our properties (39 projects, approx. 730 000 sq m) to international property funds and industry investors;



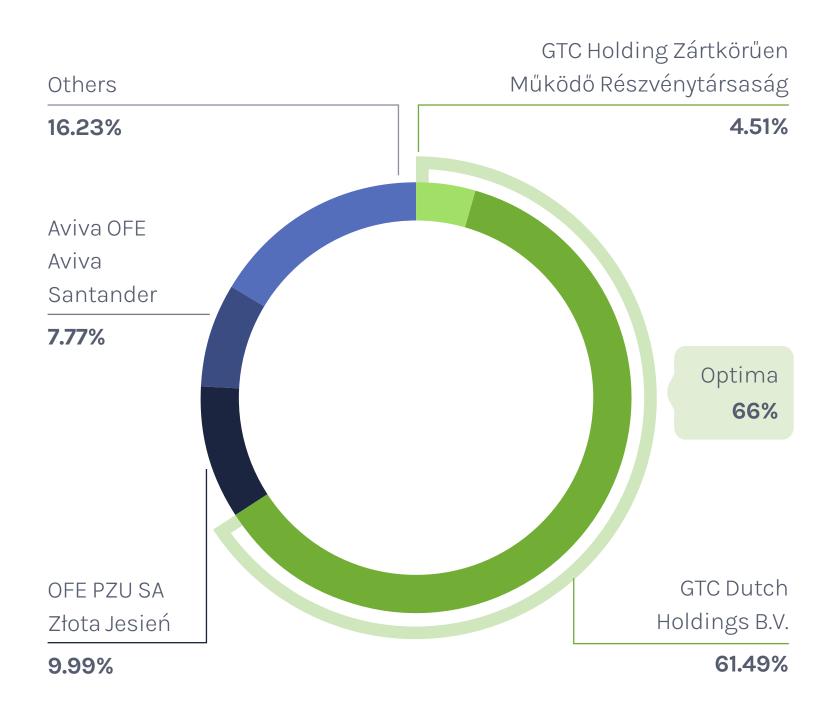
have developed and sold houses with an area of about **380 000 sq m.** 



## Shareholding structure

GRI 102-5

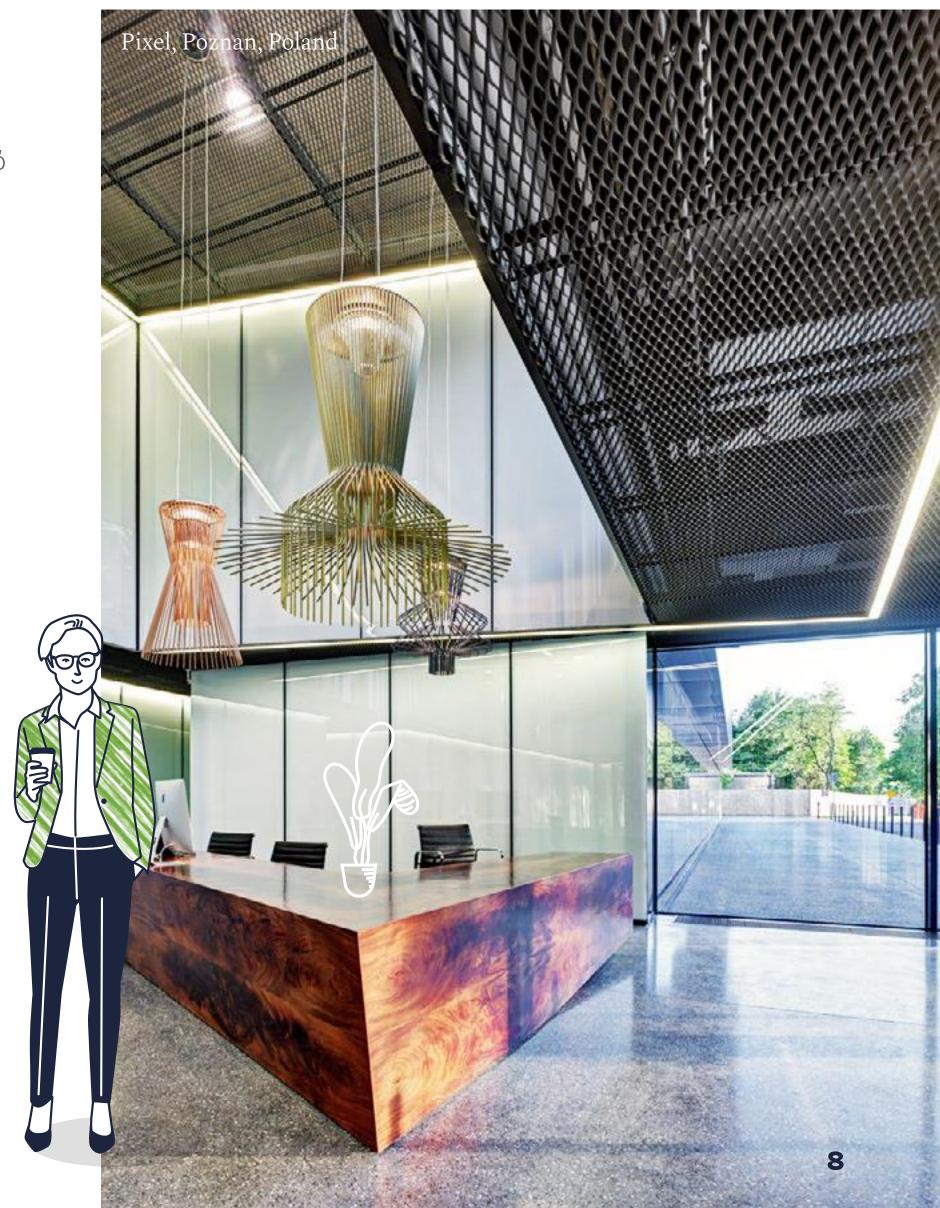
Chart 1. Shareholding structure as at 31 December 2020



Globe Trade Centre S.A. is the parent company of our Group. It is listed on the Warsaw Stock Exchange and the Johannesburg Securities Exchange.

Following the ownership changes that took place in 2020, our largest shareholder is GTC Holding Zártkörűen Működő Részvénytársasá (GTC Holding Zrt), which holds:

- directly **4.51%** of the shares in Globe Trade Centre S.A.
- indirectly, through its subsidiary GTC Dutch Holdings, a **61.49%** interest.



# Business model and strategy

GRI 102-2, 102-15

We aim to grow our land bank and actively manage, observing the sustainable development principles, a growing number of commercial properties to maximize the operational performance and efficiency of our operations. This means that our business model is based on growth. We will be scaling up our activities through the following:



acquiring income-generating properties in Poland and the capitals of selected CEE and SEE countries;



executing selected development projects;



improving the efficiency of property management activities and maximizing operational performance and efficiency;



selling stabilized properties;



maintaining a balanced investment structure in the CEE and SEE regions and adapting to changes in the property market;



developing activities focused on the goals of sustainable development, considering social and environmental criteria in our company's business.

GTC's growth is based on years of experience, expertise, and undeniable business competence, which translate into industry-leading results. In our business, we are guided

by the expectations of tenants, investors, and other key stakeholders. Our ambition is to influence the market by responding effectively to socioenvironmental and geopolitical challenges. We wish to be an active participant in changes that respond to vital sustainability challenges.



GTC ESG Report 2020

President's letter

We are in constant pursuit of our strategy to acquire and develop properties that meet the needs of tenants and have the potential to generate the rental income expected by our investors.

# To this end, we focus on selected office and retail properties:

- located in the capitals of Central and East European countries, such as Warsaw Budapest, Belgrade, Bucharest, Sofia, and Zagreb, and the largest cities in Poland;
- perfectly located for the development of our tenants' business;
- maintaining a constant, high occupancy rate or allowing for an increase in income by leasing out previously vacant space due to our active property management;
- generating high rental income;
- allowing for an increase in revenues through optimization of rents, lease term, and/or repositioning<sup>3</sup>;
- and finally, meeting the highest requirements of green building certification standards.



Our ambition is to provide such real estate solutions that improve quality of life.

We provide real estate solutions that improve the way we live.

Our mission statement is to deliver commercial, real estate that adds true value for all partners.





We have set out our approach to business management in a few rules of conduct described in our Group's regulations and standards. They help us to pursue our business targets efficiently and transparently and to communicate them openly.



# Strategy and performance during the covid-19 pandemic

During the last few years, including 2020, we have grown our property portfolio through development and smart acquisitions, tightened our financial policy, and strengthened our liquidity. Our asset management teams delivered excellent service to our tenants and maintained high levels of occupancy. The Group heightened its attention to ESG matters, issued green bonds, and strengthened its contribution to the well-being of the communities it creates.

President's letter

Introduction

Environmental impact

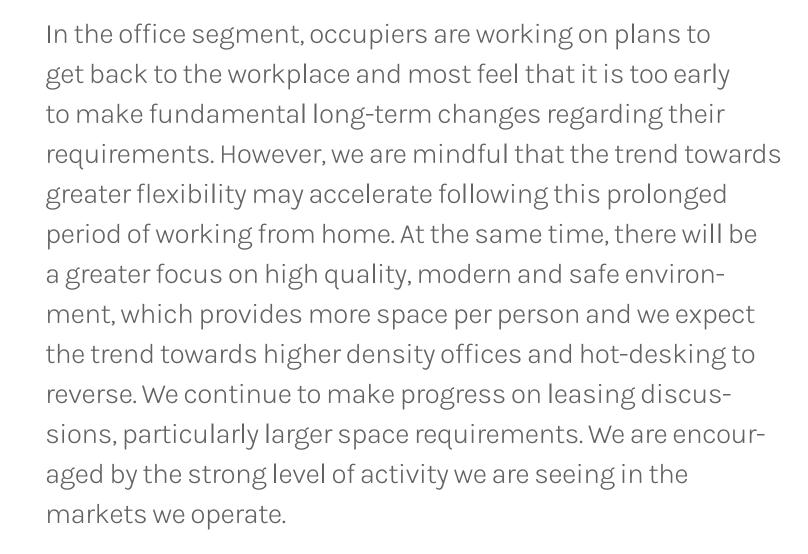
Social impact

Corporate governance

We are proud that these accomplishments prepared us for the unforeseen challenges posed by the outbreak of COVID-19 during 2020.

Our immediate priority has been to work alongside and support the communities in which we operate, our suppliers, and those customers most affected to protect the long-term value of our business. To help us achieve this, we implemented multi-pronged measures to support tenants and encourage

consumer spending, such as reducing rent, allowing rent payment in installments, waiving late payment interest and service charges. The financial impact of this in terms of lost operating profit was €15 million. However, we have collected 99% of the rent originally due for the year for offices and 97% for retail. The value of the portfolio declined 5% as ongoing structural challenges were exacerbated at the year-end valuation date by the effects of Covid-19.



At the end of 2020, our property portfolio reached €2.1 billion. Total revenues were at €160 million. The Group's EPRA net asset value (NAV) now stands at €1.1 billion, reflecting the high quality of our portfolio and low leverage: net loan-to-value (LTV) was 45% at year-end. GTC has a low cost of debt averaging 2.3% and a strong net interest coverage ratio (ICR) of 3.7×. Occupancy across the whole portfolio was steady at 91%.



GTC ESG Report 2020

11

Our local asset management teams continued to outperform and showed that long-standing relationship with tenants combined with very good quality of the portfolio can bring new leases even in more challenging times.



#### the LPP Group

decided to open the biggest Polish **Sinsay** store in **Galeria Północna** 



#### **Mobica and Barry Callebaut**

expanded their offices in **University Business Park** 



#### **EoN**

prolonged office space in City Gate



#### Generali

leased office space in Matrix B



# Modis, World Bank, and Commerzbank

chose Advance Business Center II



Additionally, **IKEA and Bershka** will open their stores in the **Mall of Sofia** 

During the year, we also decided to refresh our portfolio: we sold one of our Hungarian assets, the Spiral office building, generating €41 million of free cash to finance new acquisitions and implementing new projects. At the beginning of 2020, we completed the construction of the final building of the Green Heart office complex in Belgrade, followed by Advance Business Center II in Sofia and Matrix B in Zagreb towards the end of the year. In 2020, we also commenced Sofia Tower 2, an A-class office building above the Mall of Sofia, and additionally, our development pipeline includes such great projects as Pillar in Budapest, which was fully pre-let before the commencement of construction.



We benefit from the work we have done over several years to strengthen our balance sheet. GTC remained active on the capital markets in 2020, raising about €110 million of senior unsecured bonds, providing additional flexibility that will be used for a combination of debt repayment, new developments, and acquisitions. We issued HUF-denominated green bonds, further demonstrating our commitment to sustainability and financial innovation. The Group's strong market position was also confirmed by investment grade rating BBB- by Scope Ratings. The total available liquidity of the Group was €272 million at the end of 2020. As a result, GTC's finances are prepared for any opportunities or uncertainties which may lie ahead.

Invariably, sustainability has been our priority. We actively strive to deliver the most modern buildings, equipped with the latest technology solutions that meet the strict **BREEAM or LEED certification criteria. The major accomplishment was LEED Platinum** certification for two of our A-class buildings, Matrix A and Matrix B in Zagreb. Thus, 84% of all GTC properties now proudly bear an eco-friendly label. Additionally, we are working on the ESG policy to increase our market advantages, improve financial results and reduce operational risk. It is another step forward for the company to develop environmental protection, social care, and corporate governance. As a result, we have embarked on a project to deliver the 2020 ESG report.

You can read more about the supportive measures we have taken for our tenants in the difficult situation in Chapter 3, "Social Impact", and about asset risk management during the COVID-19 pandemic in Chapter 4, "Corporate Governance".

Chart 2. Occupancy rates for offices and shopping centers 2014-2020

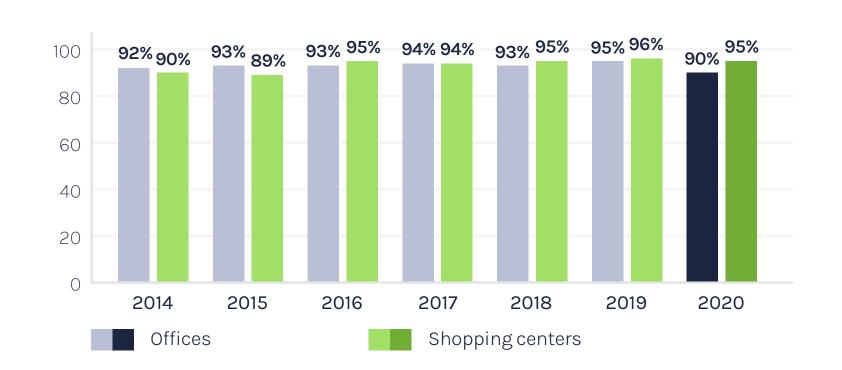


Table 1. Key performance indicators (KPIs) for 2019-20204

KPI	2020	2019
Gross rental margin	EUR 119m	EUR 128m
Operating profit before tax and fair value adjustments	EUR 66m	EUR 73 m
FFO I	EUR 66m	EUR 70m
EPRA NAV	EUR 1 112 m	EUR 1 200 m
Value of the property portfolio <sup>5</sup>	EUR 2 100m	EUR 2 222m
Net debt to property value ratio (LTV)	45%	44%
Weighted average interest rate	2.3%	2.6%

<sup>&</sup>lt;sup>4</sup> The data presented as at 31 December 2019 and 2020, respectively.

<sup>&</sup>lt;sup>5</sup> Book value: investment properties, assets held for sale, residential land bank, own-use properties less land perpetual usufruct right value.

# Our investment portfolio

GRI 102-4, 102-6, 102-7

#### As at the end of 2020, we owned:

- 48 completed commercial buildings, including:
- 43 office buildings with a total GLA of over 536 400 sq m;
- 5 shopping centers with a total GLA of over 216 100 sq m;
- 2 office buildings under construction with a total GLA of over 37 300 sq m;
- bank for commercial development and;
- land bank for residential development.

Their total value is **EUR 2.1bn**<sup>6</sup>. 84% of our buildings are certified (or at the last stage of certification) under strict sustainable building guidelines, equivalent to EUR 1.6bn.

Our buildings are primarily LEED (Leadership in Energy & Environmental Design) and BREEAM (BRE Environmental Assessment Method) certified. Those certificates are an independent and widely accepted confirmation in the real estate industry that we implement material and measurable sustainability solutions in our projects.



<sup>&</sup>lt;sup>6</sup> Value as at 31 December 2020

President's letter

Introduction

Environmental impact

Social impact

#### In 2020, we:

- Completed the construction of the fifth office building of Green Heart complex in Belgrade.
- Completed the construction of Advance Business Center II, an office building in the Bulgarian capital.
- Completed the construction of Matrix B office building in Zagreb, Croatia.
- At the same time, we started the construction of Sofia Tower 2 office building, in Sofia.
- Sold Spiral office building in Budapest, Hungary.

#### Advance Business Center, Sofia, Bulgaria



Table 2. Income-generating investment properties (as at 31 December 2020)

Location	Total gross rentable area (sq m)	Share by rentable area (%)	Occupancy (%)	Book value (EUR '000)	Share by book value (%)
Poland	309 200	41%	90%	824738	44%
Belgrade	156 800	21%	94%	355 481	19%
Budapest	96 600	13%	95%	206 138	11%
Sofia	67 200	9%	88%	176 500	9%
Bucharest	66 600	9%	93%	172 085	9%
Zagreb	56 100	7%	89%	144 231	8%
TOTAL	752 500	100%	91%	1 879 173	100%

# Approach to sustainable development

GRI 102-12, 102-42, 102-43



EU/TCFD

In our strategy, one of the key elements is the welfare of all stake-holders<sup>7</sup>, both socially and environmentally. To this end, we carry out our internal and external activities also under the guidelines of the Organization for Economic Co-operation and Development (OECD).

We work with local communities, create jobs, and improve the infrastructure of cities and neighborhoods. Our Group believes that contributing to sustainable development and achieving its goals is an investment in the future of our business, and therefore in the development of our employees, business partners, and the entire social environment.

# <sup>7</sup> A stakeholder is anyone who influences us and anyone we influence. These include inter alia our customers, employees, investors, local communities, etc.

#### Our main areas of responsibility:



Delivering projects that respect the needs of all our stakeholders.



Protecting the environment and mitigating climate change.





Creating a stable and inclusive workplace supporting diversity.



Commitment to local communities through support for community initiatives (ongoing collaboration with community partners and ad hoc activities) and investment in infrastructure.

GTC ESG Report 2020

16

# Our impact on the UN Sustainable Development Goals

GRI 102-12

We want to be a part of an international community of companies and institutions that strive to achieve the 17 Sustainable Development Goals (SDGs) set by the United Nations for the period 2015-2030<sup>8</sup> and to fulfill the so-called Paris Agreements of 2015 adopted under the United Nations Framework Convention on Climate Change. Our business profile allows us to commit to act on the 10 UN goals:



















8 DECENT WORK AND ECONOMIC GROWTH

#### Green bonds

In 2020, we adopted the "Green Bond Framework". It sets out the framework for the issuance of green bonds by our Group companies. The funds raised through the green bond issues are used to refinance real estate loans and to finance the redevelopment, construction, and acquisition of assets with BREEAM (Very Good or higher) and LEED (Gold or higher) environmental certifications.

Under the guidelines of our "Green Bond Framework", GTC Real Estate Development Hungary Zrt. GTC SA (a fully owned subsidiary of GTC SA) issued ten-year green bonds worth HUF 39.6bn (EUR 110m). Moreover, on 17 March 2021, GTC Real Estate Development Hungary Zrt. issued ten-year HUF-denominated green bonds with a total nominal value of HUF 19.8bn (EUR 53.8m) to finance property acquisitions and projects under construction.

The green bond issue confirms our determination to implement our environmental and sustainability strategy.



We will use the funds raised from the green bond issue to finance and/or refinance, in whole or in part, projects that promote energy efficiency and the use of alternative energy sources.

For more information on green bonds, see Chapter 4, "Corporate governance".

<sup>8</sup> More on the United Nations website: www.sdgs.un.org/goals.

GTC ESG Report 2020 **17** 

<sup>&</sup>lt;sup>9</sup> The document is available at: **HERE** 

# Our stakeholders

GRI 102-40, 102-43, 102-44

In our daily activities, we build relationships with many people, companies, and organizations.

We try to get to know their needs well, understand their expectations and different points of view, assess the possibilities of cooperation, and ensure that communication between us is transparent and clear. We incorporate the opin-

ions of our stakeholders in the decision-making processes regarding our day-to-day operations and plans.

Open and honest communication about our plans, activities, and all relevant issues affecting the company's ability to create value in the short, medium, and long term, the results we achieve, as well as our impact on the market and the environment, form the basis for building our relationship.

We are aware of the importance of non-financial information for the evaluation of our business and the decisions made by our stakeholders, in particular shareholders and investors. This document is our first ESG report, which comprehensively outlines, among other things, our approach to governance, our values and ethical business principles, our relationship with employees and local communities, and our impact on the environment.

We have considered the results of our stakeholder survey in identifying the key sustainability and responsible business subjects related to our business that we address in this report. We conducted the study in H2 2020.



## Our stakeholders map

GRI 102-40, 102-43, 102-44

Investors' environment and capital market



Our stakeholders



Employees and cooperating parties



Social environment



Property lessees, real estate agents and customers



General contractors and business partners

President's letter



# Group of stakeholders Communication channels

# Investors' environment and capital market



# Employees and cooperating parties



# Property lessees, real estate agents and customers



# General contractors and business partners



#### Social environment

- cyclical meetings
- Electronic Information Transmission System (ESPI)
- Electronic Information Base (EBI)
- periodic and current reports
- conferences on results
- WWW site
- special events
- electronic correspondence
- ESG report
- media PR activities
- social media

- daily cooperation
- meetings
- e-mail
- newsletters
- training courses
- direct conversations
- ESG Report
- media PR activities
- social media

- meetings
- newsletters
- questionnaires
- traditional and electronic correspondence
- social media
- website
- advertisements in media and public space
- ESG Report
- media PR activities

- meetings
- traditional and electronic correspondence
- special events
- ESG Report
- social media
- website
- advertisements in media and public space
- media PR activities

- social actions and initiatives
- regular or ad hoc cooperation
- meetings
- channels of NGOs and charities
- ESG Report
- social media
- website
- advertisements in media and public space
- media PR activities

#### Our main responsibilities concerning the ESG factors

- providing financing for investments resulting in the development of our company
- value creation sustainable return on investment for investors
- implementation of advanced technologies and innovative solutions, including mainly those serving the environment and mitigating climate change

- safety
- stability of employment
- a friendly and ethical working environment
- promoting diversity and equality
- company's sustainable development

- an offer of high-quality office space, retail, and service space
- safety
- adherence to deadlines
- reliability
- reating value
- contribution to the creation of socially and culturally important sites in cities
- joint creation of a sustainable value chain

- safety
- ensuring quality and the highest standards of project implementation
- resource efficiency and environmental protection
- ethical standards of cooperation

- local infrastructure development
- the revitalization of post-industrial areas with respect for the environment and history
- supporting social initiatives that respond to the problems and needs of local communities
- contribution to education, health, ecology, and the arts

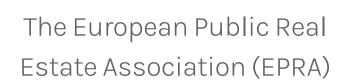
GTC ESG Report 2020

# Partnerships and awards

GRI 102-13

We actively participate in initiatives aimed at benefiting the entire industry. We are a member of key real estate associations and organizations such as:







The Croatian Green Building
Council



The Association of Financial Directors of Serbia



The Polish Council of Shopping Centers

AmCham

The American Chamber of

Commerce



Foreign Investors Council



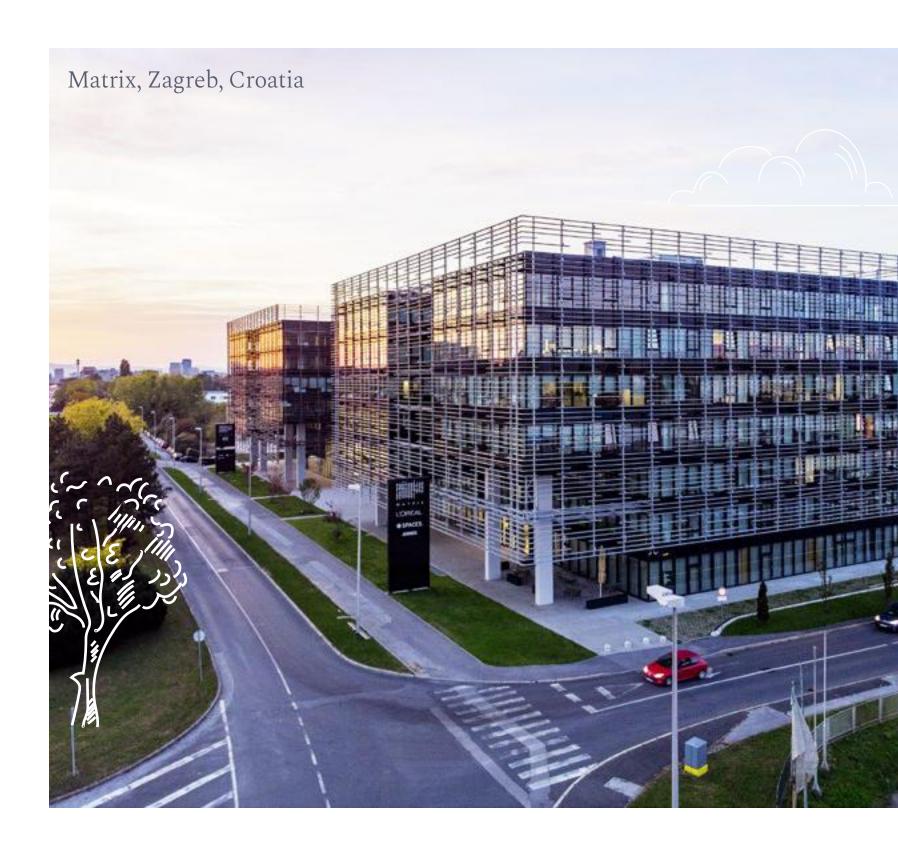
The Polish Commercial Real Estate Chamber



Polish Association of Listed Companies



The Association of Chartered Certified Accountants





Bucharest Real Estate Club



## Major awards and certificates granted to our projects in 2020

Hall Of Fame Awards – Best of the Best 2020 for GTC Hungary



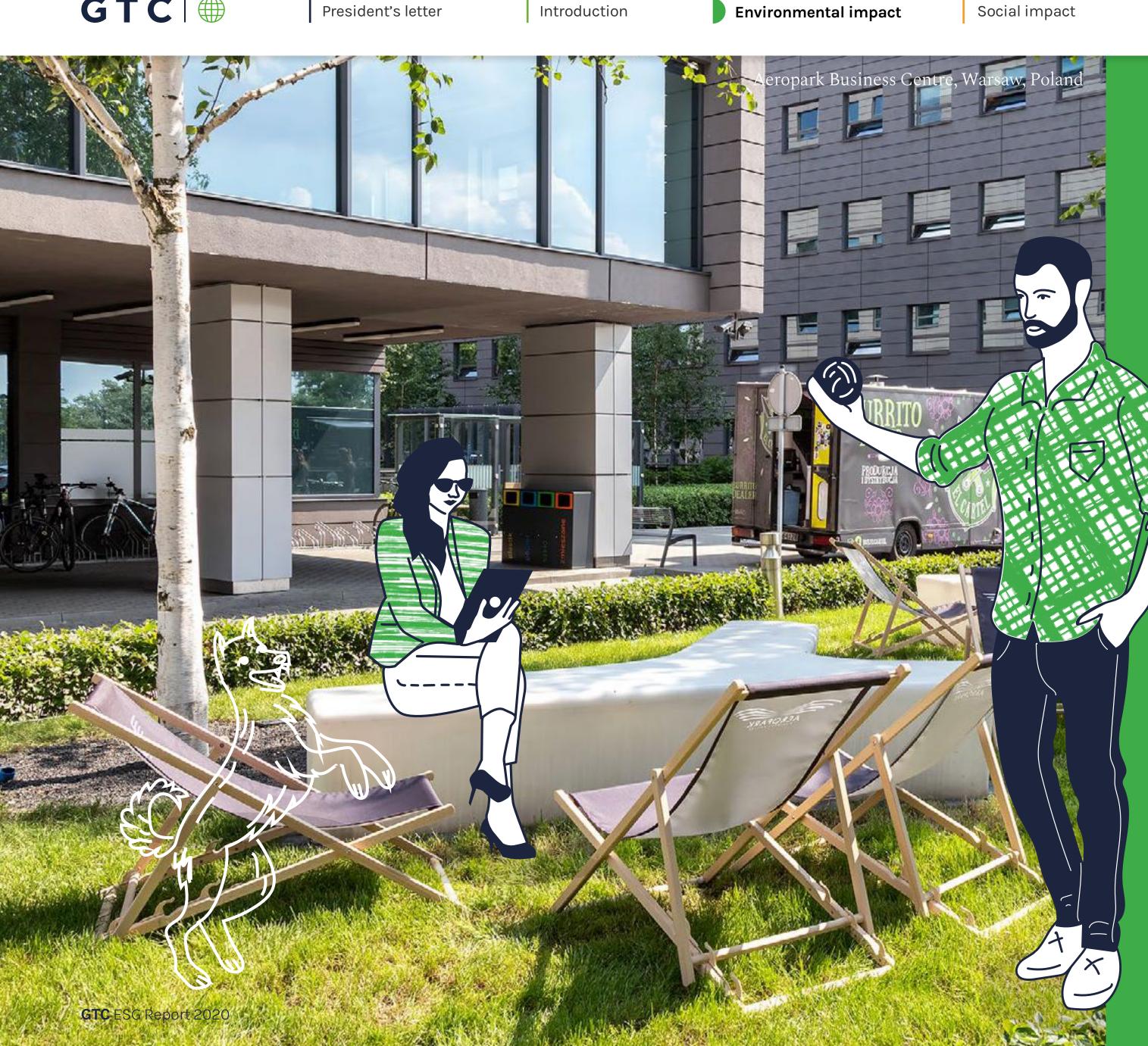
GTC Hungary was awarded Best of the Best Leasing in the HOF (Hall of Fame) 5th edition for a significant transaction namely lease of Pillar to ExxonMobil. It is the largest deal in the history of transactions for an office under construction on the local office market. ExxonMobil signed a lease for 27 000 sq m of Pillar, located near the Váci Corridor in XIII District.

# Matrix Office Park office buildings with LEED Platinum certificates

Matrix Office Park is a modern business center located in Zagreb with a GLA of approximately 76 500 sq m. The Matrix A building, which is a part of the complex and was completed in 2019, delivered 10 800 sq m of modern office space to the market. Matrix B, on the other hand, with the GLA of 10 700 sq m, was completed in Q4 2020. Both office buildings received LEED Platinum certification.



GTC ESG Report 2020



**Chapter 02** 

# Environmental impact

- 1. Principles and main directions of commitment
- 2. Our response to climate change
- 3. Investments for sustainable cities and communities
- **4.** 2020 Results





#### Goal 6 Clean water and sanitation

✓ We implement solutions to reduce water consumption in our buildings.

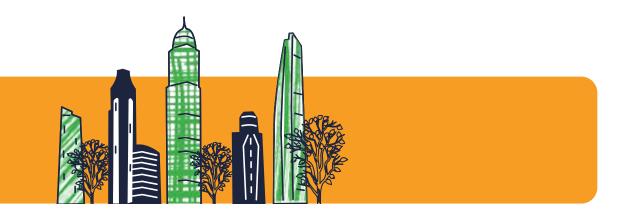




#### Goal 7 Affordable and clean energy

✓ We implement solutions to increase the energy efficiency of buildings.





#### **Goal 11** Sustainable cities and communities

✓ As part of the development processes, we revitalize degraded and post-industrial areas, integrating them again with the urban tissue.





#### **Goal 12** Responsible consumption and production

- ✓ We use recycled and quickly renewable materials in our buildings.
- ✓ We reduce the amount of waste generated during construction and implement effective waste management systems in our buildings.





#### Goal 13 Climate action

✓ We deliver safe, durable, and environmentally friendly buildings. Since 2015, all new projects delivered by GTC meet the requirements of the LEED or BREEAM certificates.

GTC ESG Report 2020

24

# Principles and main directions of commitment

GRI 102-29, 103-1, 103-2, 103-3

Green building certification, Climate change, Circular economy

Number of green-certified assets and their percentage share in the property's portfolio

EU/TCFE

One of the most crucial development challenges facing us in the 21st century (as defined by the United Nations) is the management of urban areas. Cities are estimated to consume 60% to 80% of the world's energy resources (mostly from fossil fuels), and they also make significant use of other resources, such as water and raw materials.

The real estate sector has an important role to play in the sustainable development of cities. Modern technological solutions in construction and modern architecture offer an opportunity to reduce the negative environmental impact of the daily operation of entire communities. We want to contribute to positive changes in this area, and that is why one of our strategic priorities is to constantly strive for more

and more environmentally friendly operations.

By implementing investments in a responsible manner, revitalizing post-industrial areas, and providing high-quality buildings, we can make an impact on:

- reducing energy consumption in cities;
- improving the efficiency of water consumption;
- reducing the consumption of non-renewable resources;
- reducing the level of pollution;
- preserving green areas.

Since 2015, we have been guided by our **policy of developing** an environmentally friendly portfolio of properties and the efficient use of resources throughout the lifecycle of buildings. We implement eco-friendly solutions: from the stage of planning and designing buildings, through their construction, operation, and renovation, to demolition.

We have made a commitment that all our new investments and - if possible - the already delivered investments, will meet



the criteria for sustainable construction certificates and ensure the safety and comfort of their users.

Certificates obtained for the buildings - above all LEED (Leadership in Energy & Environmental Design), WELL Certificate, and BREEAM (BRE Environmental Assessment Methods) - are independent and widely accepted confirmation in the real estate industry that our projects feature particular and measurable environmentally friendly solutions.

Currently,

84% our properties hold recognized environmental certificates.

Our long-term goal is to have the greatest possible percentage of the properties in our Group's portfolio certified.



We have increased the value of GTC's certified assets from EUR 284 million (28% of the portfolio value) in 2014 to

EUR 1.6 billion

(84% of the portfolio value)<sup>10</sup>.

<sup>10</sup> As at 31 December 2020

For more about managing environmental impact, risks and opportunities, and the issue of green bonds see Chapter 4. "Corporate Governance".



# Our response to climate change

GRI 103-1, 103-2, 103-3, 303-1, 306-1, 306-2

Green building certification, Climate change, Circular economy

EU/TCFD

## We deliver our projects while respecting the principles of sustainable development.

Since 2015, all our office and retail projects have been developed in accordance with the standards defined by U.S.

Green Building Council, and as a result, they meet the LEED certification requirements.

LEED certification covers all elements of the construction and use of buildings - from the selection of organic and safe materials, through energy efficiency and environmental protection, through the emphasis on exceptional air clean-liness, natural lighting, functionality, waste management systems, adaptability, and comfort of building users.

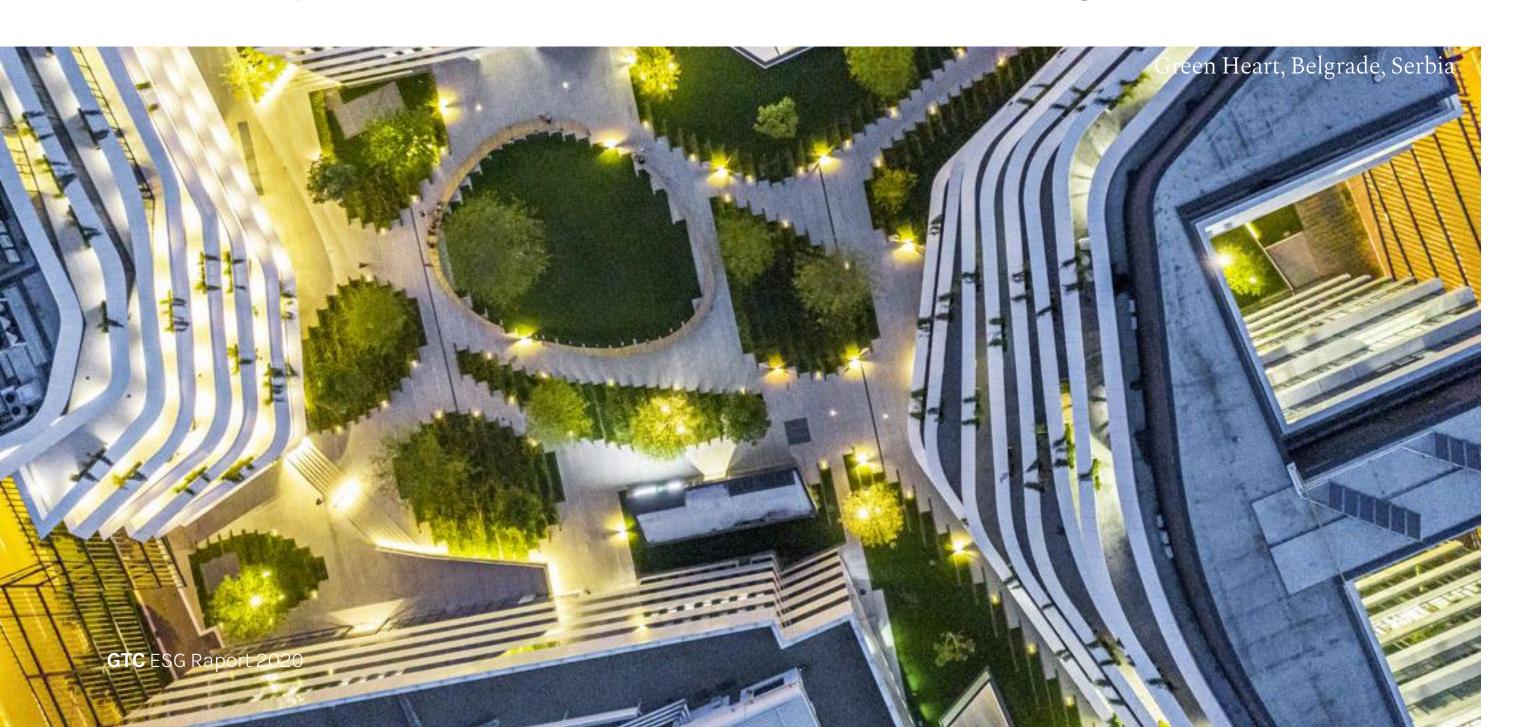
We are developing the monitoring of greenhouse gas emissions resulting from our activities. In 2020, we identified

direct emissions (SCOPE 1) and indirect ones (SCOPE 2) from electricity consumption. They totaled 108 069 tCO<sub>2</sub>e.

As a result of introducing ESG standards in 2021, the company decided to gradually introduce the application of green energy in projects.

We implement a few solutions in our buildings that reduce the environmental impact of our properties, including the reduction of greenhouse gas emissions.

For detailed information on CO<sub>2</sub> emissions see Chapter 5. "ESG Results".









Contribution to the circular economy by reducing the consumption of non-renewable resources and extending the life (quality and durability) of buildings

**Environmental** impact of our projects



Prevention of pollution by reducing the amount of waste, taking care of air quality, and environmentally friendly means of transport

**Protection of water** resources by improving the efficiency of water use



President's letter

• Incentives for the use of public transport.

#### Influence area Solutions used in our projects • Increasing the energy efficiency of buildings: using materials with thermal insulation properties that minimize energy losses during heating, cooling, or ventilation. • Recuperating energy in ventilation and AC systems (heat pumps). Mitigating climate change by reducing • Reducing energy consumption in buildings due to maximizing the use of daylight (e.g., windows covered with light-reflecting foil) and recuperation electricity and heating consumption and devices. • Modern building management systems (BMS), allowing, among others, for adequate energy-saving lighting, heating, and air conditioning control. decreading greenhouse gas emissions. • Buildings equipped with electric car charging stations. • Protection of green areas and arrangement of green spaces in buildings (e.g., public roof gardens) contributing to reducing the urban heat island phenomenon. • Analysis of the impact of the investment on specific local factors, such as the groundwater level. • Reduction of water consumption in buildings at a level exceeding the certification requirements. Protection of water resources by improving • The use of water-saving fittings in buildings. the efficiency of water use. • The use of rainwater management systems. • Plants adapted to the local environment with a minimized need for water intake in green spaces of buildings. • Water consumption monitoring – enabling detecting any anomalies and mitigating them swiftly. • Analyzes of the composition of materials used in construction works and all sustainable certificates (including FSC-certified wood confirming that the Contribution to the circular economy by standards for quality, safety, and transparency of the origin of the raw material were met at every stage of production). reducing the consumption of non-renewable • Using recycled and quickly renewable materials in our construction process. resources and extending the life (quality and • Using regional materials, i.e., produced, sourced, or recovered within a 500-mile radius of the construction site. durability) of buildings. • Effective waste management systems in completed buildings, including collection and transfer of waste for recycling or reuse. • Reduction of the amount of waste generated during construction: quantitative measures for general contractors to avoid landfilling. Prevention of pollution by reducing the • Managing the climatic conditions of buildings through systematic preventive inspections and tests verifying the condition of indoor air quality. amount of waste, taking care of air quality,

• Investing in locations with particularly good access to public transport; parking spaces for bicycles next to the buildings.

GTC ESG Report 2020

transport.

and environmentally friendly means of

# Investments for sustainable cities and communities

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

Green building certification, Climate change, Circular economy

Number of green-certified assets and their percentage share in the property's portfolio

EU/TCFD

Our company's impact on the sustainable development of cities is manifested at all stages of our business activities - from choosing a location for new investment, through design and construction, to the management of a completed building.

We deliver our projects in such a manner to minimize their impact on the natural environment while supporting and strengthening local communities. Every day, we take care of the safety and comfort of our tenants.

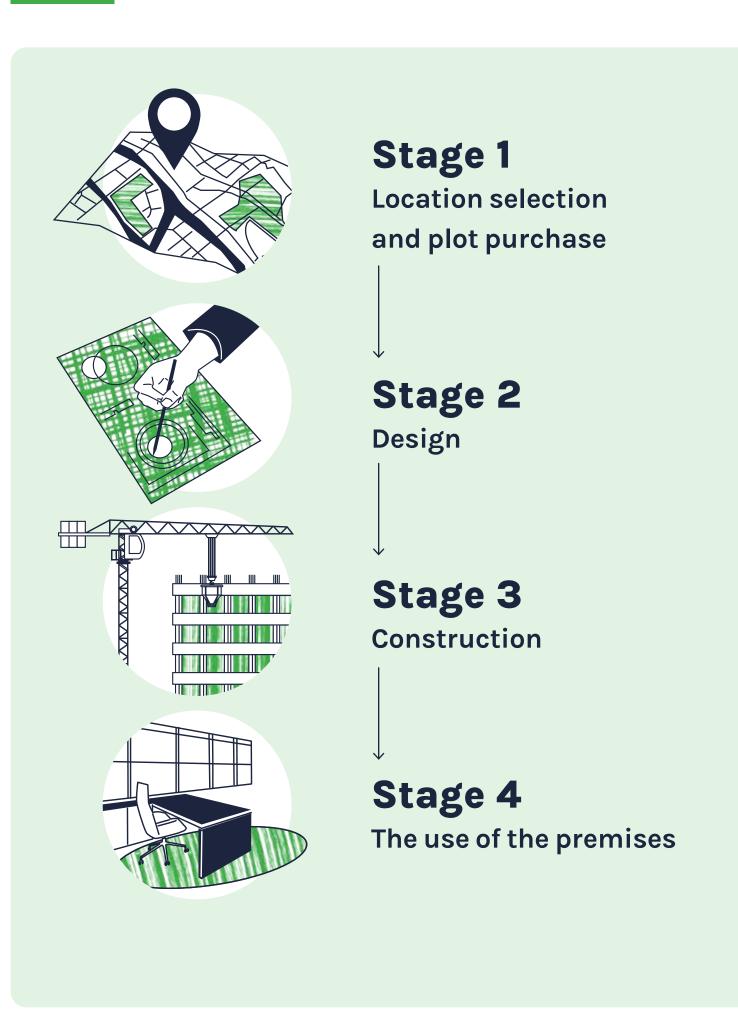
We pay special attention to ensure that buildings are developed considering not only spatial development plans but also with reference to the local, cultural and urban planning context such as preserving the greenery, historical view axes and other features important to the layout of the given location. We care for the quality of common spaces, greenery in our projects, and relaxation and leisure zones

with small architecture elements that increase the comfort of building users. Our investments also improve the quality of local infrastructure.



## Responsibility for the environment at every stage of the investment execution

GRI 102-11



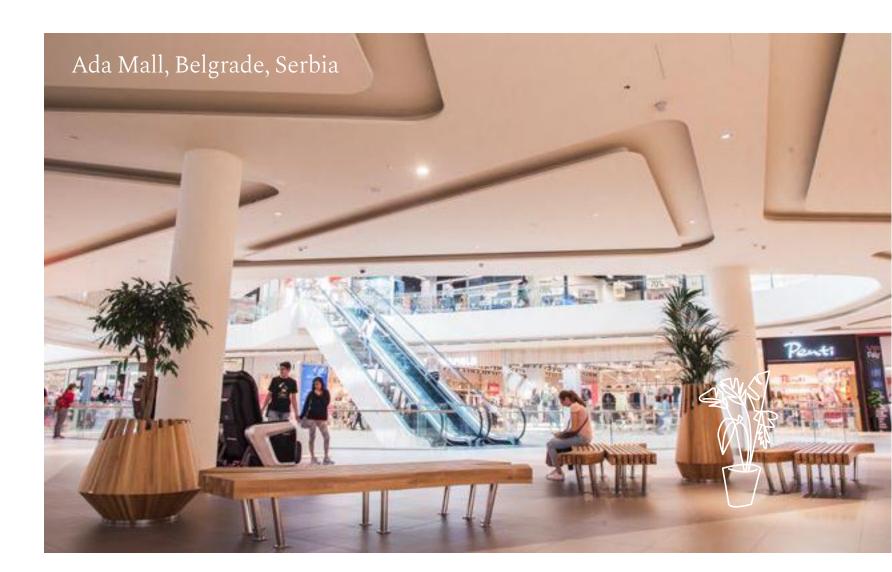


# **Stage 1**Location selection and plot purchase

Our properties are built in urban areas. In the process, we revitalize degraded and post-industrial areas, integrating them again with the urban tissue. The following are the examples of this type of project:

- Galeria Mokotów and office complexes in Służewiec
   Przemysłowy in Warsaw (sold projects);
- Galeria Kazimierz in Cracow on the site of a former meat processing plant (sold project);
- Galeria Jurajska in Częstochowa was developed on the premises of an old paper mill in the industrial part of the city;
- Center Point in Budapest on the site of a wood carpentry industry;
- White House in Budapest on the site of a former crane factory in Budapest;
- Ada Mall in Belgrade was developed on the site of a transformers plant.

Sustainable use of urban areas contributes to the protection of ecosystems - does not cause reduction and degradation of agricultural land, deforestation, and loss of habitats.



We carry out a thorough analysis of the existing buildings. We evaluate the most important parameters of the location and investment: safety, noise level, pollution, or influence on specific local factors, such as the groundwater level, vicinity of rivers and protected areas.

We assess the accessibility of public transport and the project's impact on road traffic. We verify the possibility of using city utilities.

GTC ESG Report 2020

President's letter



We design our buildings primarily with the tenants, their employees and clients in mind. Moreover, from the beginning of preparatory work, we apply an approach consistent with the principles of respect for the environment. We define, among others, the manner of construction implementation, which considers the protection of nature. For example, when designing foundations, we analyze the flow of groundwater, and when choosing the color of the façade and its glazing,

we check its visibility for birds. We look for solutions to reduce utility consumption and thus greenhouse gas emissions, e.g., through better wall insulation, effective ventilation, or heat recuperation. Our designs are drafted by renowned architectural studios.

We consider various aspects of the investment's impact on its surroundings and its attractiveness for future tenants and residents. The analysis includes a possible site remediation process, if required, construction method, preserving the social context, and creating a friendly urban space, and ends with a detailed report attached to the environmental decision.



We evaluate the contractor's experience in the implementation of investments in an environmentally friendly manner. We carry out constant investor supervision during the construction phase. We pay special attention to aspects such as dust reduction, effective management of hazardous materials (fuels), radical reduction of the amount of waste deposited in a landfill, and efficient use of energy and water. We use locally sourced raw materials, recycled and certified materials.

We conduct approval and testing activities a property is commissioned. Our employees are trained in the safe and sustainable management of the building and its equipment.





# Stage 4 The use of the premises

We create a people-friendly space to make them feel good; a space which influences, among other things, the efficiency of their work. Every day we care about the safety of our tenants, we try to respond to their needs and educate them about health and sustainable development.

Our projects employ modern building management systems (BMS). They allow you to control air parameters (temperature,



pollution, or humidity), and optimize the energy efficiency of projects - and thus reduce CO, and other greenhouse gases emissions while reducing water usage. We introduce principles of waste disposal and recycling. At the same time, the building management team regularly reviews user satisfaction and maintains an open dialogue on continuous improvement. The lease agreements for newly constructed buildings contain clauses describing environmental protection standards, including in terms of energy and water efficiency as well as air conditioning and cooling systems, which our tenants are obliged to comply with. We define, among others, requirements for devices with which tenants equip their premises and rules of conduct after the start of the lease.

## Green buildings in our portfolio

Number of green-certified assets and their percentage share in the properties portfolio

Cert-Tot

As at 31 December 2020, our portfolio included

certified (or at the last stage of certification) properties with a total GLA of 617 300 sq m. They accounted for **84%** of the value of our Group's property portfolio. We obtain certificates for both newly constructed buildings and already completed projects (in the system of multi-criteria project evaluation and management).

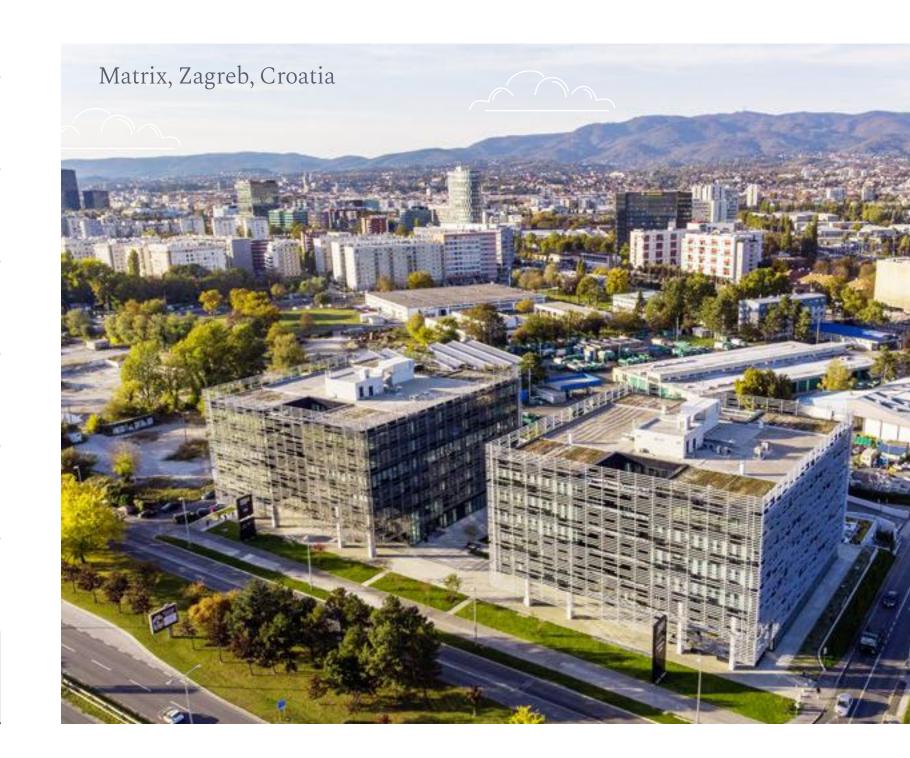


# Table 3. GTC Group's certified buildings broken down by certificates obtained: number and percentage share in the portfolio volume (as at 31 December 2020)

	Number of certified buildings			Percentage share of certified buildings in the portfolio value		
Re	Office buildings	Shopping centers	Total	Office buildings	Shopping centers	Total
LEED Platinum certificate	2	_	2	2%	_	2%
LEED Gold certificate	13	2	15	20%	18%	38%
LEED Silver certificate	4	1	5	4%	6%	10%
BREEAM IN USE Excellent certificate	11	1	12	15%	10%	25%
BREEAM Very Good certificate	2	_	2	3%	_	3%
BREEAM IN USE Very Good certificate	1	_	1	4%	-	4%
Other certificates - DGNB	2	_	2	2%	_	2%
Total	35	4	39	50%	34%	84%

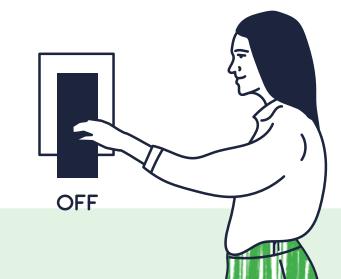
# LEED Platinum certificate for Matrix A and Matrix B buildings

In 2020, we expanded the portfolio of GTC's certified assets with two A-class office buildings - Matrix A and Matrix B. The buildings are part of the Matrix Office Park business complex, located in the prestigious business district of Zagreb at the intersection of the two most important city roads - Radnička Street and Slavonska Avenue.



# 2020 Results

GRI 302-1, 303-5, 305-1, 305-2



Electricity consumption

695 504 GJ (193 195 MWh)

10% less

than in 2019



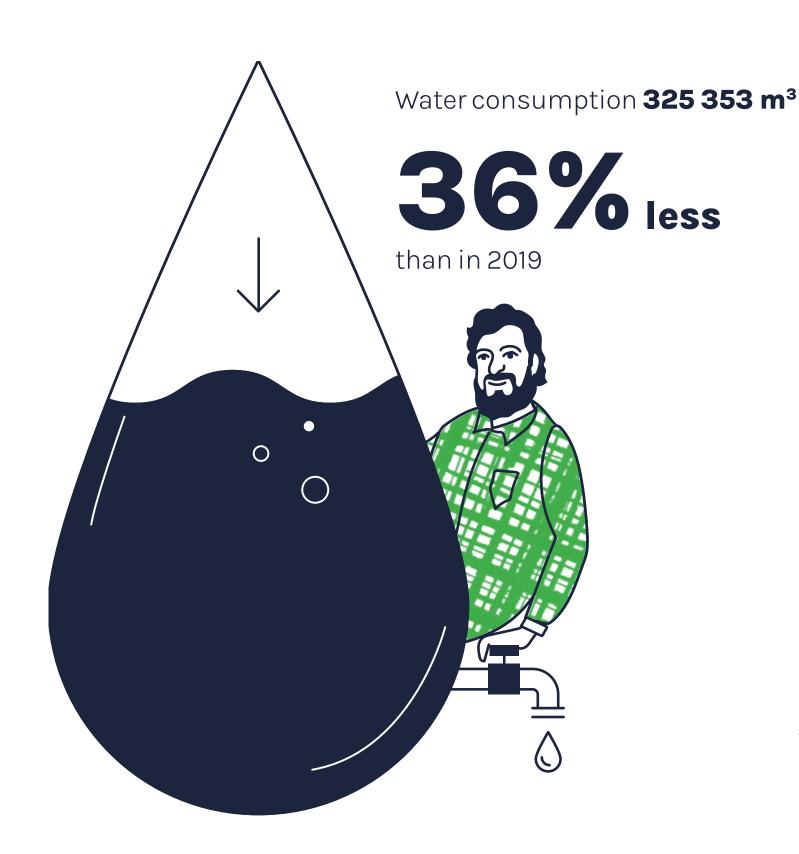
Electricity consumption per square meter of building area in the Group's portfolio

annually



CO<sub>2</sub> emissions (Scope 1 and Scope 2)

108 069 tCO2e







#### **Chapter 03**

# Social impact

- 1. Principles and main directions of commitment
- 2. Safe and friendly workplace
- 3. Obligations towards tenants and support during the pandemic
- 4. Activities for local communities
- 5. A responsible supply chain





#### Goal 5 Gender equality

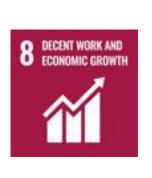
- ✓ The principles of equal treatment in the workplace are set out in the internal documents of
  the GTC Group, which are widely available to
  all employees.
- ✓ GTC's employees and contractors are bound by the anti-mobbing and anti-discrimination policy.





#### Goal 10 Reduced inequalities

✓ We invest in Central and Eastern European countries, including Serbia, Hungary, Romania, Bulgaria, and Croatia, contributing to the development of local property markets.

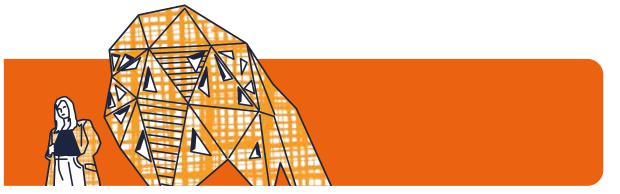




#### Goal 8 Decent work and economic growth

- ✓ We strive for the green certification of all our projects.
- ✓ We are a responsible employer.
- ✓ We promote local entrepreneurs and regional products (e.g., by organizing fairs and markets).





#### Goal 9 Industry, innovation and infrastructure

- ✓ We contribute to the development of modern city infrastructure.
- ✓ We undertake initiatives to support the development of the community.





#### **Goal 11** Sustainable cities and communities

- ✓ We develop an inclusive and friendly urban space.
- ✓ We make sure that our commercial and office projects are accessible to everyone, including the elderly and the disabled. We remove architectural barriers.
- ✓ We openly present our projects to local communities before we develop them.





#### **Goal 17** Partnerships for the goals

- ✓ We are involved in local and international industry initiatives.
- ✓ We cooperate with local authorities in the implementation of social projects.

GTC ESG Report 2020

**37** 

## Principles and main directions of commitment

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

Economic impact, Community involvement, Stable employer



#### The scope of our social impact includes:

- relations with employees and creating a safe workplace, including care for the health and OHS supervision;
- obligations to local communities;
- approach to environmental protection and climate change;
- the supply chain there are environmental clauses in our agreements with tenants.

The prior concept describing our approach to all employees is safety, which we understand very broadly. Due to friendly and stable employment conditions, employees feel safe, and such is the working environment we want to offer.

We employ and care for a team of high-class professionals, and our activities stimulate the local economy and create new jobs. In 2020, the company entered contracts with general contractors and other service providers (CAPEX) worth **EUR 78 m**. By working with our business partners, we contribute to the increase in employment in the region.

Table 4. Our economic impact, including spending on social activities in 2020.

GRI 201-1, 203-1, 203-2

Contribution to the state budget

	Unit	Total
Total income tax and other taxes	EUR	25.4m
Other fees and charges paid to the state (including customs duties, social security contributions, health care contributions)	EUR	2.7m
Total wages and other employee benefits	EUR	9.6m
Total costs paid to suppliers and contractors (CAPEX)	EUR	78.3m
Contribution to community involve- ment: contribution to infrastructure development	EUR	1.0m
Contribution to social commitment: donations, grants, obligations pro bono	EUR	0.04m
Total	EUR	117m

Introduction

Our entire team contributed to the business successes and development of our Group. Our showcase is green buildings, which are a response to the environmental challenges of today. Our Group's projects in Europe are developed and operated because of the efforts of our employees, investors, tenants, suppliers, local authorities, and other business partners, and they serve all users and local communities.

Operating in an industry that has a significant impact on the functionality and aesthetics of public space, we feel a great responsibility. We strive to be perceived not only as a developer, owner, and manager. We want to be a good neighbor, a reliable partner who engages in local problems brings added value to the places where we invest.

Table 5. Properties subject to operational control with community involvement, impact assessment, and/or development programs implemented in 2020.

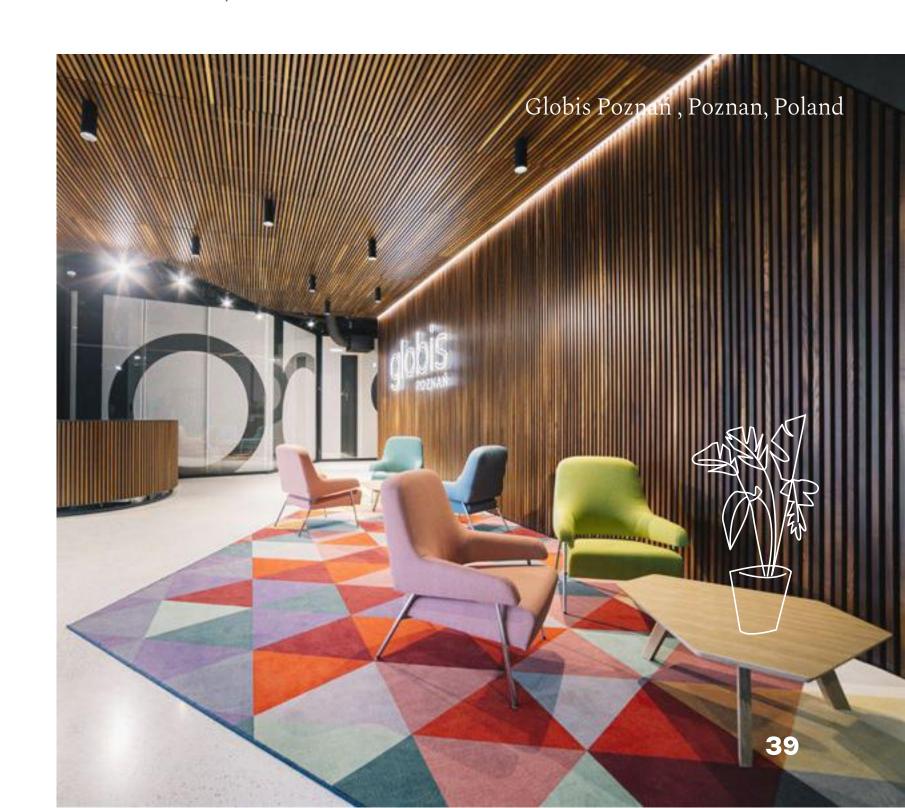
Percentage of assets under operational control that have implemented community involvement, impact assessment, and development programs

Comty-Eng

Re	Unit	Score
Number of assets under operational control where community engagement, impact assessments, and/or development programs have been implemented	No	43 (694 sq m GLA)
Number of assets under operational control where community engagement, impact assessments, and/or development programs have been implemented	%	90% (91% GLA)

Another important social role is to promote sustainable development among our stakeholders. We strive to encourage all our employees, tenants, customers, and partners to actively participate in the implementation of the Sustainable Goals Development.

We run permanent collection of used batteries in our buildings and dedicated days of promoting collection of electronic waste among our employees and tenants. We encourage the use of eco-friendly transportation solutions arranging free bicycle maintenance points in our locations for all.



## Safe and friendly workplace

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

Solidny pracodawca

As a Group, we set ourselves ambitious business goals that we want to implement in a sustainable manner. It is a responsible task for our entire team, which is why creating a stable and motivating work environment is so important to us.

We develop and implement principles (often innovative) of good practices in enterprise management and for improving the quality of work. Our focus is on the safety of our employees and contractors in all companies, in every country of our presence.

#### Our employee policy priorities:

- creating stable employment conditions in terms of remuneration and other criteria;
- creating a good working atmosphere based on mutual trust and respect;

- maintaining a rigorous approach to occupational health and safety;
- employee development through training and participation in industry events;
- employee involvement in social activities such as sports events and charity;
- confirming, with our actions, that we are a reliable and competitive employer.

We operate under our internal work and remuneration regulations, rules for the processing of personal data (GDPR compliant), anti-corruption procedures and guidelines as well as procedures for anonymous reporting of potential violations of law and ethical standards (whistleblowing). We oppose all forms of discrimination and exclusion. Our Group is guided by the anti-mobbing and anti-discrimination policy. We also comply with the rules described in "2016 Best Practices of WSE Listed Companies".



Our payroll covers

180
FTEs in six countries and 29 contractors.



The average time people have spent with our company is currently

**5.3** years

GTC |

President's letter

### Our corporate culture

Our organizational culture is based on principles that we treat as our commitment to employees; however, we also require that everyone adhere to the following values. The foundation of our corporate culture is formed by:



stability;



responsibility;



diversity;



dialogue;



focus on team action;



quality;



innovation.

## Supporting diversity

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

Reliable employer

- The strategic goal of our diversity policy is to ensure optimal employment tailored to the implementation of our Group's business goals. Our priority is to **build trust** between management and employees and fair treatment of all people regardless of the position held.
- We implement our diversity policy by **employing an array of employees** in terms of gender, age, work experience, education, cultural background and ensuring that all employees are treated equally in the workplace, considering their individual needs, and using the differences between them to achieve the goals set by the company.
- At GTC, we require **respect for employees** as part of our diversity-oriented culture. The Group's companies follow the principle of zero tolerance against discrimination and mobbing. Explanatory proceedings are initiated in the event of unacceptable behavior.
- The provisions of our Policy apply to all employees and contractors of the company under civil law contracts. All employees are to read our diversity policy as part of their duties. We are open to the social sensitivity of employees and we are happy to support all initiatives for equal opportunities and charitable campaigns.



80% are people between 30-50 years of age

> are people under 30 years of age

are people over 50

years of age

Women are:

of the total number of employees,

of the GTC Group's management staff<sup>11</sup>.

"Including local management board and Group's directors and consultants.



people joined during 2020

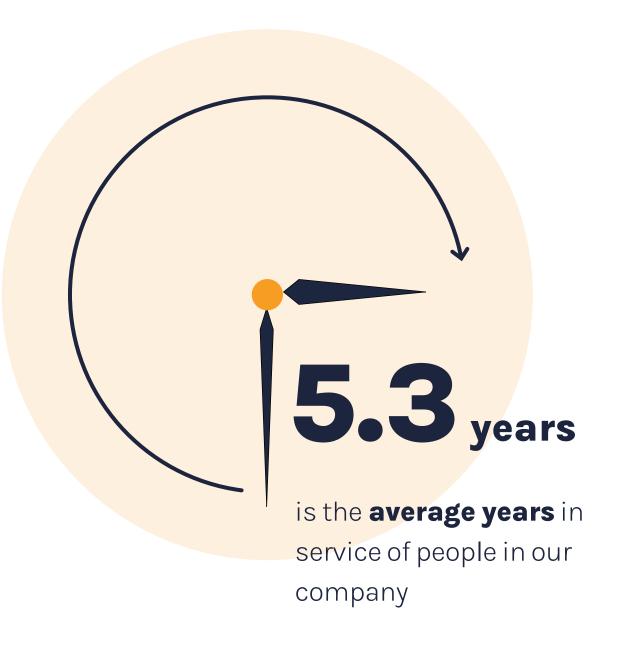


people left in 2020



Turnover ratio is

19-21%





people 4% of the staff have been with the company for over 15 years



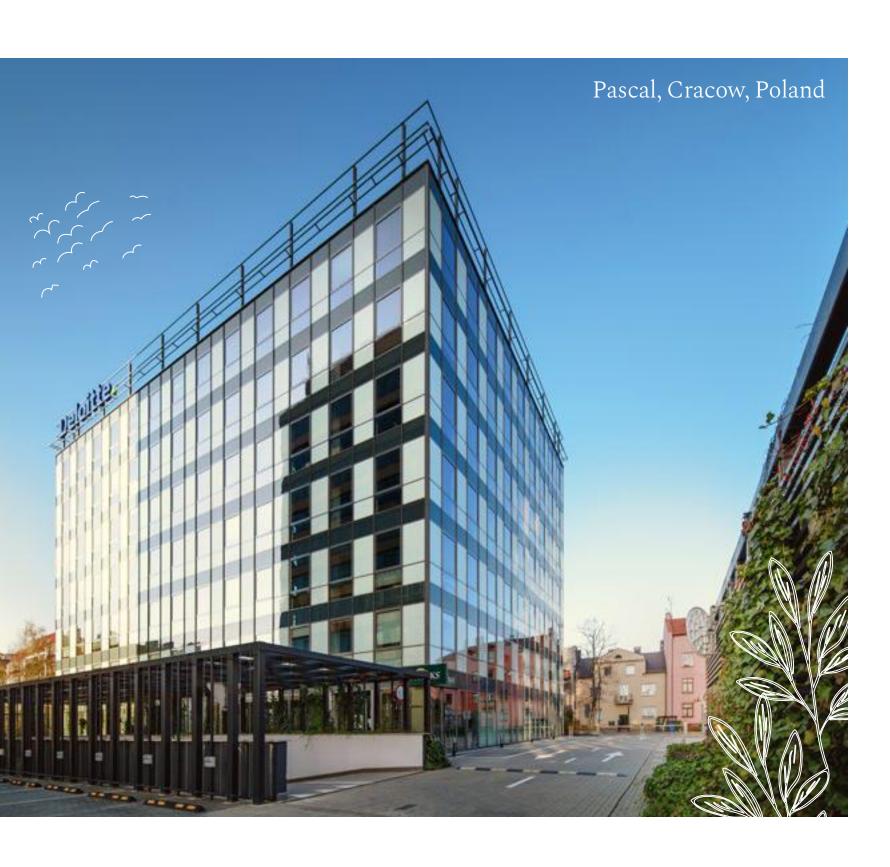
14% of the staff have been with the company for over 10 years

## Approach to safety

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

Reliable employer

Our companies have in place provisions regulating the issue of occupational health and safety. We comply with all the legal obligations as the employer in this respect.



In particular markets, we implement additional local occupational safety procedures that complement the documents common to the entire Group.

For example - the following regulations apply in Croatia:

- "Evacuation and rescue plan";
- "Occupational safety risk assessment procedure";
- instructions for dealing with injuries at work;
- instructions and rules for working with a computer;
- first aid instructions;
- "Occupational safety training plan and program".

We regularly monitor a number of OHS and working environment indicators. We put particular attention to safety and compliance with work standards during the construction works carried out by general contractors. We carry out compliance audits, therefore:

- we ask the tenant for a work schedule;
- we exercise investor supervision regarding execution;
- we check documents confirming the use of materials with appropriate certificates confirming lack of harmful effect on health.

#### Safety during the pandemic

GRI 403-6

In 2020, the most urgent action in the OHS field was the response to the COVID-19 pandemic and taking preventive measures, and increasing the safety of our employees, but



also tenants and service providers. We have implemented all epidemiological protection measures in line with the recommendations of experts and authorities of the countries in which we operate.

This situation forced all of us to change the organization of work, develop new procedures for using the office, and dealing with potential contagion of employees. In each of our locations, we approached the matter seriously to provide everyone with a safe working environment in the new reality. We have implemented relevant procedures and are monitoring the developments on an ongoing basis.

The following are the examples of solutions that we have applied in our various locations:



We have implemented a protocol for dealing with symptoms of infection in an employee.



In the early days of the outbreak, employees worked from home in most offices (home office).



Depending on the development of the epidemic, we used an office rotation scheme.



If office work was required, we applied flexible working hours.



We performed preventive tests.



Employees received a "COVID-19 protocol" explaining what to do if someone had symptoms of the infection.



Telephone, conference call, and e-mail were among the preferred means of business contact.



In the office, observing social distancing and wearing masks were mandatory. We have installed hand sanitizer stations (at the entrances and in various common areas) and mandatory protective masks vending machines.



We have taken care to provide additional sources of fresh air - switched the heating, ventilation, and air conditioning (HVAC), maximizing their intake of fresh and processed air.

Introduction



Table 6. Employee safety at the GTC Group in 2020.

GRI 403-9

Re	Unit	Women	Men	Total
Number of work-related accidents	No	0	0	0
Including the number of serious accidents, excluding fatal accidents	No	O	O	0
Including the number of fatal accidents	No	O	0	0
Accident rate <sup>12</sup>	No	O	O	0
Number of days lost due to accidents	No	O	O	0

<sup>&</sup>lt;sup>12</sup> When calculating the accident rate, we use the formula: the number of accidents recorded in the reporting period divided by the total number of hours worked by all employees multiplied by 200,000.

## Building commitment

GRI 103-1, 103-2, 103-3, 401-2, 403-6

Reliable employer

We all value open discussion and communication between team members and departments. We place great value in the involvement of employees and the joint search for interesting solutions in various areas of our activity. The management board, management staff, and HR department - we all try to be open to discussions and problems of employees and each of them will be listened to and receive support in solving their issues.

We believe in integrating teams in our offices through initiatives such as integration trips and meetings). In each of our locations, social initiatives aimed at external stakeholders are the best element that builds the bond between employees.

#### We encourage our employees to:



engage in teamwork, share knowhow and experience;



frequently recognize individual and group achievements.

We value open, honest communication in an atmosphere of mutual respect.



#### Motivating system

At GTC, we have developed an incentive system that features a bonus for achieving goals set by the Management Board or Supervisory Board, or the delivery of specific achievements. We also motivate our key management personnel by the opportunity to participate in a phantom share program whereby an employee is entitled to a number of such shares once a year.

Phantom shares - guarantee an entitled person with the right to clear out with the Group in the amount equal to the difference between the average closing price for the company's shares on the Warsaw Stock Exchange within 30 days before the date of notifying the company about the exercise of the right and the strike price per share (after considering the dividend). Phantom shares are merely a means of calculating the future variable remuneration of eligible persons, which depends on the future market price of the shares on a regulated market.

•

GTC ESG Report 2020

46

#### Benefits and health promotion

GRI 401-2

The benefits we offer to our employees vary from country to country. They include an annual bonus, a subsidized canteen, a free gym pass, yoga classes, company cars for managers. These benefits are offered to both full-time employees and also to contractors employed under other types of contracts.

We believe in people, their potential, and creativity. We want our employees to feel good as it affects their efficiency. We offer private health insurance to our employees. We organize a number of educational campaigns encouraging people to lead a healthy lifestyle and pro-health behavior. Our projects and internal activities are aimed at encouraging our employees to carry out preventive examinations, do sports (our internal offer includes yoga classes and gym access), eat healthily, or quit smoking.

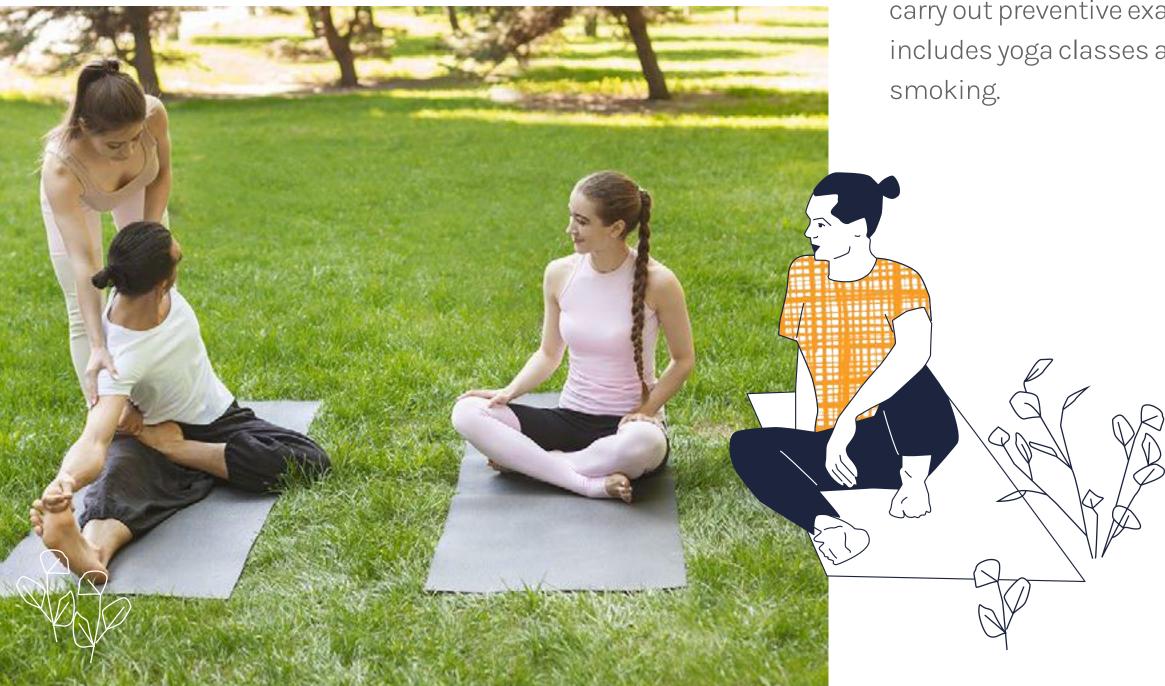


One of the key human needs is a need for development. We strive to work out individual development plans with each of our employees, which has a direct impact on their satisfaction, motivation, and efficiency, and ultimately on a good atmosphere throughout the entire team.

At the end of each calendar year, the head of a department meets with each of their employees to summarize their achievements in the past year, appreciate their strengths, and indicate areas for improvement.

We offer employees various opportunities to improve their professional qualifications. They are provided with key, strategic training, and workshops conducted by external entities. These training sessions cover such topics as:

- market and product knowledge;
- IT processes and applications;
- asset management;
- legal, tax, and accounting expertise;
- marketing.



We tailor the form and type of training to the needs of employees. We use a variety of training formats and tools, including industry conferences and seminars, e-learning, safety training, coaching, or mentoring, group discussions and activities, and analysis of case studies.

During the COVID-19 pandemic, all training sessions were conducted in compliance with sanitary restrictions, and most of them took place online. Certainly, the key ones were those on the regulations concerning the pandemic situation (attended by HR) and changes in the construction law (attended by Legal).

Moreover, in 2020, our employees took part in a variety of training sessions, including online training for accountants and engineers, a course in the use of software (e.g., training in the SAP module), a Photoshop course, a seminar on sales topics and negotiation skills and a number of on-line training sessions organized by Polish Association of Listed Companies regarding financial reporting, remuneration policy, whistl-blower protection, disclosure obligations and HR.

We also took part in the events of industry organizations and other entities operating in the real estate sector, incl. Why Invest in Poland, Authority Pro and Remedies Conference, Property Investment Forum, conferences held by the Polish

Council of Shopping Centers, and webinars organized by CBRE, JLL, Colliers International, and Savills, or CEDUR webinars organized by the Polish Financial Supervision Authority as well as e-training organized by Polish Association of Developers.

Table 7. Training and development in the GTC Group in 2020

RI 404-1, 404-3 Emp-Training Emp-Dev

Re	Unit	Women	Men	Total
Total number of training hours	No	515.5	330.5	846
Average number of training hours	No	4.1	6.2	4.7
Percentage of employees receiving regular performance and career development reviews	%	40%	22%	27%

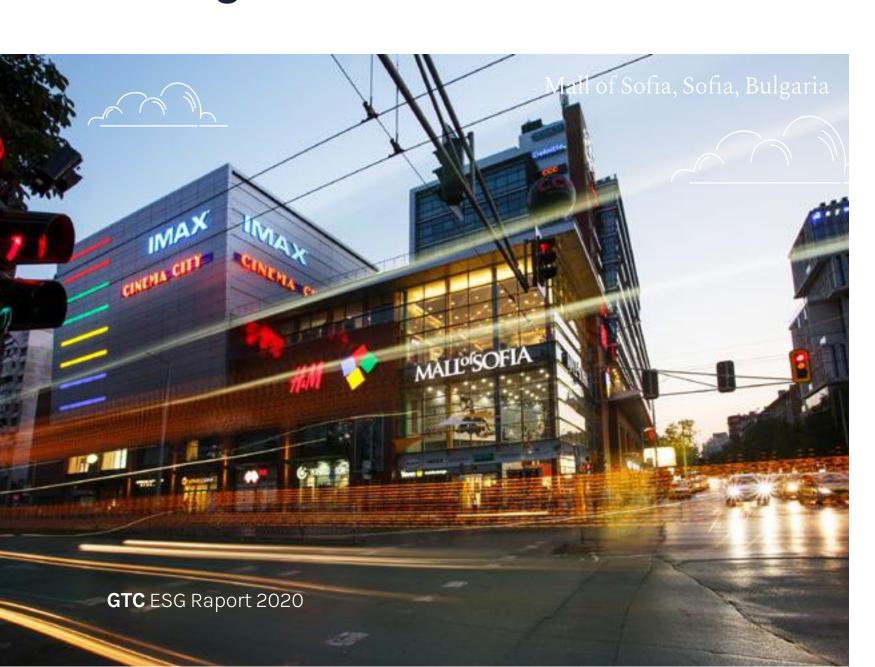
# Obligations towards tenants and support during the pandemic

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

Client/tenant satisfaction, Commercial real estate management

Description of methods for measuring customer/tenant satisfaction

Good, lasting relationships with tenants and customers form the basis of our strong market position. Customer retention is one of the most important aspects of property management.



Most of our revenues come from rent for office and retail space and services provided to tenants regarding the lease.

In 2020<sup>13</sup>



100%

of our revenues came from the rental of space, including service charge.

We develop carefully selected projects and purchase properties while observing the principles of risk reduction and result optimization due to the regional structure of our Group. This approach gives us macroeconomic stability (including stable GDP growth) and constant interest of investors and tenants.

## Approach to tenant relations

The sense of comfort and safety of our tenants is of key importance to us. Our goal is also to maintain positive and constructive relationships with tenants. We strive for dialogue and openness in fruitful, long-term cooperation.

- We believe in building tenant loyalty through a professional approach.
- Tenant relationship and leasing teams constantly keep in touch with tenants to resolve any issues quickly and efficiently and meet their current needs. Our goals are based on maintaining maximum occupancy and meeting the KPIs set (achieving a certain NOI, footfall, spending per visitor, etc.).
- Moreover, tenant relationship teams coordinate the activities of other departments and/or external suppliers when they are involved in tenant-related activities. We cooperate with lawyers, public institutions, insurance companies, contractors, etc. acting on behalf of our tenant.

<sup>&</sup>lt;sup>13</sup> As at 31 December 2020

Tenants appreciate the support they receive from our property management teams. Good communication and providing quick assistance in emergencies ensure tenants' satisfaction during their term in our facilities.

## We communicate with our tenants using the following channels:



regular, individual meetings - conducted in compliance with the safety rules in 2020;



regular meetings with all tenants - in 2020, they were held via videoconferences and were partially postponed to the next year due to the COVID-19 pandemic);



newsletters.

We collect information about the needs and opinions of users of our properties through marketing research, social media (through comments, opinions, and inquiries), or inquiries at information points of our facilities.

For our retail projects, we use internal means of communication (e.g., websites, LED screens, and info kiosks providing information about current or planned events, new store openings, etc.).



We also publish newsletters with local information. They are

## "Wiadomości Północne"

published once a month by **Galeria Północna** in Warsaw

## "Goniec Jurajski" published by Galeria Jurajska in Czestochowa.

# The meaning of green certification

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

Customer/tenant satisfaction, Commercial Property Management

Certified buildings are not only our pride but also provide added value to our tenants. The certificates we have been awarded for our buildings (LEED, BREEAM) emphasize the most modern strategies for sustainable land development, water saving, energy efficiency, selection of materials and resources, and the quality of the internal environment.

Having signed a lease agreement, the tenant receives the "Tenant's Information Pack" - a set of base materials including the location plan, general plan, plan of connections to the utilities, basic sketch showing the front of the store, and a cross-section through the surface of the premises.

Moreover, there are standards in the lease agreements for new buildings that we require tenants to comply with. They describe the equipment to be fitted during the fit-out work on the premises, as well as the principles of behavior after the start of the lease. All requirements are aimed at maximizing the standards embedded into the building and providing mutual benefits.

Duna Tower, Budapest, Hungary

Tenants have repeatedly expressed their satisfaction with the certificates and the opportunity to emphasize to their business partners that their offices or showrooms are located in buildings that meet the highest environmental protection standards, confirmed by certificates such as LEED/BREEAM.

## About the importance of certification for GTC Serbia's clients

LEED or BREEAM certification for our projects gives building tenants the certainty that we care for the most optimal use of energy and water in buildings, contributing to environmental protection. The certification also considers air quality, which is why we discourage tenants from commuting by car and encourage them to use public transport, bicycles, or a combined method instead. Some tenants have asked us for the LEED certification documentation for their internal reports.

## Quality and safety of buildings

GRI 103-1, 103-2, 103-3, 416-1, 416-2

H&S-Asset

H&S-Comp

Customer/Tenant Satisfaction, Commercial Property Management

Each investment we make undergoes rigorous verification in terms of benefits and risks it involves. We offer our tenants and clients modern space and the highest level of services.



# Our focus is on improving the nine basics of a healthy building, including:



ventilation;



air quality;



thermal comfort;



humidity;



dust



safety and security;



water quality;



noise;



lighting and window views.



**51** 

During the planning stage of an investment, we want to blend in with the local community and the project's surroundings as much as possible. It is equally important to analyze the key indicators relevant to the safety and health of residents and the environment. Before starting each project, we examine, among others:

- the safety and security;
- traffic levels;
- noise levels;
- energy consumption;
- particular local conditions such as groundwater level, etc.

In 2020, we did not notice any instances of our assets not complying with health and safety regulations.

The social significance of our investments is described in more detail in subchapter 3.4. item "Activities for local communities", while the environmental parameters of our buildings in chapter 2, item "Environment".

## Relationships during COVID-19 pandemic

iRI 103-1, 103-2, 103-3, 203-2

Description of the objectives and results of relationships with customers/tenants during the COVID-19 pandemic

New methods of building relationships with customers/tenants during the COVID-19 pandemic

There is a claim that the pandemic has changed the approach to corporate social responsibility, forcing companies to act on an unprecedented scale. Our Group, regardless of the prevailing circumstances, is sensitive to the needs of the communities in which we operate.

Our priority in 2020 was to permanently protect the business and support the communities in which we operate and cooperate with our suppliers and customers with mutual trust. They are the ones who have been most affected by the pandemic. To this end, we have implemented a variety of measures to support tenants and encourage consumer spending, such as lowering rent, spreading rent payment over installments, and waiving service charges and late payment interest. As a result, we have reported a loss of operating profit of EUR 15 million. We have also collected 99% of the annual rent due (99% for offices and 97% for retail buildings). The value of our portfolio has fallen by 5% and the annual valuation was affected by structural challenges heightened by the effects of the COVID-19 pandemic.

In November 2020 we provided the Office of Capital City of Budapest with one of our plots as a logistics base of required medical equipment. We join forces in the fight against the COVID-19 pandemic among local communities which we are a part of.

We are grateful to medical professionals and local administration for their hard work bringing us to the end of the pandemic.





In the office segment, tenants are developing plans to return to working in the office. Most of them believe that it is too early to make fundamental long-term changes to their requirements. However, we are aware of the fact that after an extended period of home office, tenants may expect greater flexibility in the lease terms offered. Moreover, they began to pay more attention to a high-quality, modern, and safe environment with more available space per person. We are also planning to depart from the current trend of creating high-density office space and the application of hot-desking. We are successfully continuing talks with our tenants about their leases, especially the ones with larger areas. We are encouraged by the high level of activity observed in the markets in which we operate.

After the outbreak of the pandemic, our most important task was also to make sure that we met all occupational health and safety requirements set by the relevant epidemiological authorities and established by national regulations. A lot of the solutions have been in place since March 2020. At this difficult time, we are in constant contact with tenants. We approach the problems they report in an individual and flexible manner. We supported tenants in coping with many challenges that arose during the pandemic and we are also open to all initiatives that build an atmosphere of security.

## Example of solutions applied: safety standards and innovations on the Romanian market

In Bucharest, we have introduced automatic temperature measurement in all our office buildings. Employees who enter the access zone are scanned by a system that works with thermal imaging cameras. We carry out regular and comprehensive disinfection of buildings. At the entrances and in the common areas, we have installed disinfectant dispensers, and additionally, at the main entrance and in the elevator zones - carpets with a disinfectant solution. The self-cleaning NanoSeptic surface has been applied to the most-touched surfaces (e.g., door handles) - a breakthrough innovation that uses nanotechnology to effectively fight viruses, bacteria, and fungi.

At the same time, we share knowledge and exchange experience with our tenants. This way, we gain a unique perspective that will enable us to design modern office spaces to prevent possible future pandemic threats.

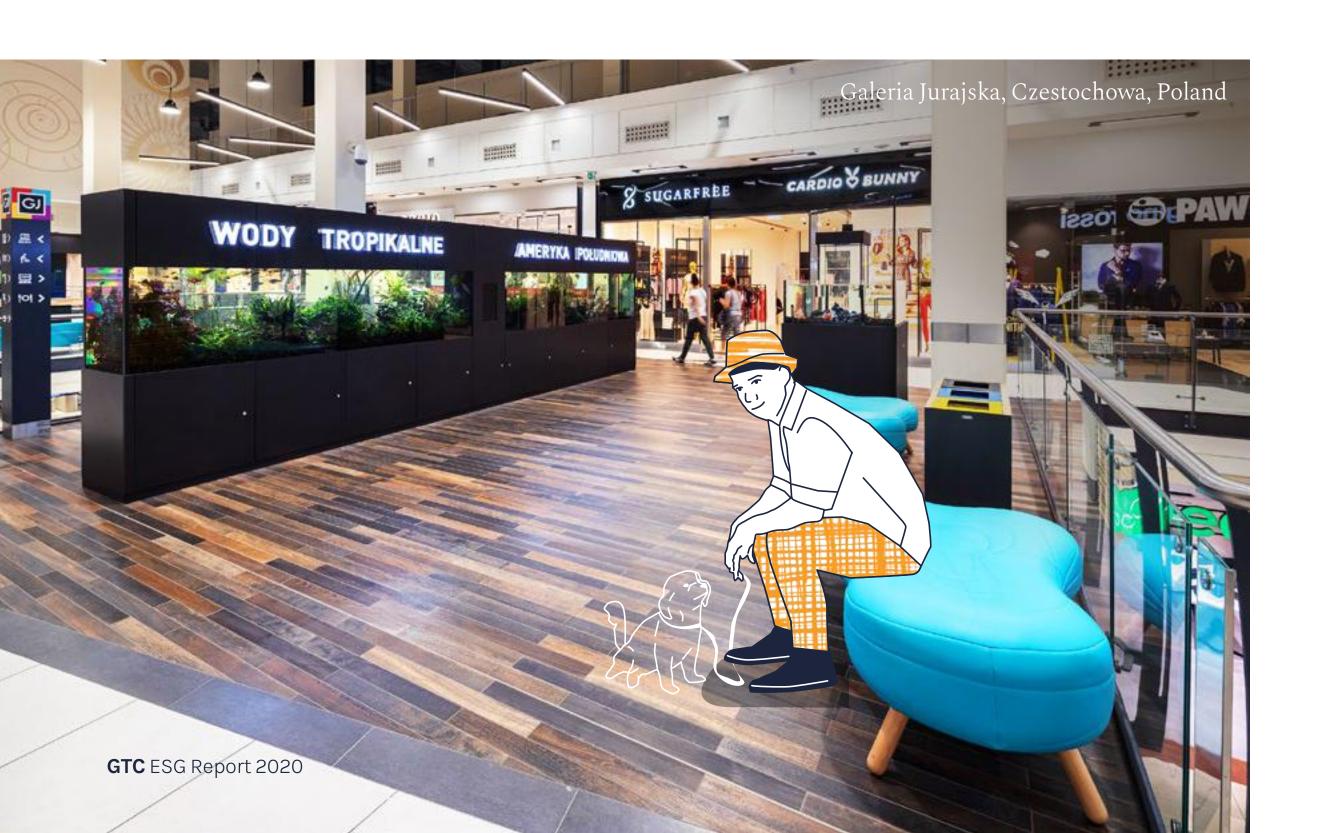


#### Discounted rent for the lease of retail space

We strive to support our partners to enable them to continue to operate in a pandemic situation. We conduct a dialogue about the tenants' business results and payment capacity. All discounts are set individually for each case, based on a thorough analysis of the tenant's financial situation, rental cost index, and other relevant factors.

#### Safety measures taken in shopping centers

- Information regarding the rules of conduct was presented in newsletters published by shopping centers, in social media, on the websites of our and shopping facilities, on LED screens, and posters placed in the centers.
- We regularly remind tenants of the applicable regulations and principles of the sanitary regime.
- There are disinfectants at the entrances to the buildings, and disposable gloves are available in a large number of stores. Disinfection stations are available in commonly used places, such as toilets, receptions, canteens, and by elevators.
- We constantly inform clients (by visual and audio communication) about the principles of safe shopping (e.g., about the obligation to wear masks, maintain social distance, and the rules for using hairdressing services).
- We adapted the work of the cleaning service to the current threats (e.g., more frequent disinfection of door handles and handrails, selection of appropriate cleaning agents).
- We help tenants to organize the work of their stores under the new rules (e.g., we provide them with stickers for managing queues and posters with information about the limit of customers per store).
- Security officers make sure that customers wear protective masks.



## Activities for local communities

GRI 103-1, 103-2, 103-3, 413-1

Community involvement, Investments in local infrastructure

Comty-Eng

## We take corporate social responsibility seriously.

Each of our investments (both office and retail) is carried out in accordance with sustainable development principles. We also take an active part in a great number of **non-profit activities** as a partner, organizer, or sponsor. We often present our projects to local communities. We actively particiate in public meetings dedicated to spatial planning.

#### We support initiatives such as:



the registration of new bone marrow donors;



aid campaigns for orphanages;



and activities to improve the quality of residents' life.

Throughout the Group, we share the principle of taking responsibility for the space we create. Our investments affect the infrastructure; by revitalizing facilities, we bring them back to the urban tissue, create places for meetings and spending time, and we take care of expanding green areas in cities. We want to be a good neighbor involved in solving the problems of the local community.

Each investment is the beginning of changes in its environment. Our meticulously planned projects always contribute to the improvement of the quality of local urban transport and stimulate the local economy, in particular, small, and medium-sized manufacturing and service enterprises. In this way, our Group provides added value for stakeholders, in particular, for the local community.

Our regional offices know the needs of the local community and the market in which they operate best, so they decide which social topics form a priority for them.

#### Social impact of our Zagreb gallery

As the heart of the Novi Zagreb district,
Avenue Mall constantly tries to contribute
to the development of the local community.
With a large selection of the best brands,
products, and services under its roof, the
gallery is the main meeting place for the
residents of the district. The list of tenants
features a lot of local Croatian companies.
GTC Croatia often engages in social
initiatives through Avenue Mall, providing
space for charitable organizations or making
donations to them.

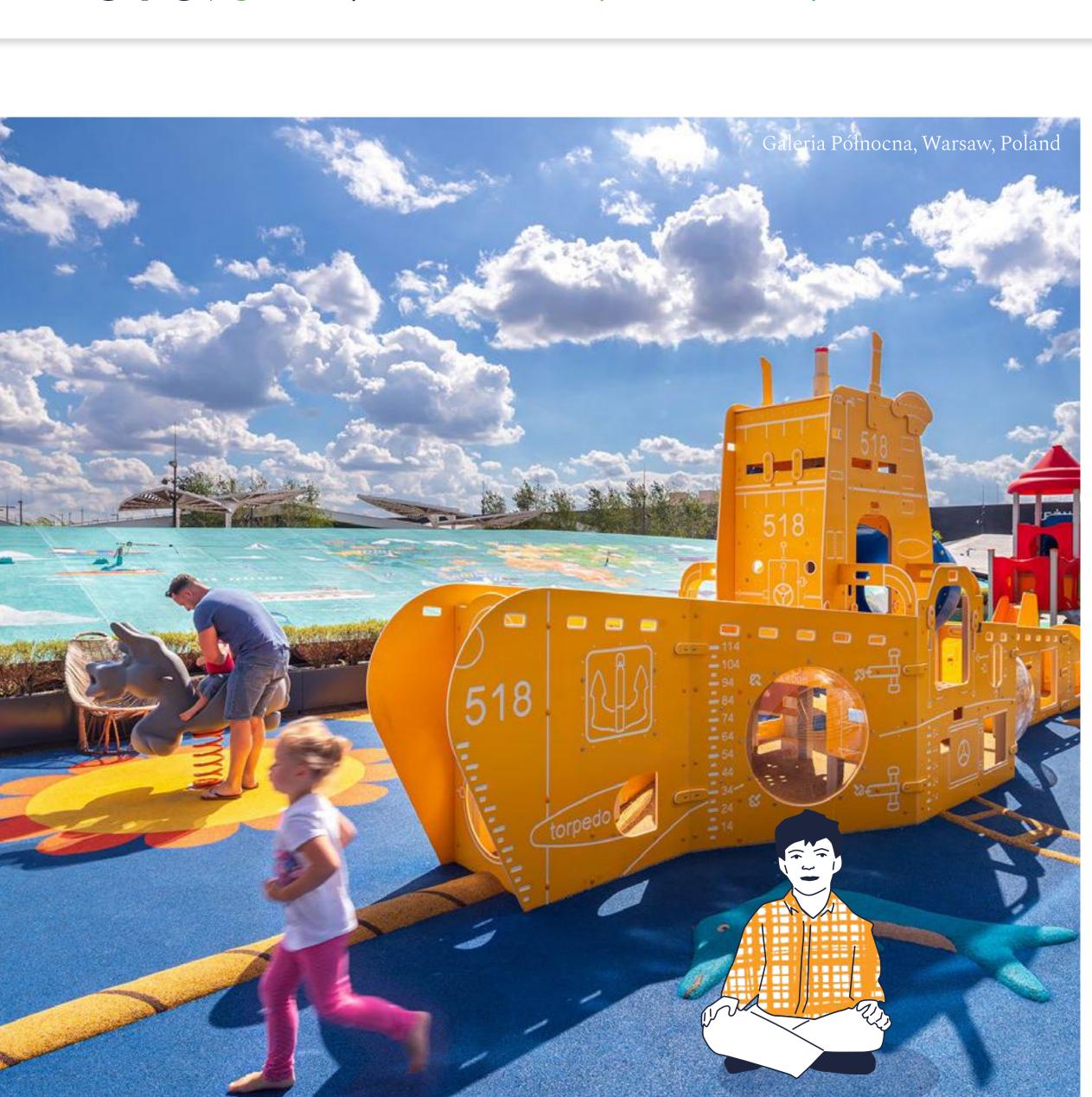


GTC ESG Report 2020

**55** 

GTC ESG Raport 2020

President's letter



#### Priorities of social activities of GTC's shopping centers in Poland

The shopping centers we manage in Poland assumed that by implementing CSR activities they will:

- support local initiatives;
- fill the gap in the activities of local authorities;
- engage in the development of local education and art to increase the level of knowledge and awareness, and build local pride of the inhabitants;
- support sport and ecology, also in the context of promoting a universally understood healthy lifestyle;
- propose initiatives for families with children.

As a rule, regarding social activities, Polish shopping centers have adopted the approach that they will respond to current needs and actively participate in the life of the local communities. The choice of topics for the gallery's social initiatives is consistent with the strategy chosen by a given facility. Galeria Północna in Warsaw is more involved in ecological activities, and Galeria Jurajska in Czestochowa is more active in educational projects.

#### Overview of selected social activities

GRI 203-1, 203-2

Percentage of assets under operational control that have implemented community involvement, impact assessment, and development programs

Comty-Eng

## Selected Investments in local infrastructure and urban space during the Group's operations:

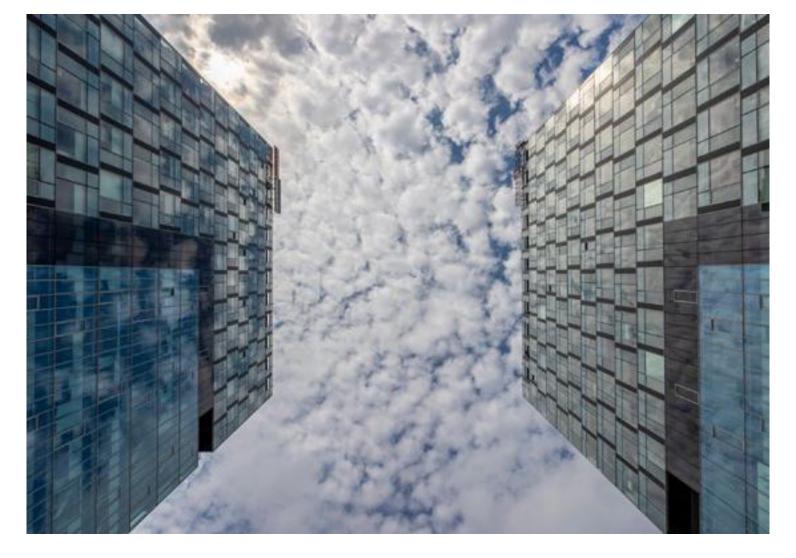
#### Belgrade: Ada Mall

• We have designed and built (completion scheduled for April 2021) a footbridge connecting the shopping center with the nearby recreational areas.

#### **Bucharest: City Gate**

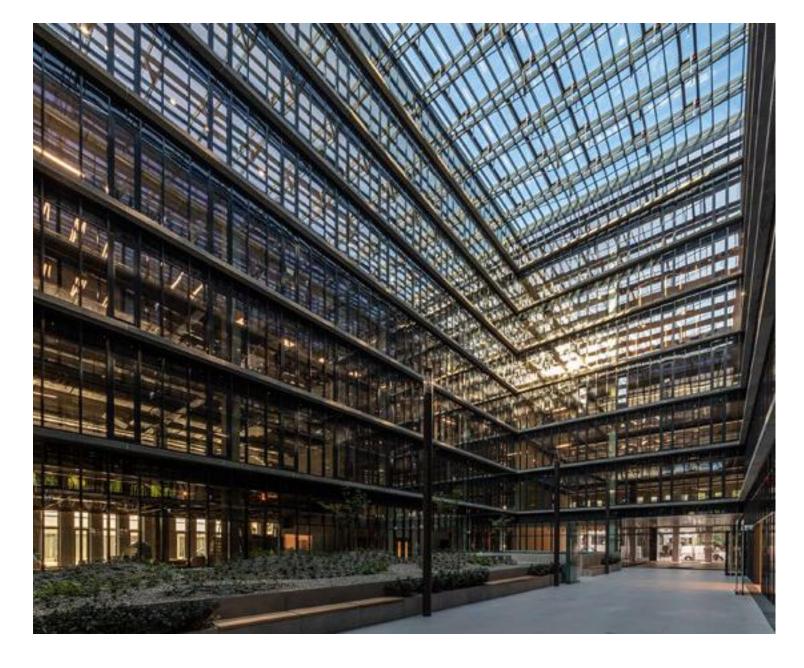
• We have arranged green areas and attractive places to spend time in and relax.





#### **Budapest: White House**

• We have built a public pedestrian walkway and a garden.



#### Warsaw: Galeria Polnocna

- We expanded the streets (including traffic lights), improving communication in the area.
- We have arranged a half-hectare green park on the roof.
   Sizable trees have been planted there, as well as shrubs with flexible twigs that have been woven into a cozy green igloo.
- We have expanded the playgrounds in the district. Białołęka is the youngest district of Warsaw (30% of residents are people aged 0-18, with the average for Warsaw at 20%).



#### Czestochowa: Galeria Jurajska

- The shopping center was built in a post-industrial area in the city center the area has been restored to the urban fabric.
- We have built three bridges over the Warta River and over
   2 km of public roads in the city center.
- We have put sewers in the vicinity of the Galleria and rebuilt the city rainwater sewer.
- We have created boulevards with a relaxation area, playgrounds for children, and beach volleyball courts (the only ones in the city).



#### Zagreb: Avenue Mall

- In consultation with neighbors from the nearby buildings, we renovated part of the southern delivery zone. The purpose of the reconstruction was to avoid a bad smell from the waste. The investment included new ventilation and hydro-technical installation.
- We have introduced a new schedule in the western delivery zone to reduce congestion around the shopping center.



#### Selected social initiatives during the Group's operations:

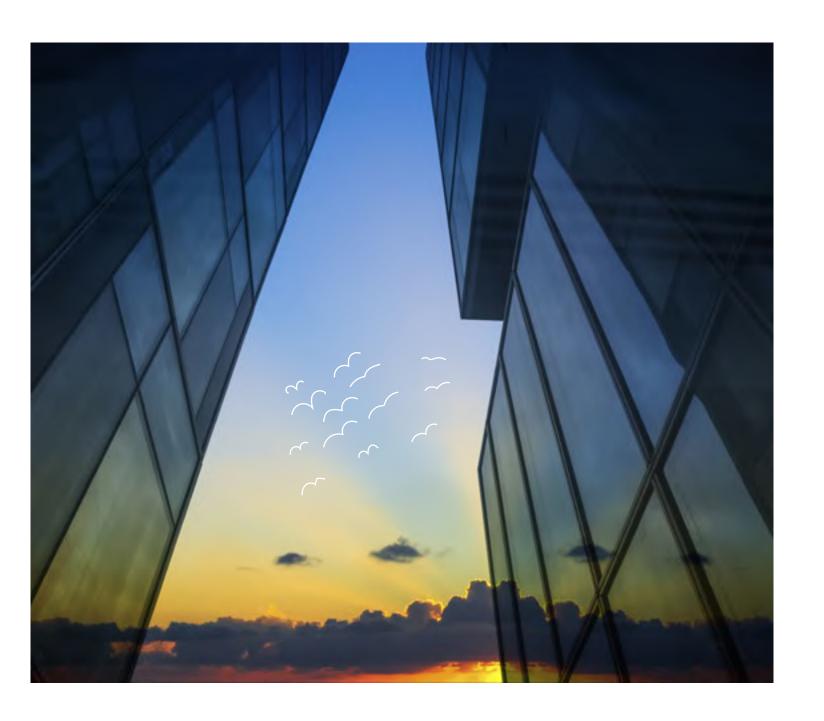
#### Belgrade: Ada Mall

- We organized fairs of traditional products and fairs for local designers as well as a Christmas charity fair whose proceeds were transferred to the treatment of ailing children.
- In the common areas of the gallery, we have created a reading corner a free library. The project promoted a reading culture and free education.



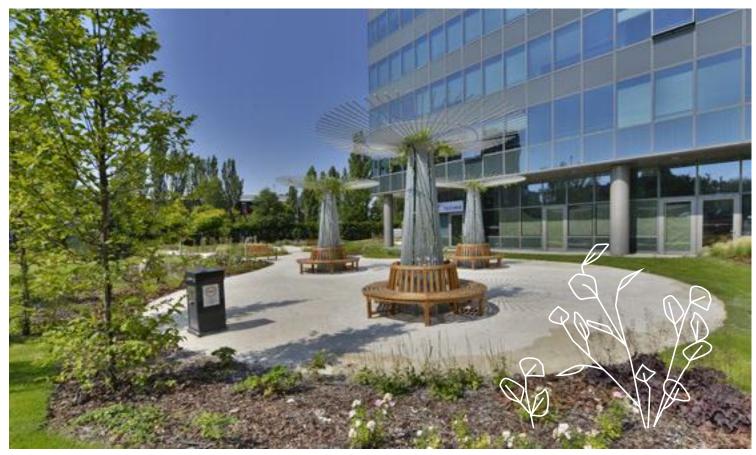
#### Bucharest: City Gate, Premium Point, and Premium Plaza

 We held a food truck festival (an initiative supporting small, local gastronomy), calligraphy workshops, and Christmas markets - an event with interest from local artists, craftsmen, and producers of regional products.



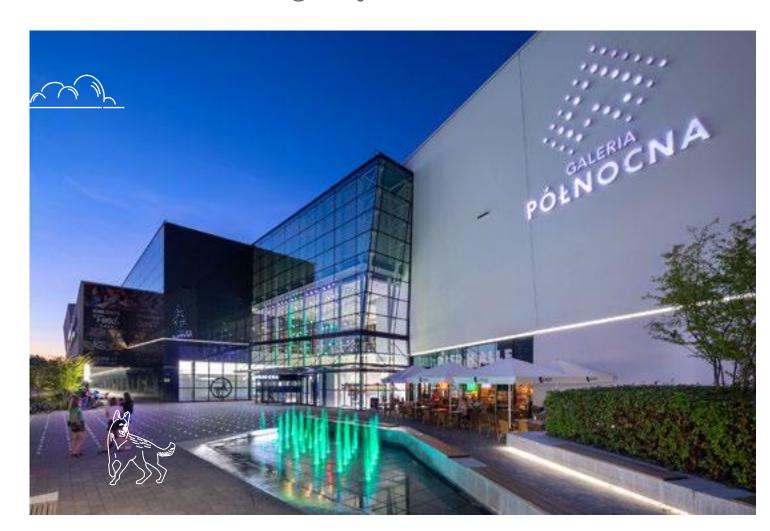
#### **Budapest: Centerpoint 1, Centerpoint 2, Duna Tower**

- We held agricultural fairs where residents were able to buy products directly from their producers and Christmas markets with products made by people with disabilities.
- In collaboration with Segítség Köve Alapítvány, we carried out the "Shoe box campaign" (collection of Christmas gifts for families and children in difficulty.
- In cooperation with the Red Cross, we organized blood donation drives. Also, usually about eight times a year, we provide free blood donation sites in Centerpoint.
- We donated furniture to the János hospital.



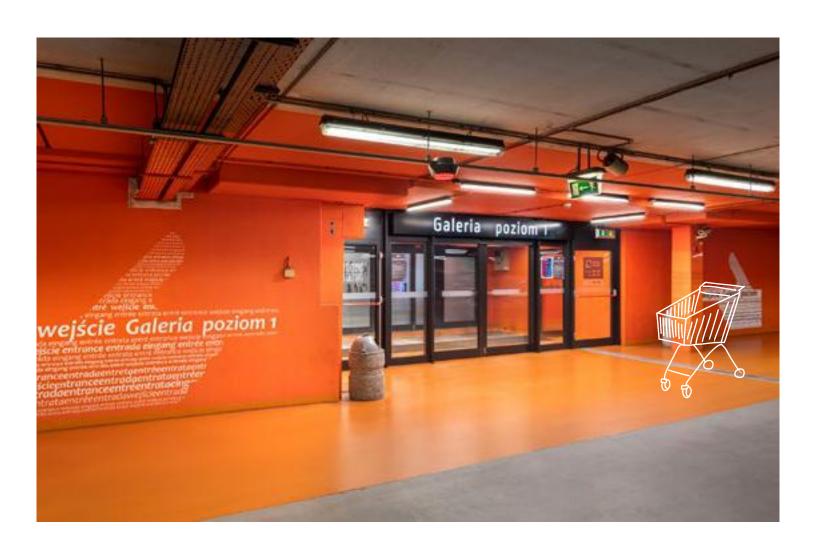
#### Warsaw: Galeria Polnocna

- Before the outbreak of the pandemic, we regularly organized events for local designers and traditional product fairs.
- Thanks to cooperation with the Białołęka Club of Honorary Blood Donors "BIA-Wreckage" and the Polish Red Cross, we made available a professional blood donation bus to the gallery's visitors. In total, in 2020 our clients donated 230 liters of blood.
- On the 3rd birthday of Galeria Północna in 2020, we invited our clients to the photo competition "Północna moim okiem". [Północna in my eye]. Some of the submitted photos form a permanent exhibition.
- In cooperation with the city authorities, a cargo bike rental was launched in the gallery.



#### Czestochowa: Galeria Jurajska

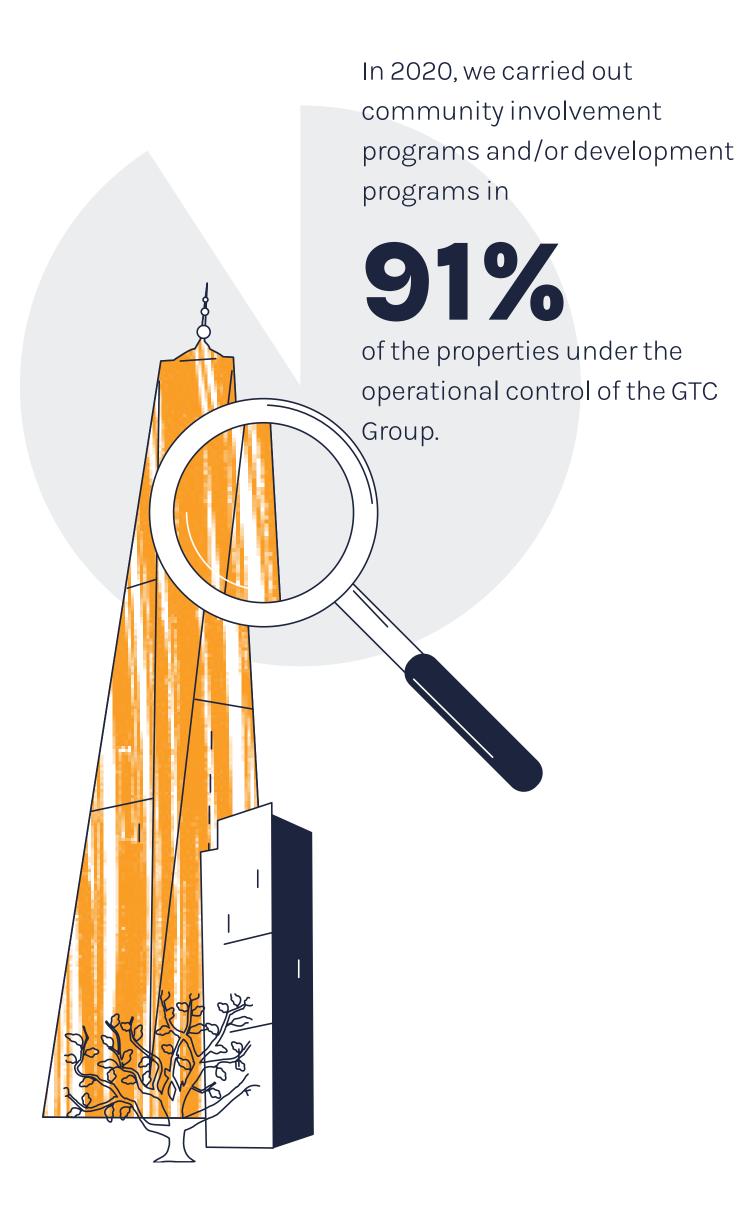
- We have engaged in a few health promotion and educational initiatives. Those actions included "Rośnij zdrowo" ["Grow healthy"] a medical examination campaign for children, and consultations for adults, promotion of bone marrow donation organized in cooperation with DKMS Foundation.
- We regularly supported the Hospice in Częstochowa.
- In 2020, we ran a project promoting local educational entities, call "Extracurricular Activities Fair", it was already the 10th edition of this proprietary event. We also organized the 3rd Silesian Beach Volleyball Cup, another edition of the periodical project.



#### Zagrzeb: Avenue Mall

- We supply pop-ups for local food companies providing local residents with organic and homemade products and for local handicraft companies.
- We organize stands for "Rehabilitation Center Silver", which trains assistance dogs for people with disabilities and children with developmental difficulties.
- We sponsored the "Zagreb Love Run" humanitarian race. The money we collected was donated to the "Oblačič" association, a charity that helps children with growth disorders.
- We supported the "Zagrebački Humanitarci" charity.





#### Partners of the GTC Group in 2020



10 Total number of NGOs



62
Total number of cultural institutions (e.g., theaters, festivals)



**39**Total number of schools and universities



34
Total number of other organizations



#### Sponsoring of local initiatives in 2020

#### We participate in local initiatives such as:

- helping doctors due to the COVID-19 pandemic;
- providing a plot for use as a distribution center to local authorities as part of the COVID-19 fighting initiative;
- supporting the Red Cross in providing space for blood donation drives;
- promoting local producers by providing space in shopping centers for stands with ecological products and handicrafts,

- supporting humanitarian organizations by providing space for stands for humanitarian associations and charities;
- organizing charity Christmas markets in office buildings;
- sponsoring sports activities:
  - "Zagreb Love Run" humanitarian race all the money raised was donated to the "Oblačič" Foundation, a charity that helps children with growth disorders;
  - 1st Santa Claus Run in Galeria Jurajska promotion of a healthy lifestyle;

- Run over the Bridge promotion of a healthy lifestyle;
- participation of Galeria Północna in the Night Bike Race;
- Beach volleyball tournament the Silesian Cup;
- Beach volleyball cadet championship in Galeria Jurajska.

## Moreover, we carried out several local initiatives in our shopping centers:

- the creation of a "Reader's Corner" by Ada Mall a free library in a shared space in the shopping center, restoring the importance of culture and free education to all;
- Mall of Sofia's commitment to the initiative "The Good in the Heart of the City", which supports people in need. A charity event provided over 900 boxes of food that were distributed to people in the community's most vulnerable groups;
- providing a training place at Avenue Mall Zagreb for The Rehabilitation Center Silver - which trains assistance dogs for disabled people and children with developmental difficulties.



## A responsible supply chain

GRI 102-9

We consciously and with great attention approach the aspect of management of cooperation with architects, contractors and all service and product suppliers.

We responsibly shape our relationships with them, following the procedures in place throughout the Group and additional local regulations. The purpose of the guidelines is to document and formalize the process of purchasing services and to enforce internal control over these processes.

## Documents regarding relations with general contractors include:

- procurement guidelines;
- procedures for selecting and appointing a general contractor, with the indication that, in addition to signing relevant contracts, all agreed conditions should be documented and checked, among others, general contractor's insurance, performance guarantee in an appropriate form and amount, issued by a reliable guarantor, and a declaration that the

- selected company is not in conflict with GTC's interest;
- regulations regarding the appointment of the construction work manager;
- guidelines for documenting and formalizing the budgeting process, approval of tender invoices and payment processing, and the execution of internal control over these processes;
- guidelines for the fit-out of space under the lease agreement signed with tenants. The guidelines are designed to provide an efficient and tenant-friendly approach to agreeing on fit-out costs and resolving differences (fit-out regulations).



The GTC Group's supply chain in 2020





2542
Total number of suppliers

and general contractors

## Cooperation framework

The first step is to identify and select business partners who can achieve our quality goals, including meeting environmental and social as well as cost and time requirements. Managing relations with general contractors and suppliers involves evaluating their performance to confirm that they provide maximum value for our company's requirements towards other entities.

#### Our rules for cooperation with suppliers:



our companies apply a rigorous tender procedure during the selection of suppliers and contractors;



when selecting an offer and supplier, we consider cost control, effective resource allocation, risk management, and all information ensuring the right business decision resulting in efficient production, inventory, and logistics management;



we evaluate and monitor the quality of suppliers' activities. This gives us confidence that the implementation is running smoothly and increases the value of the Group's assets;



we maintain stable and strong relationships with our suppliers ensuring the comfort of cooperation for both parties.

## Safety on the construction site

We apply the same safety regime to all the people that cooperate with us.

Pursuant to legal regulations, an OHS construction coordinator must be appointed on each construction site. BHP. Most often, this obligation rests with external project managers. Engineers (incl. external ones) supervising the construction process together with our employees belonging to the project team verify the reports of the OHS inspector. If our employees discover any irregularities on-site, they immediately inform the supervising engineers.

General contractors must adhere to OHS rules in buildings. The facility management team ensures that the contractors' staff adhere to these rules when working in the buildings.



## Ethical relationships only

GRI 102-17

In accordance with the Group's anti-corruption policy, our employees perform all aspects of their activities in accordance with high ethical standards and all applicable regulations. We are committed to always acting ethically when competing for business, carrying out activities, and engaging with suppliers and service providers.

We are guided by the zero-tolerance principle. All our employees are responsible for compliance with anti-corruption provisions, including vigilance in dealing with third parties and reporting required information promptly.

#### Environmental criteria

We not only make sure that our buildings have a positive impact on the ecosystem, but we do much more to prove that green investment is not just a slogan.

We are aware that well-planned and designed development projects do not preclude care for the environment. It must be ensured at every stage and in every aspect of the project delivery.

We are committed to the use of locally produced raw materials and sustainable resource management during the construction phase. A lot depends on our subcontractors, and it is why we select them carefully, also using environmental criteria that we describe in manuals containing guidelines for building in accordance with the LEED standard.

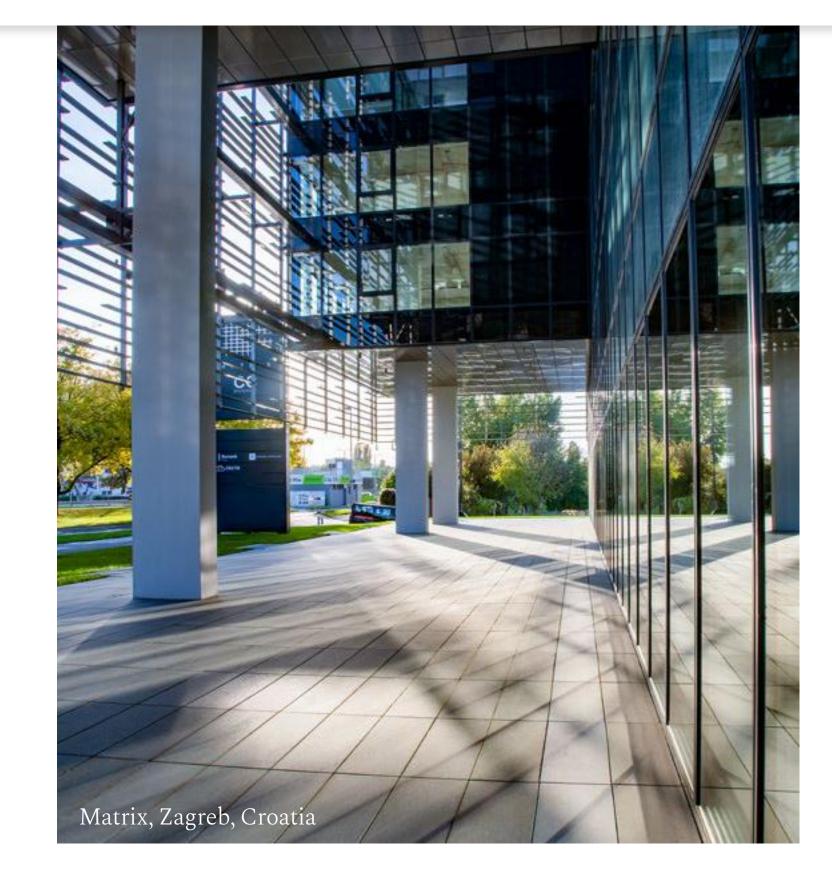
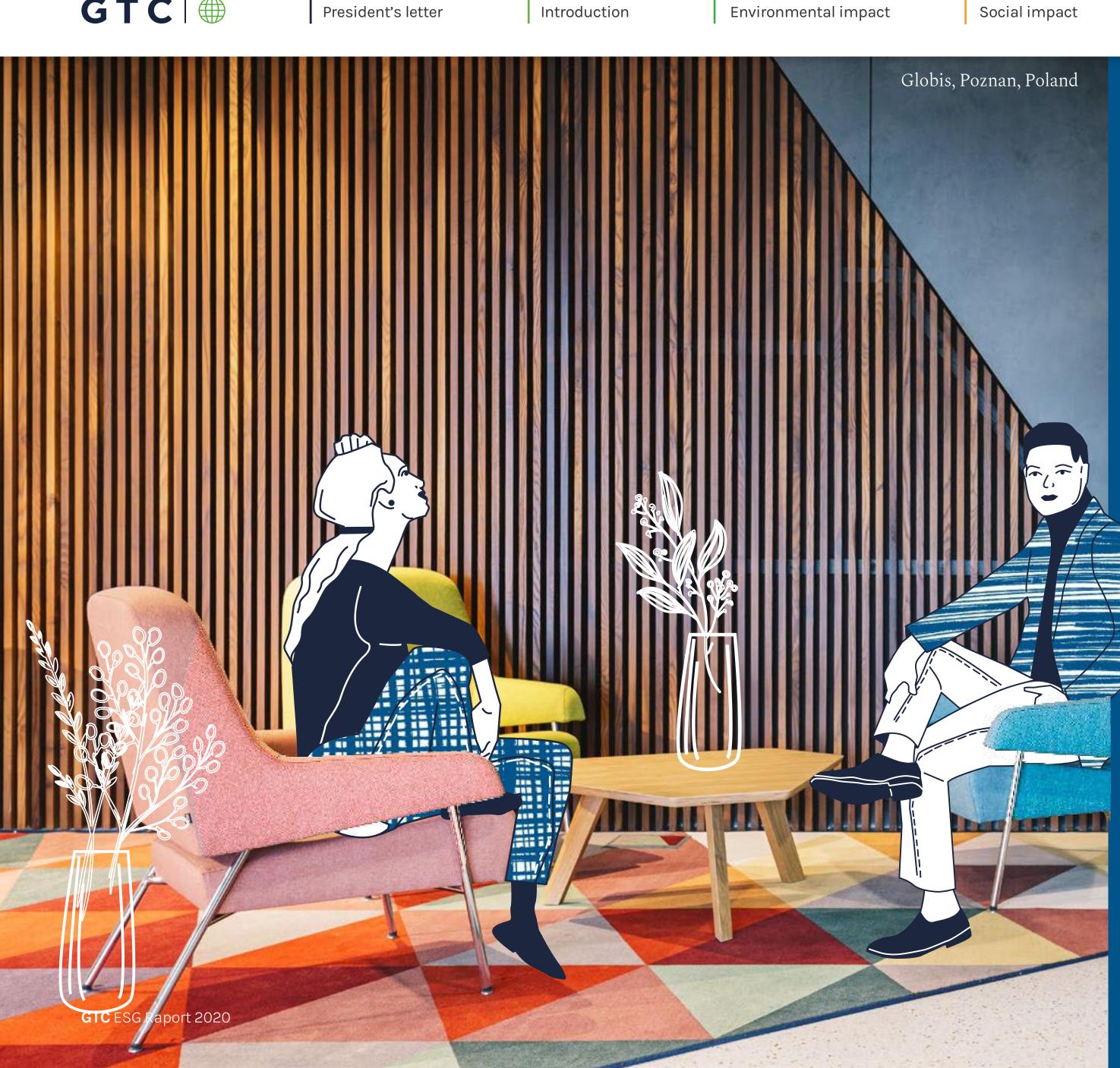


Table 8. Assessment of new suppliers and general contractors in terms of meeting the environmental criteria in 2020.

GRI 308-1

Re	Score
Number of new suppliers and general contractors that have been assessed against the environmental criteria	2
Percentage of new suppliers and general contractors that have been assessed against the environmental criteria	0%



#### **Chapter 04**

# Corporate governance

- 1. Leadership and Principles of Corporate Governance
- 2. Ethics and values
- **3.** Risks and Opportunities Management





#### Goal 8 Decent work and economic growth

✓ We run our business based on diversity policy through employing an array of employees regarding gender, age, work experience, education, cultural background and ensuring that they are all treated equally in the workplace.





#### Goal 12 Responsible consumption and production

✓ We provide our stakeholders with comprehensive information about GTC's approach and performance regarding sustainable development. This report is also aimed to serve this purpose.





#### Goal 13 Climate action

- ✓ We develop GTC's properties portfolio in line with the principles of sustainable development.
- ✓ We have implemented a strategic document-"Green Bond Framework", with the guidelines for the issue of green bonds by the companies of our Group.



## Leadership and Principles of Corporate Governance

GRI 102-16, 102-18, 102-22, 102-24, 102-26, 102-29

Gov-Selec

Gov-Board

In our daily activities, we are guided by the corporate governance principles included in 2016 Best Practices of WSE Listed Companies.

We care about the transparency of our activities. We meet disclosure obligations that apply to listed companies. The annual Reports on activities of the GTC Management Board contains information regarding the status of our application of the recommendations and principles contained in the above-mentioned document.

The shares of the parent company of our Group (Globe Trade Center S.A.), are listed on the Warsaw Stock Exchange as part of the following indices: WIG, WIG-ESG, mWIG40, mWIG40TR, WIG-Poland, InvestorMS and WIG-REAL ESTATE and on the Johannesburg Stock Exchange (inward listing).

Our activity is regulated in particular by the "Code of Commercial Companies", "Company's Articles of Association"<sup>14</sup> (their provisions include the principles of appointing members of the Management Board and Supervisory Board, as well as the rules for convening and holding AGMs) and internal regulations.



<sup>&</sup>lt;sup>14</sup> The consolidated text of the Company's Articles of Association in the wording including the changes resulting from Resolution 18 of 27 August 2020 on the amendment to the Company's Articles of Association is available at ir.gtc.com.pl

## Composition of the management board<sup>15</sup>



**Yovav Carmi President of the Management Board** 



Ariel Alejandro Ferstman Member of Management Board, CFO



**Gyula Nagy Member of Management Board** 



**Robert Snow Member of Management Board** 



#### **Central functions**





Accounting



Treasury



Corporate Planning



Corporate Marketing



Organisation

Guiding, supervising regional offices on execution and implementation of strategy

#### **Country offices**



Bulgaria



Romania



Croatia



Hungary



Poland



Serbia

#### **Central supervision from Warsaw**

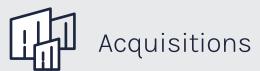




Project Management



Land
Development



<sup>15</sup> Composition of the management board as at 31 December 2020

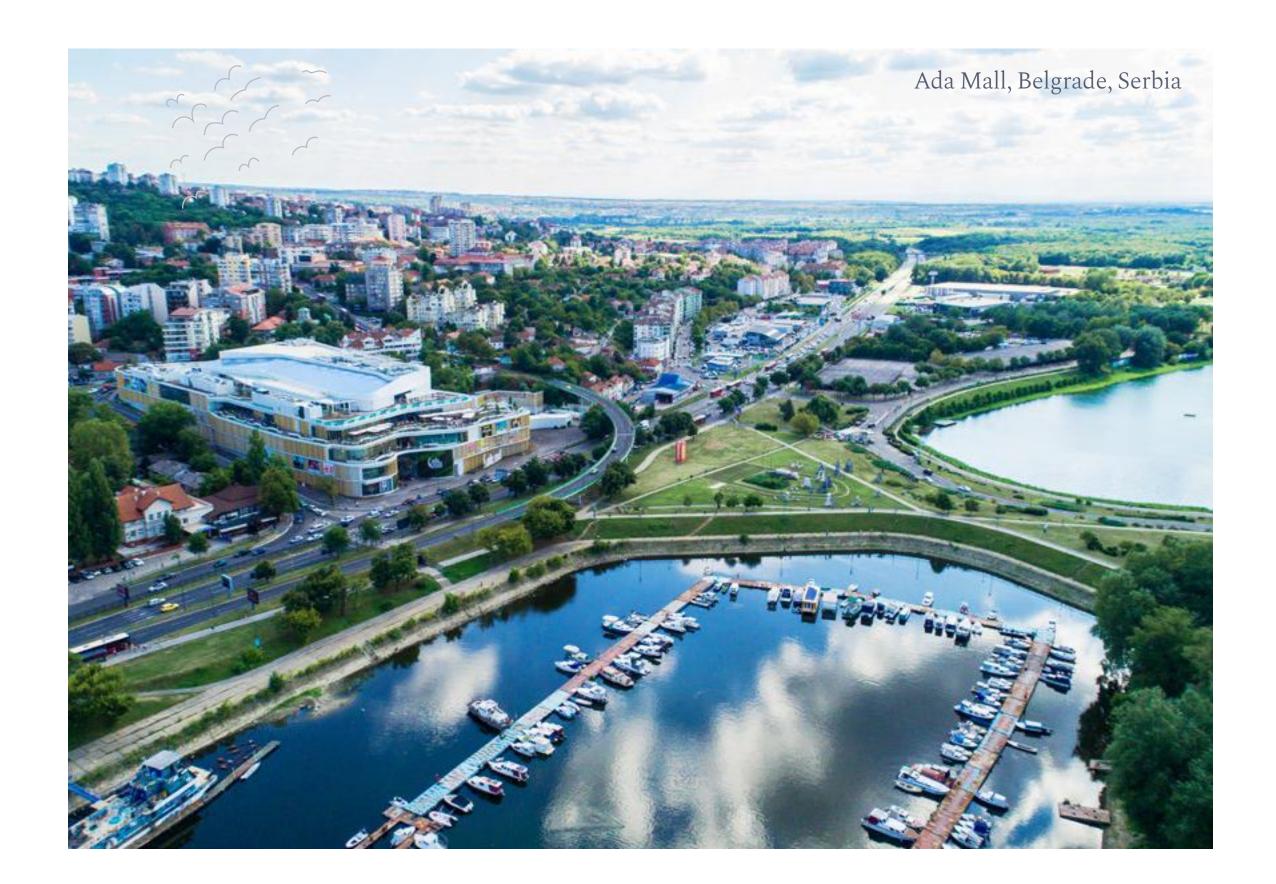
All members of the Management Board were appointed to their positions in 2020. The appointment of a new Management Board was a result of changes in the ownership structure of the company.

The current CEO of Globe Trade Center S.A., Yovav Carmi, was appointed to this position by the Supervisory Board in September 2020. He has been with the company since 2001. Mr. Carmi was responsible for GTC's financial operations as CFO for Central and Eastern Europe, and from July 2015, was the company's COO. He was also a member of the Management Board of GTC in 2011–2015.

The Management Board is responsible for the strategy and operating activities of the GTC Group. It is responsible for the supervision of the implementation of the strategy in our regional offices. Defines the assumptions for the development plans of our property portfolio, development activities and acquisitions. The Management Board also approves action timetables and monitors their implementation, presents the Supervisory Board with information on the company's condition, risk, and risk management strategy. It is responsible for the preparation of reports on activities and fulfillment of disclosure obligations towards shareholders and other stakeholders. It appoints permanent and ad hoc committees, which include members of the Management Board and representatives of senior management. In 2020, it appointed the **Green Bonds Committee**. The scope of responsibilities and duties,

as well as the mode of operation of the Management Board, are contained in the "Bylaws of the Management Board".

More on green bonds available in section 4.3. item "Risks and Opportunities Management".



## Composition of the supervisory board<sup>16</sup>



#### Zoltán Fekete Chairman of the Supervisory Board



#### **Lóránt Dudás**

a member of the Supervisory Board



#### Balázs Figura

a member of the Supervisory Board



#### **Mariusz Grendowicz**

a member of the Supervisory Board



#### Bálint Szécsényi

a member of the Supervisory Board



#### János Péter Bartha

an independent member of the Supervisory Board



#### **Marcin Murawski**

an independent member of the Supervisory Board



#### **Ryszard Wawryniewicz**

an independent member of the Supervisory Board

The Supervisory Board performs permanent supervision over the company. It appoints the CEO and committees acting as advisory and opinion-forming bodies. Currently, the Supervisory Board has two committees:

- Audit Committee evaluates administrative financial control, financial reporting and internal and external audit of Globe Trade Center S.A. and other companies of the GTC Group;
- Remuneration Committee responsible for submitting recommendations to the Supervisory Board on the remuneration of members of the Management Board and the principles of determination of such remuneration.

<sup>16</sup> As at 31 December 2020

## ESG reporting role of the management board

GRI 103-1, 103-2, 103-3, 102-26, 102-32

Transparency and open dialogue with stakeholders

EU/TCFD

Transparency of the GTC Group's operations is of key importance to us. We want to disclose reliable financial and non-financial information that facilitates the evaluation of our business. Therefore, going beyond the current disclosure obligations resulting from legal acts, by the decision of the GTC Management Board, we have started reporting ESG (environmental, social, and corporate governance) issues since 2021.

This document is the first ESG report where we strive to comprehensively present our values and ethical principles of doing business, relations with employees and local communities, and impact on the natural environment. The report has been prepared under generally recognized international guidelines:

- the most recognized and frequently used by companies reporting standard, GRI Standards;
- the guidelines of the European Public Real Estate Association (EPRA);
- recommendations of the European Commission and Task Force on Climate-related Disclosures (TCFD) on issues of climate change.

The Management Board of GTC actively participated in identifying significant reporting topics and prioritizing them, as well as in determining the scope of disclosed information. The content of the 2020 ESG report was unanimously approved by the Management Board of GTC on 14 May 2021.



# Ethics and values

GRI 102-16

In particular markets, we implement codes of conduct and other documents, including dedicated policies, procedures, and internal solutions, where we present our company's ethical standards. They are freely available to every employee and reflect a coherent system of rules and procedures of GTC, which include:

- running business considering the interests of all stakeholder groups;
- protection of assets and development of the properties portfolio in line with the sustainable development principles;
- equal treatment and promotion of diversity in the workplace;
- occupational health and safety;
- confidentiality;
- security of legally protected information;
- ensuring compliance with the law and norms of social coexistence;
- fair competition;
- zero tolerance for any symptoms of corruption, bribery, any forms of corruption, bribery, or the exercise of improper influence.

# Avoiding conflicts of interest

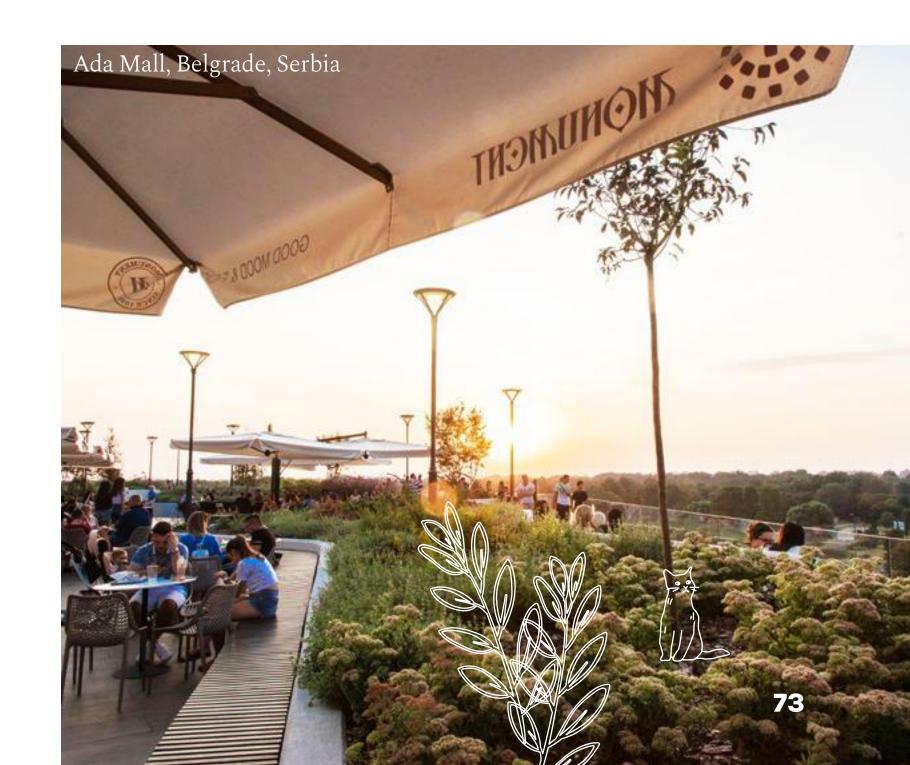
GRI 102-25

Gov-Col

GTC's employees must not use their position to engage in any activity that may create a conflict of interest between GTC and their interests.

Under the Articles of Association, a member of the Management Board may not engage in any competitive enterprise or participate in a competitive company without the consent of the Supervisory Board. Under the Remuneration Policy for Members of the Management Board and Supervisory Board, contracts concluded with members of the Management Board contain mandatory non-competition and confidentiality clauses. The Supervisory Board analyzes the risk of a potential conflict of interest, and if found - takes steps necessary to resolve the situation<sup>17</sup>.

To avoid a conflict of interest, we apply the provisions of the Code of Commercial Companies, the principles contained in the "2016 Best Practices of WSE Listed Companies", the Company Code and other internal regulations.



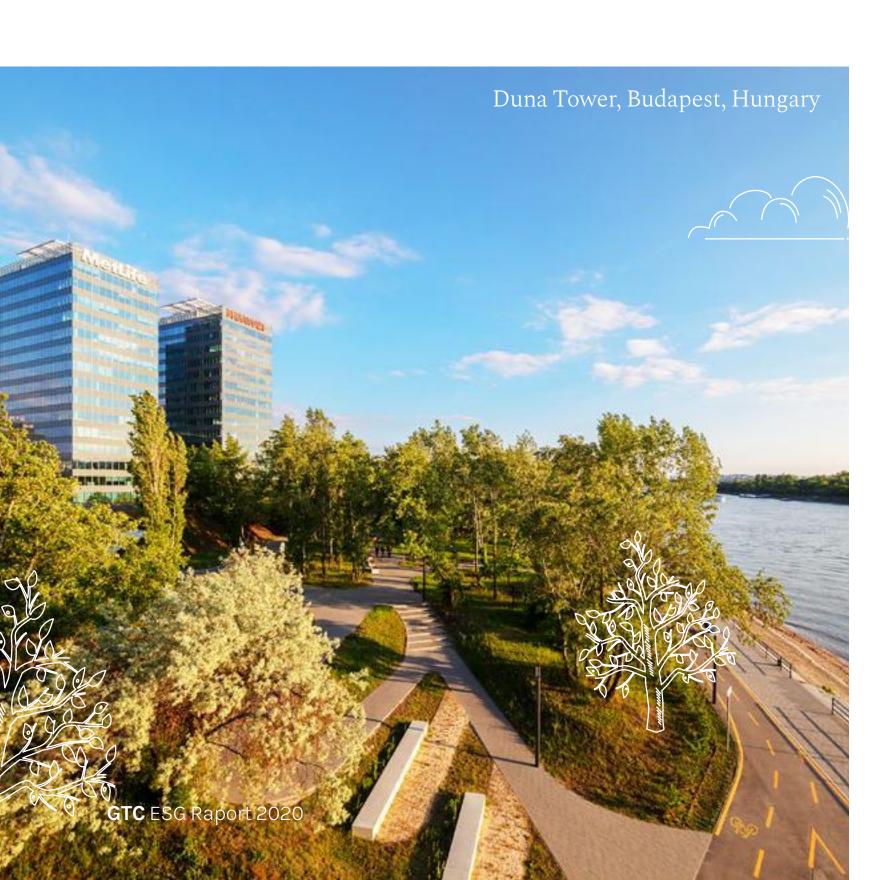
<sup>&</sup>lt;sup>17</sup> More information on the principles of the "Remuneration Policy for Members of the Management Board and Supervisory Board" can be found in Current Report No. 23/2020: The wording of the resolutions adopted by the Annual General Meeting of Globe Trade Center S.A. on 27 August 2020, available at ir.gtc.com.pl

# Sustainable properties

GRI 102-17, 103-1, 103-2, 103-3, 206-1

Climate change

We believe that only by acting sustainably and promoting sustainable attitudes among our stakeholders, we can operate effectively and build the resilience of our business to future social and environmental risks.



#### The principles that guide us in running the business of the GTC Group regarding the assets and environment:



we strive for a sustainable business model that allows us to achieve ambitious business goals without putting too much burden on the environment;



we develop our portfolio in a sustainable manner;



we manage our assets to constantly improve them, enhance the parameters and environmental performance while increasing our resilience to all risks;



we contribute to the environmental protection and development of local communities in which we operate;



we share knowledge about ecology and sustainable development with our employees, tenants, clients, and other stakeholders. We want to encourage our social and business environment to act for sustainable development, ecology, and environmental protection.

## Compliance

GRI 103-1, 103-2, 103-3, 102-16, 102-29

Compliance

We carry out all transactions and activities in a manner consistent with the regulations in force in all markets in which we are present, and with EU law. Our employees are obliged to comply with the law and maintain the highest ethical standards in the workplace, in relationships with customers, tenants and the social environment, and cooperation with suppliers. We strive to ensure GTC's full compliance using our risk management system.

Globe Trade Center S.A., as a public company listed on the Warsaw Stock Exchange, is subject to the supervision of the Polish Financial Supervision Authority.

To ensure compliance in various areas, we have implemented a number of internal regulations on individual markets, including counteracting corruption, protection of confidential and legally protected information or counteracting discrimination and mobbing. We have in place whistleblowing procedures. According to the guidelines, each employee has defined paths for anonymous reporting of worrying behaviors and irregularities, and the organization guarantees the protection of the employee who has made the report in good faith.

In 2020, no legal proceedings (pending or closed) were pending against the GTC Group regarding violations of the principles of free competition or monopolistic practices.

We have not identified any cases of non-compliance of our activities with the law or generally accepted principles of social coexistence.

# Anti-corruption activities

GRI 205-1, 205-2

We apply the zero-tolerance principle to all forms of corruption, bribery, or the improper influence of government officials. In every country where we operate, we have implemented anti-corruption guidelines communicated to our employees.

Depending on the training plans in a given market, we organize training sessions devoted to specific issues, including AML or unfair competition.



100% of members of management bodies and

of GTC Group employees

were informed about the anti-corruption procedures of the organization.



# Risks and Opportunities Management

GRI 102-15, 102-30

EU/TCFD

At GTC, we identify financial and non-financial risks that may have an actual or future, potential or actual impact on our business activities.

- We perform constant monitoring to identify risks early.
- We develop appropriate plans to prevent their occurrence or if necessary to respond to them.
- We periodically review and analyze risk factors as part of the internal control system supervised by our Management Board.

Senior management, in particular representing the finance, legal and investor relations departments, actively participates in the risk assessment.

#### In 2020:



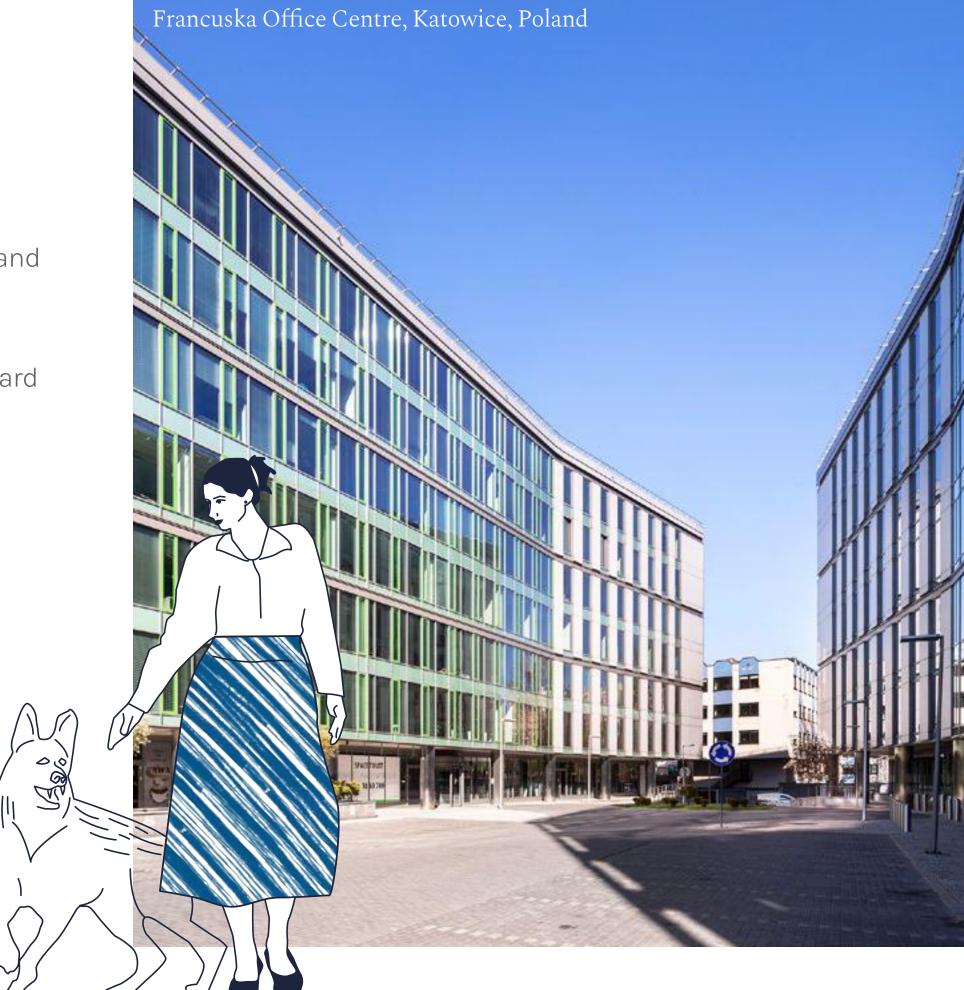
we identified new risk factors regarding the COVID-19 pandemic;



we defined and expanded our approach to managing our environmental impact (risks and opportunities);



we presented the risks to the Supervisory Board during the Audit Committee meeting.













**External** environment risk



**Environmental** issues





**Employee** issues

President's letter Introduction Environmental impact Social impact Corporate governance ESG results breakdown About the report

#### Table 9. Risks identified in the GTC Group

Risk area	Risks	Risk factors
I. Compliance	Risk of legal disputes and claims	<ul> <li>The Group may be exposed to liability to buyers and third parties after the sale of the investment.</li> <li>The Group may become a party to legal disputes.</li> <li>Due to the lease or sale of a property, the Group may face claims for defective representations, for which the Group has no appropriate recourse claims.</li> <li>The land and mortgage register system in some CEE and SEE countries is not transparent and effective and the Group's properties may be subject to reprivatization claims.</li> <li>The legal title held by the Group to investment properties and development projects may in some cases be questioned.</li> <li>The Group may be exposed to claims for structural defects.</li> </ul>
	Risk of changes in the law	<ul> <li>Changes in legal regulations may adversely affect the Group.</li> <li>Changes in tax regulations or their interpretations may affect the financial position of the Group and its cash flows.</li> </ul>
	Risk of the activities of supervision bodies	<ul> <li>Related party transactions carried out by the Group's companies may be challenged by the tax authorities.</li> <li>Unlawful, selective, or arbitrary actions by public administration may affect the Group's ability to obtain contracts, agreements and required permits.</li> </ul>
	Risk of fluctuations in the property portfolio valuation	<ul> <li>The valuation of the Group's properties is inherently uncertain, may be imprecise and subject to fluctuations.</li> <li>The values reported in the consolidated statement of financial position and the consolidated profit and loss account of the Group may be subject to significant changes due to fluctuations in the fair value of the Group's properties resulting from their revaluation.</li> </ul>
II. Assets	Investment risk	<ul> <li>The Group's development and profitability will depend on the Group's ability to identify and acquire attractive properties and to manage them efficiently.</li> <li>The Group may not obtain adequate information on the risks of future purchases of properties or may make errors in their assessment.</li> <li>The Group cannot guarantee the profitability of its projects.</li> <li>The Group may not be able to sell its properties quickly enough.</li> <li>The Group's properties may suffer damage due to undiscovered defects or the influence of external factors.</li> <li>If the legally required permits are not obtained on time or at all, it may delay or prevent the implementation of some of the Group's projects.</li> </ul>
	Lease risk	<ul> <li>The Group cannot guarantee that it will continue to generate rental income at the assumed level.</li> <li>Termination or expiry of the lease agreements or the inability to lease the currently vacant space may have a permanent, negative impact on the Group's profitability and the value of its property portfolio.</li> <li>It may not be possible for the Group to fully recover the property maintenance costs from tenants.</li> <li>The loss of key tenants may significantly affect the results and operations of the Group.</li> </ul>

President's letter Introduction Environmental impact Social impact Corporate governance ESG results breakdown About the report

Risk area	Risks	Risk factors
II. Assets	Risk of increased competition	<ul> <li>The Group competes with other owners, property managers and developers of commercial properties.</li> <li>The Group may be subject to significant competition as a result of acquiring investments and may increase the purchase price of the acquired property.</li> </ul>
	Asset risk during the pandemic	• The occurrence of epidemics and pandemics in the countries of operation of the Group may create uncertainty as to the results achieved in the future.
III. Management	Business strategy risk	• The Group may not be able to implement its strategy.
and corporate	The risk of the ability to manage assets	• The Group's operations depend on its ability to actively manage assets.
governance	The risk of a conflict of interest	• There may be a potential conflict of interest between the Group and the parent shareholder of the Group.
IV. Employee	Risk of becoming dependent on the management	The Group is dependent on a limited number of key members of its management.
issues	The risk of a lack of qualified staff	• The lack of qualified employees and other specialists may delay the implementation of the Group's projects or increase their costs.
V. Environmental	Risk of compliance with environmental regulations	The Group is subject to environmental protection regulations.
issues	Climate risk	• Climate change is a challenge for every sector of the economy, including the real estate market and the Group which operates on it.
	Macroeconomic risk	<ul> <li>Emerging market countries, including CEE and SEE, entail political, economic, and legal risk.</li> <li>The deterioration or persistence of a difficult economic situation in the countries in which we operate may affect the Group's operations.</li> <li>The locations where the Group's properties are located are exposed to regional risk and may become less attractive.</li> </ul>
	The risk of the cyclicality of the real estate market	The real estate market is a cyclical market characterized by volatile economic conditions.
VI. External envi-	Business partner and contractor risk	• For some of its projects, the Group depends on partners and joint investment agreements and is therefore subject to the risk of its partners.
ronment risk	Performance risk	• The Group may incur higher costs, experience delays in project implementation or withdraw from them completely if it fails to hire general construction contractors on commercially reasonable terms or at all, or if the general contractors it employs fail to complete the construction of projects following the adopted standards, within the deadline or the budget.
	Infrastructure risk	• Due to the lack of the required local infrastructure and access to utilities, the implementation of projects may be delayed or abandoned, or the Group may not obtain the full expected value from completed projects.
	The risk of other external factors	• The Group is subject to general types of risk that may increase costs or delay or prevent the completion of development projects.

Moreover, we identify risks directly related to factors in the finance area (currency, credit, insurance, interest rate, debt servicing or the ability to pay dividends) and the shareholding structure (share price fluctuations and shareholding dilution)<sup>18</sup>.

To ensure the accuracy and reliability of financial statements, we use a number of internal procedures regarding transaction control systems and processes. Our reports are verified by independent auditors and controlled by the Audit Committee operating within the Supervisory Board.

### Granting an investment rating

The German rating agency Scope Ratings, specializing in the analysis and rating assessment of financial institutions, corporations, structured finance, financial projects, and public finance - granted Globe Trade Center S.A. and its subsidiary GTC Real Estate Development Hungary Zrt. BBB-/investment rating with a stable outlook. This assessment was influenced by the strong market position of GTC:



we are one of the largest public real estate companies;



we manage over **753 thousand sq m** of office and commercial space in Central and South-Eastern Europe;



our commercial properties portfolio includes buildings with a weighted age of under **10 years**;



**325 thousand sq m** of pipeline investment supported by strong customer demand and attracting reliable tenants with investment-grade creditworthiness, while already operating facilities maintain the occupancy rate at **over 90%**.

# Environmental impact management

[GRI 103-1, 103-2, 103-3, 102-32

Green building certification

Climate change

EU/TCFD

The real estate sector has an important role to play in **counteracting climate risk and mitigating climate change**. We fully identify with the idea of green construction and strive to meet the highest environmental standards, confirmed, inter alia, by LEED/BREEAM certificates for our properties.

In 2020, we developed and implemented a strategic "Green Bond Framework" document, defining the **guidelines for the issue of green bonds by the companies of our Group**. This document reflects "Green Bond Principles 2018 "-non-binding guidelines for the green bond issue process, as defined by the International Capital Market Association (ICMA). In the future, it will be adopted to the premises of a taxonomy for classifying economic activities deemed environmentally sustainable and the EU Green Bond Standard (EU GBS) when they become legally required <sup>18</sup>.

<sup>18</sup> More information about our approach to risk factors and their management is available in "Consolidated annual report of the Globe Trade Center S.A. Capital Group for the year ended 31 December 2020", available at ir.gtc.com.pl.

GTC ESG Report 2020

80

<sup>&</sup>lt;sup>18</sup> The "Green Bond Framework" (in English) is available at ir.gtc.com.pl

The funds raised as part of the GTC green bond issue will be used to refinance real estate loans and finance the reconstruction, construction, and acquisition of LEED (Gold or higher)/BREEAM (Very Good or higher) certified assets. We have appointed the Green Bond Committee, reporting directly to the Management Board, whose task is to select environmentally friendly projects for financing or refinancing. The committee consists of five people, holding senior management positions in asset management, development, finance, law, and investor relations. At the same time, we implement an allocation reporting and impact reporting system, which - where possible - will cover, inter alia, disclosure of environmental information on green bond-financed real estate (their energy efficiency, annual reduction in greenhouse gas emissions or the annual reduction in water resources consumption).

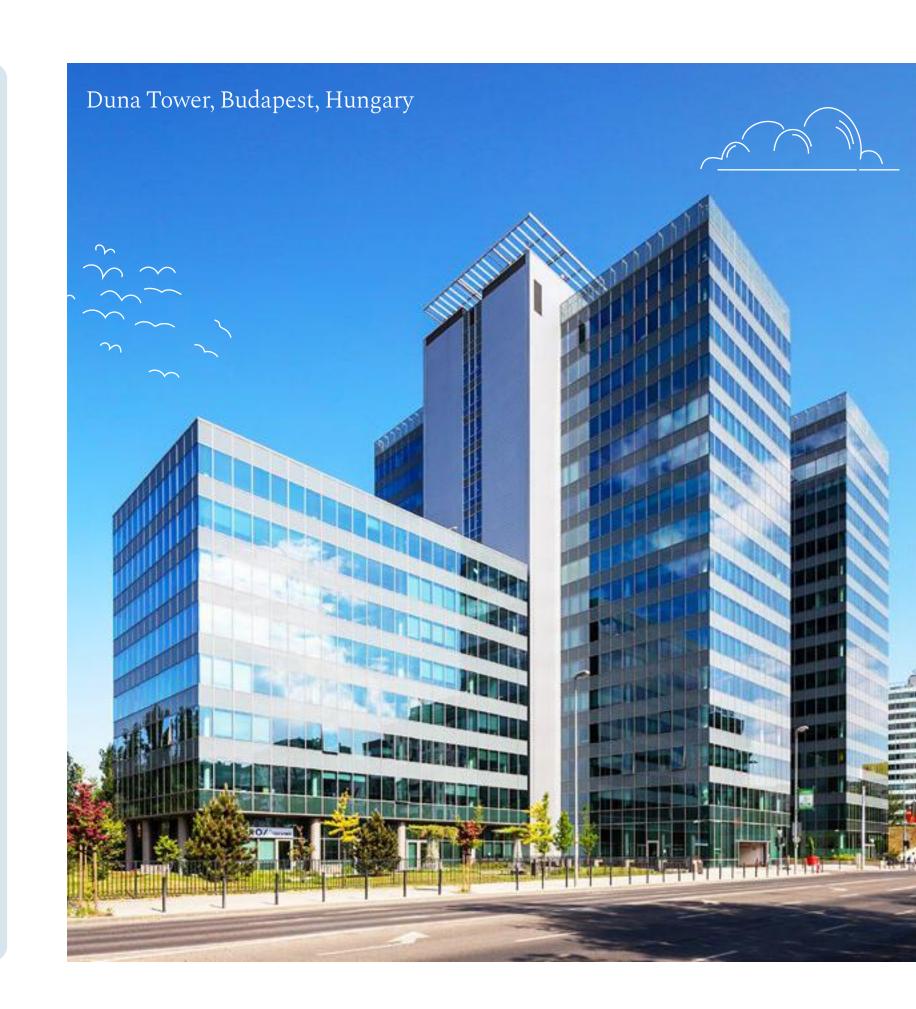


#### GTC Green Bonds

The first issue of bonds in line with the guidelines of the "Green Bond Framework" took place on 3 December 2020 by GTC Real Estate Development Hungary Zrt. GTC S.A. We issued ten-year fixed-coupon bonds for a total amount of HUF 39.6bn (EUR 110m). They are admitted to trading on the XBond market in Budapest. Moreover, on 17 March 2021, GTC Real Estate Development Hungary Zrt. issued ten-year "green bonds" with a total nominal value of HUF 19.8bn (EUR 53.8m).

The proceeds from the "green bond" issue will be used to finance and refinance the purchase, construction, or reconstruction of real estate with a relevant certificate.

In 2020, we also started work on the preparation and implementation of the "ESG Policy" in our Group. We expect it to be completed in 2021.



GTC ESG Report 2020

81

# Asset risk management during the COVID-19 pandemic

GRI 103-1, 103-2, 103-3, 102-30

Asset risk management during the COVID-19 pandemic

Description of objectives and results of asset risk management during the COVID-19 pandemic



For several years now, including 2020, we have been constantly expanding our portfolio of properties through development and carefully planned acquisitions. We have tightened our financial policy and improved liquidity. Our asset management teams provided tenants with excellent service, maintaining high occupancy rates. We contribute to our local communities, we have issued green bonds, and have boosted our involvement in ESG. We are proud of the activities that prepared us for the unpredictable challenges of the COVID-19 pandemic in 2020.

In 2020, in all countries in which we operate, the authorities introduced temporary restrictions on retail trade in shopping centers. Many employers have changed their work system to remote work. Special protective measures were applied in office buildings and shopping malls to prevent the spread of the coronavirus.

Our priority is to permanently protect the business and support the communities in which we operate and cooperate with our suppliers and customers with mutual trust. They are the ones who have been most affected by the pandemic. To this end, we have implemented a variety of measures to support tenants and encourage consumer spending, such as lowering rent, spreading rent payments over installments, and waiving service charges and late payment interest. As a result, we have reported a loss of operating profit of EUR 15 million. We have also collected 99% of the annual rent due (99% for offices and 97% for retail buildings). The value of our portfolio has fallen by 5% and the annual valuation was affected by structural challenges heightened by the effects of the COVID-19 pandemic.

In the office segment, tenants are developing plans to return to working in the office. Most of them believe that it is too early to make fundamental long-term changes to their requirements. However, we are aware of the fact that after an extended period of home office work, tenants may expect greater flexibility in the lease terms offered. Moreover, they began to pay more attention to a high-quality, modern, and safe environment with more available space per person. We are also planning to depart from the current trend of creating high-density office space and the application of hot-desking. We are successfully continuing talks with our tenants about their leases, especially the ones with larger areas. We are encouraged by the high level of activity observed in the markets in which we operate.

The impact of the COVID-19 pandemic on the real estate sector cannot yet be unequivocally assessed. Nevertheless, the change in consumer and employee behavior (the expectation of maintaining flexibility in the organization of work time and place) may pose a challenge for tenants of office and retail buildings. Consequently, there is uncertainty about future results in the real estate sector, resulting from the possibility of reduced income, reduced rental income, increased debt collection costs or fluctuating currency exchange rates.



We carry out prudent financial policy based on a conservative debt ratio of

45%

(as at 31 December 2020).

According to Scope agency, which awarded Globe Trade
Center S.A. and its subsidiary GTC Real Estate Development
Hungary Zrt. BBB-/investment rating with a stable outlook,
the impact of the COVID-19 pandemic was successfully mitigated by GTC thanks to a reduction in capital expenditure
and a decision to suspend the payment of dividends.

In response to the new market situation, we have performed a number of activities aimed at **optimization of our operating costs**, including:

- limiting operating expenses, non-critical from the perspective of running the business;
- postponing the implementation of investment projects not covered by obligations;
- postponing non-essential investment outlays.

Moreover, the Supervisory Board, following the recommendation of the Management Board, gave a positive opinion on the application regarding the non-payment of dividends from the profit generated by Globe Trade Center S.A. in 2019. According to the decision of the AGM of 27 August 2020, the net profit of **PLN 321,756 thousand** was fully transferred to the company's supplementary capital.

Based on the property valuation as at 31 December 2020, all GTC Group companies met the financial ratios specified in their loan agreements. We maintain a strong cash position which enables us to meet our debt service obligations.





**Chapter 05** 

# ESG results breakdown

- 1. E-environment
- 2. S-social
- **3.** G-governance

# E - environment

## Methodology

- The following tables comprehensively present the GTC Group's results regarding energy and water consumption, greenhouse gas emissions and waste generation.
- When calculating and presenting the results, we consider the guidelines of the Global Reporting Initiative
   (GRI) and EPRA Sustainability Best Practices
   Recommendations Guidelines (EPRA sPBR).
- The following is a presentation of results for the entire GTC portfolio with a breakdown into office buildings, retail properties and markets. Moreover, we present the results for the Group's offices in particular countries for energy consumption.
- The consumption of all headquarters (offices) of the Group is included in the Group's office portfolio with the exception of the headquarters in Bulgaria, which is located in a building not belonging to the Group.
- The figures for energy, water and waste are calculated based on actual consumption. They only cover the period when the assets concerned were owned by GTC and utility bills and meter readings were monitored directly by our team. The data does include utility consumption by tenants.
- The intensity indicators for energy, greenhouse gas emissions and water were calculated according to the formula:

- total annual consumption (numerator) divided by the gross leasable area (GLA) expressed in square meters (denominator).
- Like-for-like consumption includes a comparison between the same assets in 2020 and 2019. Only buil-

dings that belonged to GTC throughout 2019 and 2020 were considered in the calculations. In cases where the building started to operate during the year, an appropriate comment was added under the table and presented in the year-on-year approach.

Table 10. GTC Group's certified buildings broken down by certificates obtained: number and percentage share in the portfolio volume (as at 31 December 2020)

	Number	of certified bui	ldings	Percentage share of certified buildings in the portfolio value		
Re	Office buildings	Shopping centers	Total	Office buildings	Shopping centers	Total
LEED Platinum certificate	2	-	2	2%	-	2%
LEED Gold certificate	13	2	15	20%	18%	38%
LEED Silver certificate	4	1	5	4%	6%	10%
BREEAM IN USE Excellent certificate	11	1	12	15%	10%	25%
BREEAM Very Good certificate	2	_	2	3%	-	3%
BREEAM IN USE Very Good certificate	1	_	1	4%	-	4%
Other certificates - DGNB	2	-	2	2%	-	2%
Total	35	4	39	50%	34%	84%

#### Energy

#### Table 11. Total energy consumption and energy intensity in the GTC Group in 2020

GRI 302-1, 302-3 Elec-Abs DH&C-Abs Fuels-A	Abs Energy-Int				
		The pro	operty portfolio of the GTC Group		CTC Crown offices
Re	Unit	Office buildings	Shopping centers	Total	GTC Group offices
Poland	MWh	42 722	33 532	76 254	190.5
Electrical power	MWh	27 662	28 481	56 143	85.1
% of electricity from renewable sources	%	0%	0%	0%	0%
Central heating or cooling	MWh	15 057	5 051	20 108	105.4
% central heating or cooling from rene- wable sources	%	0%	0%	0%	0%
Fuels	MWh	2	-	2	_
% of fuels from renewable sources	%	0%	0%	0%	_
Energy intensity	kWh/sq m/year	218	296	247	163
Number of buildings considered in the calculation	No	16	2	18	1 (part of Group portfolio)
Bulgaria	MWh	5 852	8 698	14 550	38.3
Electrical power	MWh	4 171	7 114	11 285	14.5
% of electricity from renewable sources	%	22%	22%	22%	0%
Central heating or cooling	MWh	1680	1580	3 260	23.8
% central heating or cooling from rene- wable sources	%	0%	0%	0%	

President's letter Introduction Environmental impact Social impact Corporate governance ESG results breakdown About the report

		Ti	he property portfolio of the GTC Group		
Re	Unit	Office buildings	Shopping centers	Total	GTC Group offices
Fuels	MWh	1	4	5	
% of fuels from renewable sources	%	0%	0%	0%	
Energy intensity	kWh/sq m/year	222	377	295	128
Number of buildings considered in the calculation	No	2	1	3	1 (not incl in Group portfolio)
Croatia	MWh	3 740	9 941	13 681	15.6
Electrical power	MWh	3 201	8 588	11 789	7.9
% of electricity from renewable sources	%	16%	16%	16%	16%
Central heating or cooling	MWh	539	1350	1889	7.7
% central heating or cooling from rene- wable sources	%	0%	0%	0%	0%
Fuels	MWh	0.3	2	3	_
% of fuels from renewable sources	%	0%	0%	0%	-
Energy intensity	kWh/sq m/year	210	360	301	40
Number of buildings considered in the calculation	No	2	1	3	2 (part of Group's portfolio)
Romania	MWh	19 231	-	19 231	122.6
Electrical power	MWh	8 024	_	8 024	62.3
% of electricity from renewable sources	%	32%	_	32%	32%
Central heating or cooling	MWh	2 088	_	2 088	8.9
% central heating or cooling from rene- wable sources	%	32%	_	32%	32%

		ТІ	he property portfolio of the GTC Group		
Re	Unit	Office buildings	Shopping centers	Total	GTC Group offices
Fuels	MWh	9 119	-	9 119	51.4
% of fuels from renewable sources	%	0%	_	0%	0%
Energy intensity	kWh/sq m/year	289	_	289	373
Number of buildings considered in the calculation	No	5	_	5	1 (part of Group's portfolio)
Serbia	MWh	29 503	13 032	42 535	50.7
Electrical power	MWh	17 852	10 512	28 364	20.8
% of electricity from renewable sources	%	0%	0%	0%	0%
Central heating or cooling	MWh	5 577	_	5 577	29.9
% central heating or cooling from rene- wable sources	%	0%	0%	0%	0%
Fuels	MWh	6 074	2 520	8 594	_
% central heating or cooling from rene- wable sources	%	0%	0%	0%	_
Energy intensity	kWh/sq m/year	241	377	271	96
Number of buildings considered in the calculation	No	11	1	12	1 (part of Group's portfolio)
Hungary	MWh	26 906	_	26 906	89.9
Electrical power	MWh	15 949	_	15 949	21.9
% of electricity from renewable sources	%	8%	-	8%	8%
Central heating or cooling	MWh	4 341	_	4 341	68.0

		The pro	perty portfolio of the GTC Group		
Re	Unit	Office buildings	Shopping centers	Total	GTC Group offices
% central heating or cooling from rene- wable sources	%	10%	-	10%	
Fuels	MWh	6 617	-	6 617	_
% of fuels from renewable sources	%	0%	-	0%	-
Energy intensity	kWh/sq m/year	226	-	226	107
Number of buildings considered in the calculation	No	5	-	5	1 (part of Group's portfolio)
Total energy consumption (electricity, central heating or cooling, fuel) for all markets	MWh	127 954	65 203	193 157	507.4
Energy intensity for all markets	kWh/sq m/year	234	328	259	143

#### Please note:

- **1.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation.
- 2. In Hungary:
- I. we included GTC Metro but please note that the Tenant purchase the public utilities, except waste disposal;
- II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;
- III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020.

#### Table 12. Like-for-like and year on year energy consumption in the GTC Group (comparison between the same assets in 2020 and 2019)

DH&C-Lfl Fuels-Lfl

							Like for like	
		The prope	erty portfolio of the G	TC Group	GTC Group	The prope	erty portfolio of the GT	C Group
Re	Unit	Office buildings	Shopping centers	Total	offices	Office buildings	Shopping centers	Total
Poland								
Electricity in 2020	MWh	27 662	28 481	56 143	85.1	27 662	28 481	56 143
Electricity in 2019	MWh	33 752	38 820	72 572	91.7	33 752	38 820	72 572
% change in electricity consumption y/o/y	%	-18%	-27%	-23%	-7%	-18%	-27%	-23%
Central heating or cooling in 2020	MWh	15 057	5 051	20 108	105.4	15 057	5 051	20 108
Central heating or cooling in 2019	MWh	14 992	5 646	20 637	98.5	14 992	5 646	20 637
% change in consumption of central heating or cooling y/o/y	%	0%	-11%	-3%	7%	0%	-11%	-3%
Fuels in 2020	MWh	2	-	2	-	2	-	2
Fuels in 2019	MWh	3	-	3	-	3	-	3
% change in fuel consumption y/o/y	%	-27%	-	-27%	-	-27%	-	-27%
Bulgaria								
Electricity in 2020	MWh	4 171	7 114	11 285	14.5	2 541	7 114	9 655
Electricity in 2019	MWh	3 580	9 155	12 735	18.2	3 580	9 15 5	12 735
% change in electricity consumption y/o/y	%	17%	-22%	-11%	-20%	-14%	-22%	-24%
Central heating or cooling in 2020	MWh	1680	1580	3 260	23.8	497	1580	2 077
Central heating or cooling in 2019	MWh	575	1408	1983	29.7	575	1408	1983
% change in consumption of central heating or cooling y/o/y	%	192%	12%	64%	-20%	-14%	12%	5%
Fuels in 2020	MWh	1	4	5	-	1	4	5

							Like for like	
		The prope	erty portfolio of the G	TC Group	GTC Group	The prope	erty portfolio of the GT	C Group
Re	Unit	Office buildings	Shopping centers	Total	offices	Office buildings	Shopping centers	Total
Fuels in 2019	MWh	1	4	5	-	1	4	5
% change in fuel consumption y/o/y	%	0%	0%	0%	-	0%	0%	0%
Croatia								
Electricity in 2020	MWh	3 201	8 588	11 789	7.9	2 297	8 588	10 885
Electricity in 2019	MWh	2 983	11 189	14 172	4.7	2 475	11 189	13 663
% change in electricity consumption y/o/y	%	7%	-23%	-17%	69%	-7	-23%	-20%
Central heating or cooling in 2020	MWh	539	1350	1889	7.7	539	1350	1889
Central heating or cooling in 2019	MWh	618	1718	2 336	8.8	618	1718	2 3 3 6
% change in consumption of central heating or cooling y/o/y	%	-13%	-21%	-19%	-13%	-13%	-21%	-19%
Fuels in 2020	MWh	0.3	2	3	-	_	2	2
Fuels in 2019	MWh	1	2	4	-	_	2	2
% change in fuel consumption y/o/y	%	-75%	0%	-23%	-	-	0%	0%
Romania								
Electricity in 2020	MWh	8 024	-	8 024	62.3	8 024	-	8 024
Electricity in 2019	MWh	8 197	-	8 197	77.5	8 197	-	8 197
% change in electricity consumption y/o/y	%	-2%	-	-2%	-20%	-2%	-	-2%
Central heating or cooling in 2020	MWh	2 088	-	2 088	8.9	2 088	-	2 088
Central heating or cooling in 2019	MWh	4 608	-	4 608	11.3	4 608	-	4 608
% change in consumption of central heating or cooling y/o/y	%	-55%	-	-55%	-21%	-55%	-	-55%
Fuels in 2020	MWh	9 119	_	9 119	51.4	9 119	-	9 119
Fuels in 2019	MWh	10 259	-	10 259	63.8	10 259	-	10 259

Introduction

							Like for like	
		The prope	erty portfolio of the G	TC Group	GTC Group	The prope	erty portfolio of the GTC	Group
Re	Unit	Office buildings	Shopping centers	Total	offices	Office buildings	Shopping centers	Total
% change in fuel consumption y/o/y	%	-11%	-	-11%	-19%	-11%	-	-11%
Serbia								
Electricity in 2020	MWh	17 852	10 512	28 364	20.8	17 852	-	17 852
Electricity in 2019	MWh	18 954	7 824	26 778	20.5	18 954	-	18 954
% change in electricity consumption y/o/y	%	-6%	34%	6%	1%	-6%	-	-6%
Central heating or cooling in 2020	MWh	5 577	-	5 577	29.9	5 577	-	5 577
Central heating or cooling in 2019	MWh	4759	-	4759	24.1	4759	-	4759
% change in consumption of central heating or cooling y/o/y	%	17%	-	17%	24%	17%	-	17%
Fuels in 2020	MWh	6 074	2 520	8 594	-	6 074	-	6 074
Fuels in 2019	MWh	4 871	-	4 871	-	4 871	_	4 871
% change in fuel consumption y/o/y	%	25%		76%	-	25%		25%
Hungary								
Electricity in 2020	MWh	15 949	-	15 949	21.9	12 951	-	12 951
Electricity in 2019	MWh	18 691	-	18 691	16.8	14 917	_	14 917
% change in electricity consumption y/o/y	%	-15%	-	-15%	30%	-13%	_	-13%
Central heating or cooling in 2020	MWh	4 341	-	4 341	68	2 563	-	2 563
Central heating or cooling in 2019	MWh	5 313	-	5 256	57	2 549	_	2 549
% change in consumption of central heating or cooling y/o/y	%	-18%	-	-17%	20%	1%	_	1%
Fuels in 2020	MWh	6 617	-	6 617	-	6 617	_	6 617
Fuels in 2019	MWh	5 581	-	5 581	-	5 581	_	5 581

							Like for like	
		The prop	erty portfolio of the GT	C Group	GTC Group	The prope	erty portfolio of the GTO	C Group
Re	Unit	Office buildings	Shopping centers	Total	offices	Office buildings	Shopping centers	Total
% change in fuel consumption y/o/y	%	19%	-	19%	22%	19%	-	19%
Percentage change in electricity consumption y/o/y for all markets	%	-11%	-18%	-14%	-7%	-13%	-25%	-18%
Percentage change in consumption of central heating or cooling y/o/y for all markets	%	-5%	-9%	-6%	6%	-6%	-9%	-7%
% change y/o/y in fuel consumption for all markets	%	5%	41 012% (mainly as a result of wear recognition for Ada Mall)	17%	-19%	5%	0%	5%

#### Please note:

- **1.** Ada Mall was open in May 2019, so the data for 2019 includes only 6 month consumption.
- **2.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation.
- **3.** Advance Business Center II is in operation since Q4 2019, so data for 2019 does not includes ABC I.
- **4.** Matrix A became operational mid 2019; so the data for 2019 are not for full year;
- **5.** In Hungary
- I. we included GTC Metro but please note that the Tenant purchase the public utilities, except waste disposal;
- II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;

- III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020.
- **6.** The data for headquarter in Hungary for year 2019 includes period between March and December 2019.

In LfL presentation four additional projects were excluded, i.e. Ada Mall, Matrix A, Advance Business Center I and Spiral.



#### **Emissions**

Calculations of greenhouse gas (GHG) emissions were performed in accordance with the international **GHG Protocol Corporate Accounting and Reporting Standard**. The GHG emissions in this report have been calculated for the following gases: carbon dioxide (CO<sub>2</sub>), SO<sub>2</sub> i N<sub>2</sub>O. The unit of data presentation is the carbon dioxide equivalent (CO<sub>2</sub>e).

The calculation included **direct emissions (scope 1) and indirect energy emissions (scope 2)**. We used in the calculations from emission factors or data from the National Center for Emissions Management and Balancing and national regulations as well as local indicators provided by our suppliers for foreign markets. For the emissions in scope 2, the calculations were made using the method described below

#### **Poland:**

#### Scope 1:

Emission for chillers: our consumption in kg x emission factor (1.430 or 2.088)= GHG emission in tCO<sub>2</sub>e

For refrigerants were used following emission factors:

- R134a 1.430 tCO<sub>2</sub>e/kg
- R410a 2.088 tCO<sub>2</sub>e/kg

Fuel: our consumption in kWh x 0.758/1000 = GHG emission in tCO<sub>2</sub>e

#### Scope 2:

- Electric power: our consumption in kWh x local factor (0.719
   Poznan, Wroclaw; Warsaw, Katowice, Cracow, Lodz) /1000 =
   GHG emission in tCO<sub>2</sub>e
- District Heating: our consumption in kWh x local factor
   (0.206 Poznan; 0.497 Wroclaw; 0,106x3.6 Warsaw, Katowice,
   Cracow; 0.3741- Lodz) /1000 = GHG emission in tCO<sub>2</sub>e

#### **Bulgaria:**

For the calculation were used the emission factors for the energy sources officially valid for Bulgaria and are listed in Ordinance No E-PД-04-2 from 22.01.2016 (under the Energy Efficiency Act).

- Electricity 0.819 tCO<sub>2</sub>e/MWh
- Heat from district heating 0.290 tCO<sub>2</sub>e/MWh
- Disel 0.267 tCO<sub>2</sub>e/MWh

For refrigerants were used following emission factors:

- R134a 1.430 tCO<sub>2</sub>e/kg
- R410a 2.088 tCO<sub>2</sub>e/kg
- R407c 1.774 tCO<sub>2</sub>e/kg

#### Scope 1:

the GHG emissions was calculated based on the working hours of both diesel generators in the building multiplied by the referent indications from the laboratory tests made during the commissioning period. In addition to the CO<sub>2</sub>, SO<sub>2</sub> and N<sub>2</sub>O was converted equivalent to CO<sub>2</sub>.

#### Scope 2:

the GHG emissions was calculated based on:

- MWh used district heating calculated by the coefficient in accordance the national strategy of emission factors and greenhouse gases;
- MWh used electricity calculated by the coefficient in accordance the national strategy of emission factors and greenhouse gases and divided by green energy 22%, by coal 40% and by gas.

#### **Croatia:**

#### Scope 1:

Stationary combustion tool Version 4.1. from GHG protocol page was used.

#### Scope 2:

GHG Protocol Scope 2 Guidance - HEP Opskrba Electricity supplier: Electricity sources in 2019-  $\rm CO_2$  emission intensity for electricity generated by generation mix of HEP sources in 2019 amounted to 0.131 kg  $\rm CO_2$ /kWh. Calculation method: our consumption in kWh x 0.131/1000 = GHG emission in  $\rm tCO_2$ e

#### Romania:

#### Scope 1:

Natural gas used for heating and fuel diesel used for generator

#### Scope 2:

Energy used during working hours and calculated in accordance with national regulation

For the calculation were used the emission factors for the energy sources:

- Electricity 0.819 tCO<sub>2</sub>e/MWh
- Heat from district heating 0.290 tCO<sub>2</sub>e/MWh
- Disel 0.267 tCO<sub>2</sub>e/MWh

For refrigerants - no data, as no refrigerant additions in 2020

#### Serbia:

- For the calculation Scope 1 and 2 were used the emission factors for the energy sources:
- Electric power: our consumption in kWh x 2.5 = Primar energy x 0.53 = GHG emission in tCO<sub>2</sub>e
- District Heating: our consumption in kWh x 1.8 = Primar energy x 0.33 = GHG emission in tCO<sub>2</sub>e
- Gas Bolers: our consumption in kWh x 1.1 = Primar energy x
   0.2 = GHG emission in tCO<sub>2</sub>e

#### Hungary:

For the calculation Scope 1 and 2 were used the emission factors for the energy sources:

- Electric power: our consumption in kWh x 0.286/1000 = GHG emission in tCO<sub>2</sub>e
- District Heating: our consumption in kWh x 0.357/1000 = GHG emission in tCO<sub>2</sub>e
- Fuel: our consumption in kWh x 0.202/1000 = GHG emission in tCO<sub>2</sub>e



#### Table 13. Total greenhouse gas emissions (scope 1 and 2) and emission intensity in the GTC Group in 2020

[GRI 305-1, 305-2, 305-4 GHG-Dir-Abs GHG-Indir-Abs GHG-Int EU / TCFD

		The prope	rty portfolio of the GTC Group	
Re	Unit	Office buildings	Shopping centers	Total
Poland				
Scope 1 and 2	tCO <sub>2</sub> e	24 676	10 695	35 372
Scope 1	tCO <sub>2</sub> e	497	1402	1899
Scope 2	tCO <sub>2</sub> e	24 180	9 293	33 473
Emission intensity	kgCO <sub>2</sub> e/m²/year	126	94	114
Number of buildings considered in the calculation	No	16	2	18
Bulgaria				
Scope 1 and 2		3 912	6 286	10 198
Scope 1	tCO <sub>2</sub> e	134	1	135
Scope 2	tCO <sub>2</sub> e	3 778	6 285	10 063
Emission intensity	kgCO <sub>2</sub> e/m²/year	149	273	207
Number of buildings considered in the calculation	No	2	1	3
Croatia				
Scope 1 and 2	tCO <sub>2</sub> e	491	1304	1795
Scope 1	tCO <sub>2</sub> e	1	2	3
Scope 2	tCO <sub>2</sub> e	490	1302	1792
Emission intensity	kgCO <sub>2</sub> e/m²/year	28	47	40
Number of buildings considered in the calculation	No	2	1	3
Romania				
Scope 1 and 2	tCO <sub>2</sub> e	10 932	-	10 932
Scope 1	tCO <sub>2</sub> e	2 650	_	2 650

President's letter Introduction Environmental impact Social impact Corporate governance **ESG results breakdown** About the report

		The property portfolio of the GTC Group				
Re	Unit	Office buildings	Shopping centers	Total		
Scope 2	tCO <sub>2</sub> e	8 282	-	8 282		
Emission intensity	kgCO <sub>2</sub> e/m²/year	164	_	164		
Number of buildings considered in the calculation	No	5	_	5		
Serbia						
Scope 1 and 2	tCO <sub>2</sub> e	27 842	14 483	42 325		
Scope 1	tCO <sub>2</sub> e	-	14 483	14 483		
Scope 2	tCO <sub>2</sub> e	27 842	_	27 842		
Emission intensity	kgCO <sub>2</sub> e/m²/year	228	419	270		
Number of buildings considered in the calculation	No	11	1	12		
Hungary						
Scope 1 and 2	tCO <sub>2</sub> e	7 448	-	7 448		
Scope 1	tCO <sub>2</sub> e	1337	_	1337		
Scope 2	tCO <sub>2</sub> e	6 111	_	6 111		
Emission intensity	kgCO <sub>2</sub> e/m²/year	63	_	63		
Number of buildings considered in the calculation	No	5	_	5		
Total emissions (scope 1 & 2) for all markets	tCO <sub>2</sub> e	75 302	32 767	108 069		
Emission intensity for all markets	kgCO <sub>2</sub> e/m²/year	138	165	145		

#### Please note:

- **1.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation.
- **2.** In Hungary:
- I. we included GTC Metro but please note that the Tenant

- purchase the public utilities, except waste disposal;
- II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;
- III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020.

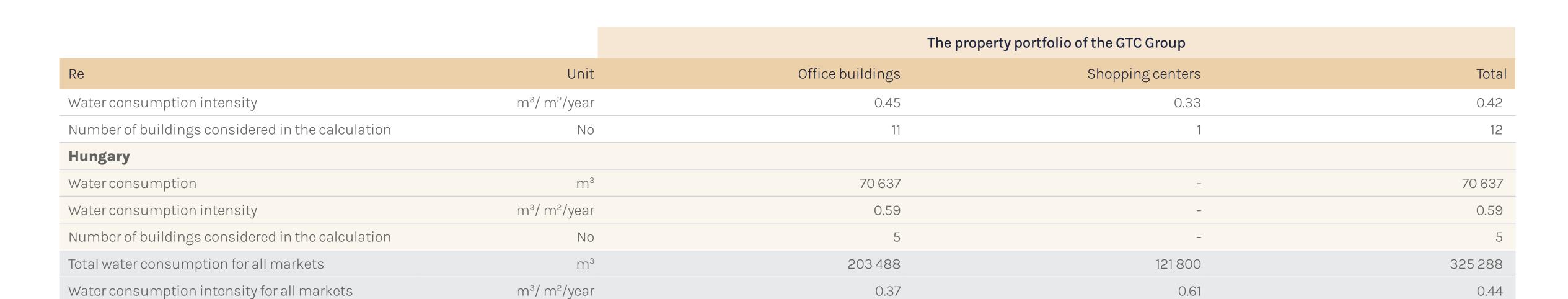
#### Water

Table 14. Total water consumption and water consumption intensity in the GTC Group in 2020

GRI 303-5

Water-Abs Water-Int

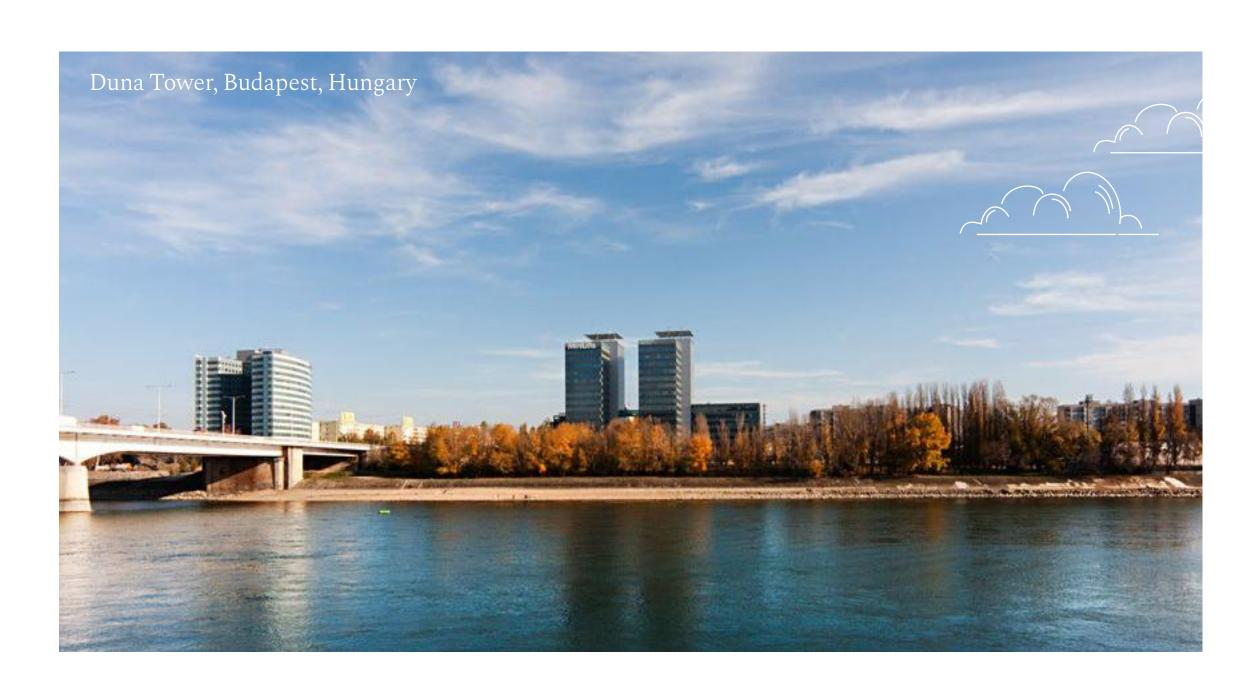
		The property portfolio of the GTC Group					
Re	Unit	Office buildings	Shopping centers	Total			
Poland							
Waterconsumption	m³	49 000	60 502	109 502			
Water consumption intensity	m³/ m²/year	0.25	0.53	0.35			
Number of buildings considered in the calculation	No	16	2	18			
Bulgaria							
Waterconsumption	$m^3$	6 534	22 476	29 010			
Water consumption intensity	m³/ m²/year	0.25	0.98	0.59			
Number of buildings considered in the calculation	No	2	1	3			
Croatia							
Waterconsumption	$m^3$	4 070	27 299	31 369			
Water consumption intensity	m³/ m²/year	0.23	0.99	0.69			
Number of buildings considered in the calculation	No	2	1	3			
Romania							
Waterconsumption	$m^3$	18 519	-	18 519			
Water consumption intensity	m³/ m²/year	0.28	-	0.28			
Number of buildings considered in the calculation	No	5	_	5			
Serbia							
Waterconsumption	$m^3$	54727	11 523	66 250			



#### Please note:

GTC |

- **1.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation.
- 2. In Hungary:
  - I. we included GTC Metro but please note that the Tenant purchase the public utilities, except waste disposal;
- II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;
- III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020;
- **3.** The data do not includes consumption for the Group's headquarters in Bulgaria, which is located outside the Group's portfolio, the consumption was in 2020 and 2019, respectively: 65 m³ and 82 m³.



#### Table 15. Like-for-like and year on year water consumption in the GTC Group (comparison between the same assets in 2020 and 2019)

Water-Lfl

					Like for like		
		The property portfolio of the GTC Group			The prope	rty portfolio of the GTC Gro	oup
Re	Unit	Office buildings	Shopping centers	Total	Office buildings	Shopping centers	Total
Poland							
Water consumption in 2020	$m^3$	49 000	60 502	109 502	49 000	60 502	109 502
Water consumption in 2019	$m^3$	93 282	91 986	185 268	93 282	91 986	185 268
% change y/o/y	%	-47%	-34%	-41%	-47%	-34%	-41%
Bulgaria							
Water consumption in 2020	$m^3$	6 534	22 476	29 010	3 025	22 476	25 501
Water consumption in 2019	$m^3$	5 612	41 344	46 956	5 612	41 344	46 956
% change y/o/y	%	16%	-46%	-38%	-46%	-46%	-46%
Croatia							
Water consumption in 2020	$m^3$	4 070	27 299	31 369	1 611	27 299	28 910
Water consumption in 2019	$m^3$	4 654	40 450	45 104	2 620	40 450	43 070
% change y/o/y	%	-13%	-33%	-30%	-39%	-33%	-33%
Romania							
Water consumption in 2020	$m^3$	18 519	-	18 519	18 519	-	18 519
Water consumption in 2019	$m^3$	38 281	-	38 281	38 281	-	38 281
% change y/o/y	%	-52%	-	-52%	-52%	-	-52%
Serbia							
Water consumption in 2020	$m^3$	54 727	11 523	66 250	54 727	-	54 727
Water consumption in 2019	m³	76 392	18 750	95 142	76 392	-	76 392

					Like for like		
		The prope	erty portfolio of the GTC G	roup	The prope	erty portfolio of the GTC G	iroup
Re	Unit	Office buildings	Shopping centers	Total	Office buildings	Shopping centers	Total
% change y/o/y	%	-28%	-39%	-30%	-28%	-	-28%
Hungary							
Water consumption in 2020	$m^3$	70 637	-	70 637	35 196	-	35 196
Water consumption in 2019	$m^3$	94708	-	94 708	62 685	-	62 685
% change y/o/y	%	-25%	-	-25%	-44%	-	-44%
% change y/o/y for all markets	%	-35%	-37%	-36%	-42%	-37%	-40%

#### Please note:

- **1.** Ada Mall was open in May 2019, so the data for 2019 includes only 6 month consumption.
- **2.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation;
- **3.** Advance Business Center II is in operation since Q4 2019, so data for 2019 does not includes ABC I.
- **4.** Matrix A became operational mid 2019; so the data for 2019 are not for full year.
- **5.** In Hungary:
  - I. we included GTC Metro but please note that the Tenant purchase the public utilities, except waste disposal;
  - II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;
  - III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020.

**6.** The data do not includes consumption for the Group's headquarters in Bulgaria, which is located outside the Group's portfolio, the consumption was in 2020 and 2019, respectively: 65 m³ and 82 m³.

In LfL presentation four additional projects were excluded, i.e. Ada Mall, Matrix A, Advance Business Center I and Spiral.

#### Waste

#### Table 16. Total weight of waste and waste treatment methods in the GTC Group in 2020

GRI 306-3, 306-4 Waste-Abs

The data for galleries in Poland and offices in Warsaw, Krakow, Katowice are provided in tons and are not converted. Waste for other places were converted based on the following values:

- mixed municipal waste/communal waste 1I = 0.20kg (1 m³ = 0.20t)
- office paper and cardboard waste  $1I = 0.106 \text{ kg} (1 \text{ m}^3 = 0.106 \text{ t})$
- plastic waste  $11 = 0.042 \text{ kg} (1 \text{ m}^3 = 0.042 \text{ t})$
- glass 1l = 0.25kg (1 m<sup>3</sup> = 0.25t)

	The prope	rty portfolio of the GTC Grou	p
Unit	Office buildings	Shopping centers	Total
t	1467	1008	2 475
t	31	65	96
t	0	0	0
t	1437	943	2 379
t	338	755	1093
No	16	2	18
t	72	1135	1207
t	b/d	b/d	b/d
t	b/d	b/d	b/d
t	72	1135	1207
t	43	120	163
	t t t	Unit         Office buildings           t         1467           t         31           t         0           t         1437           t         338           No         16           t         72           t         b/d           t         b/d           t         72	t 1467 1008 t 31 65 t 0 0 t 1437 943 t 338 755 No 16 2  t 72 1135 t b/d b/d t b/d b/d t 72 1135

President's letter Introduction Environmental impact Social impact Corporate governance **ESG results breakdown** 

		The prope	р	
Re	Unit	Office buildings	Shopping centers	Total
Number of buildings considered in the calculation	No	2	1	3
Croatia				
Total wieght of waste	t	58	311	369
Hazardous waste	t	0	0	0
Including hazardous waste destined for reuse, recycling, or reclamation	t	0	0	0
Non-hazardous waste	t	58	311	369
Including non-hazardous waste destined for reuse, recycling, or reclamation	t	23	157	180
Number of buildings considered in the calculation	No	2	1	3
Romania				
Total wieght of waste	t	683	_	683
Hazardous waste	t	1	_	1
Including hazardous waste destined for reuse, recycling, or reclamation	t	0	_	0
Non-hazardous waste	t	682		682
Including non-hazardous waste destined for reuse, recycling, or reclamation	t	83	_	83
Number of buildings considered in the calculation	No	5	_	5
Serbia				
Total wieght of waste	t	2 421	1767	4 188
Hazardous waste	t	5	_	5
Including hazardous waste destined for reuse, recycling, or reclamation	t	_	_	_
Non-hazardous waste	t	2 417	1767	4 183
Including non-hazardous waste destined for reuse, recycling, or reclamation	t			
Number of buildings considered in the calculation	No	11	1	12

GTC ESG Report 2020

About the report

		The prope	oup	
Re	Unit	Office buildings	Shopping centers	Total
Hungary				
Total wieght of waste	t	1243		1243
Hazardous waste	t	13	-	13
Including hazardous waste destined for reuse, recycling, or reclamation	t	-	_	-
Non-hazardous waste	t	1230		1230
Including non-hazardous waste destined for reuse, recycling, or reclamation	t	40		40
Number of buildings considered in the calculation	No	5	-	5
Total		5 944	4 221	10 164

#### Please note:

- **1.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation.
- 2. In Hungary:
  - I. we included GTC Metro but please note that the Tenant purchase the public utilities, except waste disposal;
  - II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;
  - III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020.
- **3.** The data do not includes consumption for the Group's headquarters in Bulgaria, which is located outside the Group's portfolio.
- **4.** The data does not include waste water (mud) from oil extraction in garages (hazardous waste) for buildings

- in Bulgaria, a shopping center in Serbia, as well as office buildings in Krakow and Katowice, due to the lack of such information from companies providing annual services.
- **5.** Waste for shopping malls in Croatia and Bulgaria is shown together with waste from adjacent office buildings (Avenue Center and Sofia Tower.).
- **6.** Nature of the hazardous waste: mostly the waste water (mud) of the oil extractors of the garages, the used air filters of the air handling units and the used lumiescent lighting elements. No type of hazardous waste like asbestos, etc.

#### Table 17. Total like-for-like weight in the GTC Group (comparison between the same assets in 2020 and 2019)

Waste-Lfl

					Like for like		
		The prope	rty portfolio of the GTC Grou	ıp	The prope	erty portfolio of the GTC Gro	up
Re	Unit	Office buildings	Shopping centers	Total	Office buildings	Shopping centers	Total
Poland							
Waste in 2020	t	1 467	1008	2 475	1 467	1008	2 475
Waste in 2019	t	1664	1453	3 116	1664	1453	3 116
y/o/y percentage change	%	-12%	-31%	-21%	-12%	-31%	-21%
Bulgaria							
Waste in 2020	t	72	1135	1207	-	1135	1135
Waste in 2019	t	0	1738	1738	-	1738	1738
y/o/y percentage change	%		-35%	-31%	-	-35%	-35%
Croatia							
Waste in 2020	t	58	311	369	-	311	311
Waste in 2019	t	38	469	506	-	469	469
y/o/y percentage change	%	53%	-34%	-27%	-	-34%	-34%
Romania							
Waste in 2020	t	683	-	683	683	-	683
Waste in 2019	t	1445	-	1445	1445	-	1445
y/o/y percentage change	%	-53%	-	-53%	-53%	-	-53%
Serbia							
Waste in 2020	t	2 421	1767	4 188	2 421	-	2 421
Waste in 2019	t	2 492	871	3 363	2 492	-	2 492

					Like for like		
		The prope	rty portfolio of the GTC Group		The prope	erty portfolio of the GTC Grou	ρ
Re	Unit	Office buildings	Shopping centers	Total	Office buildings	Shopping centers	Total
y/o/y percentage change	%	-3%	103%	25%	-3%	-	-3%
Hungary							
Waste in 2020	t	1243	_	1243	1005	-	1005
Waste in 2019	t	1338	_	1338	1082	-	1082
y/o/y percentage change	%	-7%	-	-7%	-7%	-	-7%
y/o/y percentage change for all markets	%	-15%	-7%	-12%	-17%	-33%	-22%

#### Please note:

- **1.** Ada Mall was open in May 2019, so the data for 2019 includes only 6 month consumption.
- **2.** Project under construction (Matrix B and Advance Business Center II) ware not includes in calculation;
- **3.** Advance Business Center II is in operation since Q4 2019, so data for 2019 does not includes ABC I.
- **4.** Matrix A became operational mid 2019; so the data for 2019 are not for full year.
- 5. In Hungary:
- I. we included GTC Metro but please note that the Tenant purchase the public utilities, except waste disposal;
- II. spiral building was sold in October 2020, so the data for 2020 includes 10 month period;

- III. the data do not include Vaci 173-77 because it was purchased on 13 November 2020.
- **6.** The data do not includes consumption for the Group's headquarters in Bulgaria, which is located outside the Group's portfolio.
- 7. Waste for shopping malls in Croatia and Bulgaria is shown together with waste from adjacent office buildings (Avenue Center and Sofia Tower).

In LfL presentation four additional projects were excluded, i.e. Ada Mall, Matrix A, Advance Business Center I and Spiral.

# S - social

#### Employee data

Table 18. The number of employees broken down by type of contract (permanent employment contract, other types of contracts<sup>19</sup>) in the GTC Group as at 31 December 2020.

GRI 102-8, 405-1 Diversity-Emp

Re	Unit	Permanent contract	Other types of contracts	Co-workers and consultants
Women				
aged under 30	No	15	2	2
aged 30-50	No	90	11	6
aged over 50	No	9	0	1
Total number of women	No	114	13	9
Men				
aged under 30	No	1	1	0
aged 30-50	No	38	5	16
aged over 50	No	5	3	4
Total number of men	No	44	9	20
Total number of employees (total number of women and men)	No	158	22	29

Table 19. Number of employees by service time in the GTC Group as at 31 December 2020.

GRI 102-8, 405-1

Diversity-Emp

Re	Unit	Full-time emplyment	Part-time emplyment
Women			
aged under 30	No	16	1
aged 30-50	No	99	2
aged over 50	No	9	0
Total number of women	No	124	3
Men			
aged under 30	No	2	0
aged 30-50	No	41	3
aged over 50	No	7	0
Total number of men	No	50	3
Total number of employees (total number of women and men)	No	174	6

<sup>&</sup>lt;sup>19</sup> Temp and civil law contracts.

Table 20. Number of employees by employment category (board, directors and other management positions, other employees) in the GTC Group as at 31 December 2020.

GRI 405-1

Diversity-Emp

Re	Unit	Group Management Board (applicable to the entire Group, included in the following column)	Local Management Boards	Directors and other management positions	Otheremployees	Co-workers and consultants
Women						
aged under 30	No	Ο	Ο	1	16	2
aged 30-50	No	О	3	21	77	6
aged over 50	No	O	Ο	0	9	1
Total number of women	No	Ο	3	22	102	9
Men						
aged under 30	No	Ο	Ο	1	1	0
aged 30-50	No	2	7	18	19	16
aged over 50	No	2	4	2	1	4
Total number of men	No	4	11	21	21	20
Total number of employees (total number of women and men)	No	4	14	43	123	29

# Table 21. Turnover ratios in the GTC Group in 2020.

GRI 404-1, 405-1 Emp-Turnover Diversity-Emp

Re	Unit	Newly hired employees	Employees who left the organization
Women			
aged under 30	No	1	0
aged 30-50	No	20	22
aged over 50	No	0	0
Total number of women	No	21	22
Men			
aged under 30	No	1	1
aged 30-50	No	12	12
aged over 50	No	0	2
Total number of men	No	13	15
Total number of new employ- ees? Employees who left the group (total number of women and men)	No	34	37
Ratio of the newly hired employees and those who left the group to the total number of workers	%	19%	21%

# Table 22. Length of service in the GTC Group in 2020.

Average length of service in the GTC Group	Employees with o	ver 5, 10, 15 and 20 years of serv	vice in the GTC Group	
Re	Unit	Women	Men	Total
over 5 years	No	19	7	26
over 10 years	No	22	4	26
over 15 years	No	1	3	4
over 20 years	No	2	2	4
Averge lenght of service in the GTC Group		5.0	5.8	5.3
Total number of employees in the group (total number of women and men)	No	127	53	180



GTC ESG Report 2020

109

# Table 23. Employee safety in the GTC Group in 2020.

### GRI 403-9

Re	Unit	Women	Men	Total
Number of work-related accidents	No	0	0	0
Including the number of serious accidents, excluding fatal accidents	No	0	0	0
Including the number of fatal accidents	No	0	Ο	0
Accident rate <sup>20</sup>	No	0	0	0
Number of days lost due to accidents	No	0	Ο	0

# G - governance

Table 25. Employees advised about anti-corruption procedures.

GRI 205-2

Re	Percentage of employees who are familiar with the anti-corruption policy and procedures
Members of the governing bodies	100%
Employees of the GTC Group	36%

# Table 24. Training and development at the GTC Group in 2020.

GRI 404-1,404-3]	Emp

Emp-Training

Emp-Dev

Re	Unit	Women	Men	Total
Total number of training hours	No	516	331	846
Average number of training hours	No	4.06	6.24	4.70
Percentage of employees receiving regular performance and career development reviews	%	40%	22%	27%

<sup>&</sup>lt;sup>20</sup> When calculating the accident rate, we use the following formula: the number of accidents recorded in the reporting period divided by the total number of hours worked by all employees multiplied by 200,000.



# Table 26. Companies of the GTC Group, as of 31 December 2019 and 31 December 2020.

# GRI 102-1, 102-45

Name	Parent unit	Head Office	31.12.2020	31.12.2019
GTC Konstancja Sp. z o.o.			100%	100%
GTC Korona S.A.			100%	100%
Globis Poznań Sp. z o.o.			100%	100%
GTC Aeropark Sp. z o.o.			100%	100%
Globis Wrocław Sp. z o.o.			100%	100%
GTC Satellite Sp. z o.o.			100%	100%
GTC Sterlinga Sp. z o.o.			100%	100%
GTC Karkonoska Sp. z o.o.(1)			100%	100%
GTC Ortal Sp. z o.o.			100%	100%
Diego Sp. z o.o.		Poland ——	100%	100%
GTC Francuska Sp. z o.o.	GTC S.A.		100%	100%
GTC UBP Sp. z o.o.	GTC 3.A.	FOIATIO	100%	100%
GTC Pixel Sp. z o.o.			100%	100%
GTC Moderna Sp. z o.o.			100%	100%
Centrum Handlowe Wilanow Sp. z o.o.			100%	100%
GTC Management Sp. z o.o.			100%	100%
GTC Corius Sp. z o.o.			100%	100%
Centrum Światowida Sp. z o.o.			100%	100%
Glorine investments Sp. z o.o. (1)			100%	100%
Glorine investments Sp. z o.o. s.k.a. (1)			100%	100%
GTC Galeria CTWA Sp. z o.o.			100%	100%
Artico Sp. z o.o			100%	100%

Introduction

Environmental impact

Social impact

Corporate governance

ESG results breakdown

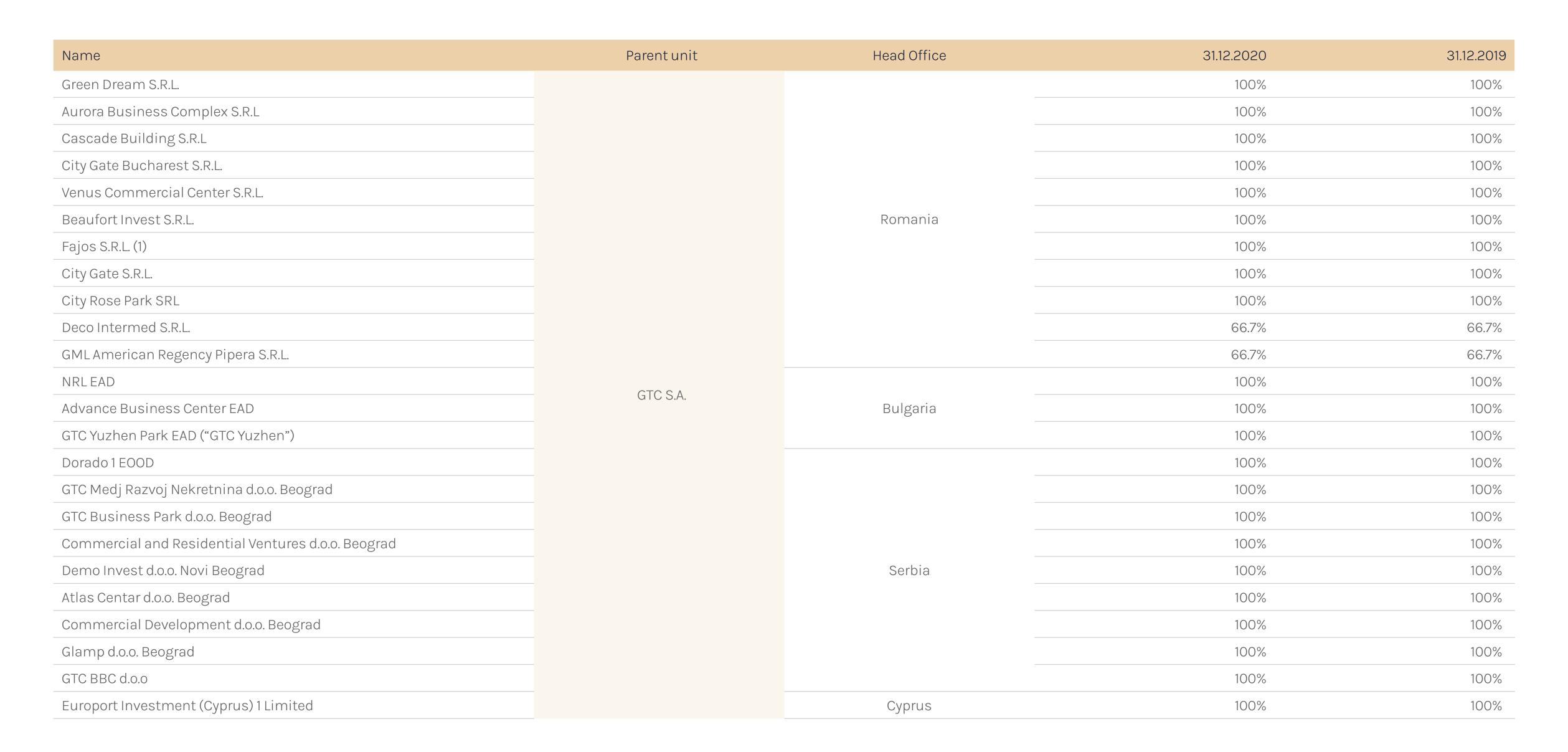
Name	Parent unit	Head Office	31.12.2020	31.12.2019
Julesberg Sp. z o.o. (2)		Dalama	-	100%
Jowett Sp. z o.o. (2)	GTC S.A.	Poland —	_	100%
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")			100%	100%
GTC Duna Kft.			100%	100%
Vaci Ut 81-85 Kft.			100%	100%
Riverside Apartmanok Kft. ("Riverside") (1)			100%	100%
Centre Point I. Kft. ("Centre Point I")			100%	100%
Centre Point II. Kft.			100%	100%
Spiral I.Kft.	GTC Hungary		100%	100%
SASAD Resort Kft. ("Sasad") (3)			-	100%
Albertfalva Üzletközpont Kft.		Hungary	100%	100%
GTC Metro Kft.			100%	100%
Kompakt Land Kft			100%	100%
GTC White House Kft.			100%	100%
VRK Tower Kft			100%	100%
Amarantan Ltd. (4)			<del>-</del>	100%
GTC Future Kft (5)			100%	-
Globe Office Investments Kft (5)			100%	
GTC Nekretnine Zagreb d.o.o.("GTC Zagreb")			100%	100%
Euro Structor d.o.o.	GTC S.A.		70%	70%
Marlera Golf LD d.o.o. (6)		Crootio	100%	80%
Nova Istra Idaeus d.o.o. (6)	Marlera Golf LD d.o.o	Croatia	100%	80%
GTC Matrix d.o.o.			100%	100%
GTC Seven Gardens d.o.o.	GTC S.A.		100%	100%
Towers International Property S.R.L.		Romania	100%	100%

Introduction

Environmental impact

Social impact

Corporate governance

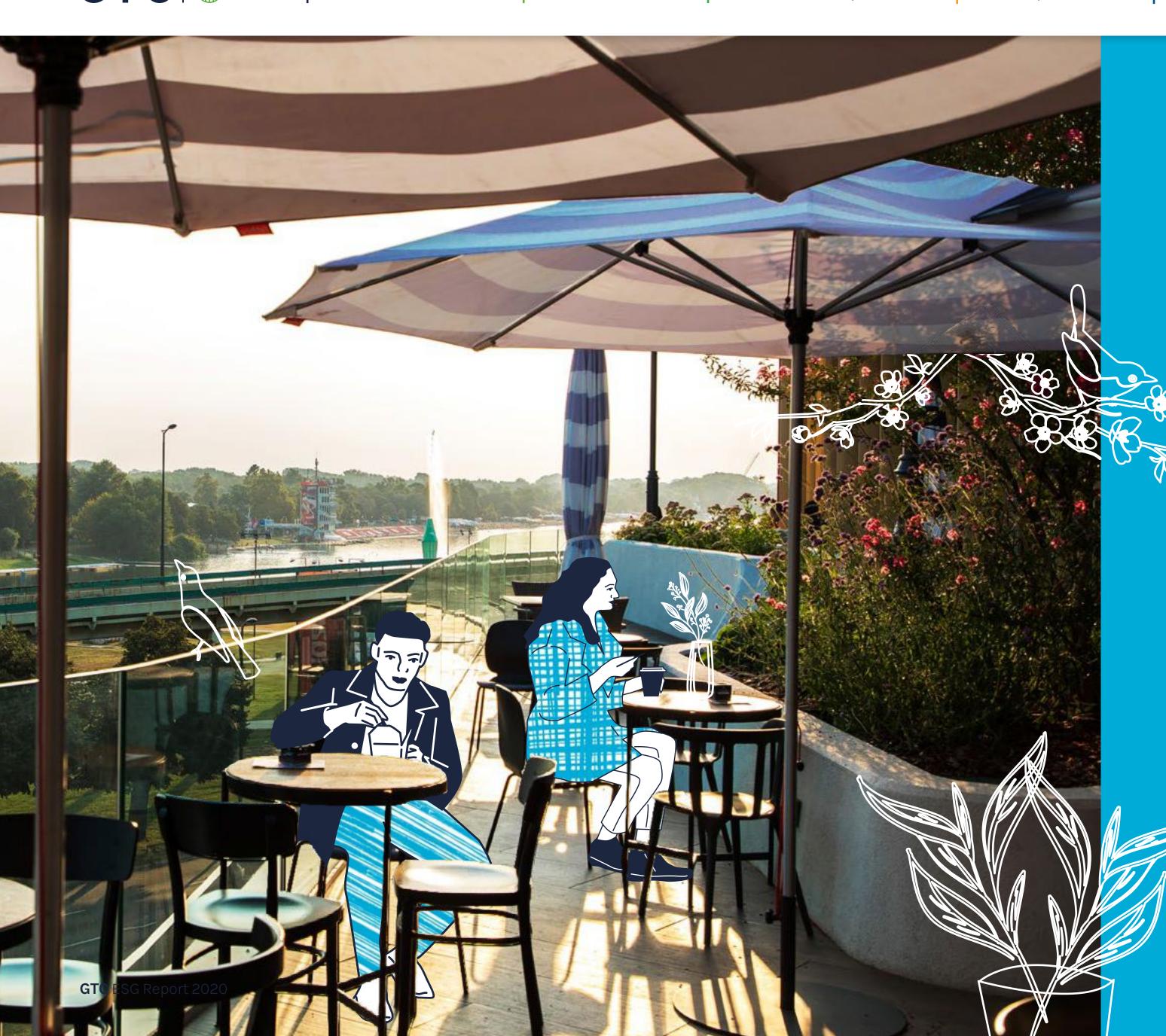


President's letter Introduction Environmental impact Social impact Corporate governance **ESG results breakdown** About the report

Name	Parent unit	Head Office	31.12.2020	31.12.2019
Europort Ukraine Holdings 1 LLC			100%	100%
Europort Ukraine LLC	Europort Investment (Cyprus) 1 Limited	Ukraine	100%	100%
Europort Project Ukraine 1 LLC	(Oypras) i Elititea		100%	100%

- (1) In liquidation
- (2) Liquidated
- (3) Merged with GTC Hungary on 30 September 2020
- (4) Merged with Center Point I on 30 September 2020
- (5) A newly established subsidiary
- (6) Acquisition of non-controlling interests





**Chapter 06** 

# About the report

- 1. Approach to reporting
- 2. Ratios included in the report

# Approach to reporting

GRI 102-3, 102-32, 102-50, 102-51, 102-52, 102-53, 102-54

# This report is the first ESG Report of the GTC Group and includes information about all Group companies.

The report covers the financial year from 1 January to 31 December 2020. We report on an annual basis.

We have developed the publication in accordance with the international reporting guidelines GRI Standards, CORE option. We have also considered the guidelines of the European Commission and TCFD (Task Force on Climate-related Financial Disclosures) regarding reporting on climate-related non-financial information, and the European Public Real Estate Association (EPRA Sustainability Best Practices Recommendations Guidelines), which are relevant for the real estate sector.

The Report has not been audited externally. The data presented was collected using internal reporting systems. The involvement of the top management in the data selection and verification process is a guarantee of its truthfulness and reliability.

Should you have any questions regarding the content of the Report, please contact:

### Małgorzata Czaplicka

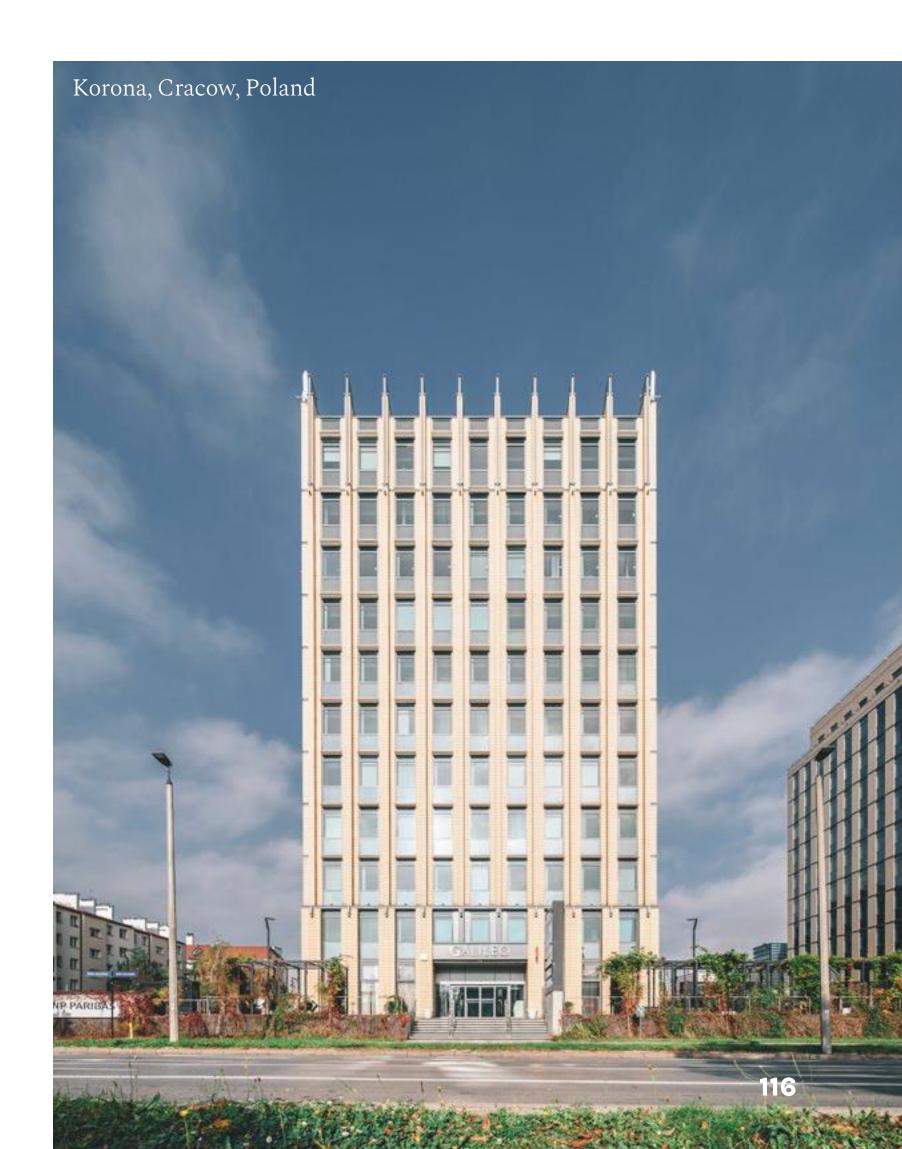
Investor Relations Director Email: mczaplicka@gtc.com.pl

T: +48 (22) 16 60 700 ir@gtc.com.pl

GTC S.A.

KOR 45A

02-146 Warsaw, Poland



# Principle of materiality

GRI 102-32, 102-44, 102-46, 102-47

We have defined the essential topics of non-financial reporting in accordance with the guidelines of the international reporting standard GRI Standards. In the process of identifying topics of particular importance that are relevant both from the perspective of our organization and its socio-economic environment, we considered the results of the opinion poll and expectations of our stakeholders (survey) conducted in the second half of 2020 and the opinion of GTC Group managers determined also as part of a series of workshop meetings.

The Management Board of GTC was involved in the final decisions regarding the materiality of the topics of sustainable development and corporate responsibility and the scope of disclosures in this Report. Members of the Management Board actively participated in the workshop on prioritizing reporting topics.

### In 2020, we have identified 13 reporting topics as significant to our business.

Material topic	ESG area	Impact on the GTC Group	Impact on the external environment
Certification of green buildings	Environmental	Yes	Yes
Climate change	Environmental	Yes	Yes
Circular economy	Environmental	Yes	Yes
Satisfaction of clients/tenants	Social	Yes	Yes
New methods of building relation- ships with customers/tenants during the COVID-19 pandemic	Social	Yes	Yes
Commercial properties management	Social	Yes	Yes
Investments in local infrastructure	Social	Yes	Yes
Community involvement	Social	Yes	Yes
Economic impact	Social	Yes	Yes
Reliable employer	Social	Yes	Yes
Compliance	Corporate governance	Yes	Yes
Transparency and open dialogue with stakeholders	Corporate governance	Yes	Yes
Managing asset risk during the COVID-19 pandemic	Corporate governance	Yes	Yes

# Ratios included in the report



## GRI index (with reference to EPRA guidelines)

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 101. Foundati	on 2016. Basic information [Does not include ar	ny ratios]		
		Profile disclosures [general disclosures 2016]		
GRI 102-1	GRI 102. General Disclosures 2016	Name of the organization	6, 111-114	
GRI 102-2	GRI 102. General Disclosures 2016	Description of the organization's activities, main brands, products and/or services	6-9	
GRI 102-3	GRI 102. General Disclosures 2016	Location of headquarters	6, 116	
GRI 102-4	GRI 102. General Disclosures 2016	Location of operations	6,14	
GRI 102-5	GRI 102. General Disclosures 2016	Ownership and legal form	8	
GRI 102-6	GRI 102. General Disclosures 2016	Scale of the organization	6-7, 14	
GRI 102-7	GRI 102. General Disclosures 2016	Markets served	6-7, 14	
GRI 102-8	GRI 102. General Disclosures 2016	Information on employees and other workers	42, 107-109	
GRI 102-9	GRI 102. General Disclosures 2016	Supply chain	63-65	
GRI 102-10	GRI 102. General Disclosures 2016	Significant changes to the organization's size, structure, ownership, or value chain during the reporting period	8	
GRI 102-11	GRI 102. General Disclosures 2016	Whether and how the organization applies the Precautionary Principle or approach	31-34, 43,	
GRI 102-12	GRI 102. General Disclosures 2016	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	6, 16	

<sup>&</sup>lt;sup>21</sup> Disclosures according to EPRA (EPRA Sustainability Best Practices Recommendations Guidelines).

GTC ESG Report 2020

118

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 102-13	GRI 102. General Disclosures 2016	Memberships of associations and organizations	21	
GRI 102-14	GRI 102. General Disclosures 2016	Statement from senior decision-maker	3	
GRI 102-15	GRI 102. General Disclosures 2016	A description of key impacts, risks, and opportunities	9-13,76-80	
GRI 102-16	GRI 102. General Disclosures 2016	Values, principles, standards, and norms of behavior	68,73-74	
GRI 102-17	GRI 102. General Disclosures 2016	Mechanisms for advice and concerns about ethics	65	
GRI 102-18	GRI 102. General Disclosures 2016	Governance structure of the organization, including committees of the highest governance body	68-71	
GRI 102-22	GRI 102. General Disclosures 2016	Composition of the highest governance body and its committees	68-71	Gov-Board
GRI 102-24	GRI 102. General Disclosures 2016	Nominating and selecting the highest governance body	68-71	Gov-Selec
GRI 102-25	GRI 102. General Disclosures 2016	Conflicts of interest	73	Gov-Col
GRI 102-26	GRI 102. General Disclosures 2016	Role of highest governance body in setting purpose, values, and strategy	68 - 72	
GRI 102-29	GRI 102. General Disclosures 2016	Identifying and managing social and environmental impacts	25 - 35, 68 - 72, 74	
GRI 102-30	GRI 102. General Disclosures 2016	Effectiveness of risk management processes	76-80, 82	
GRI 102-32	GRI 102. General Disclosures 2016	Highest governance body's role in sustainability reporting	72, 80-81, 117	
GRI 102-40	GRI 102. General Disclosures 2016	A list of stakeholder groups engaged by the organization	18-20	
GRI 102-41	GRI 102. General Disclosures 106	Employees covered by collective bargaining agreements	no contracts of such type	
GRI 102-42	GRI 102. General Disclosures 106	The basis for identifying and selecting stakeholders	18-20	
GRI 102-43	GRI 102. General Disclosures 106	Approach to stakeholder engagement	18-20	
GRI 102-44	GRI 102. General Disclosures 106	Key topics and concerns raised by stakeholders	117	
GRI 102-45	GRI 102. General Disclosures 106	Entities included in the consolidated financial statements	111	
GRI 102-46	GRI 102. General Disclosures 106	The process for defining the report content	117	
GRI 102-47	GRI 102. General Disclosures 106	A list of the material topics identified	117	
GRI 102-48	GRI 102. General Disclosures 106	Adjustments in relation to the previous report and reasons for adjustments	Not applicable	
GRI 102-49	GRI 102. General Disclosures 106	significant restatements of information given in previous reports	Not applicable	
GRI 102-50	GRI 102. General Disclosures 106	Reporting period	116	

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 102-51	GRI 102. General Disclosures 106	Date of most recent report	116	
GRI 102-52	GRI 102. General Disclosures 106	Reporting cycle	116	
GRI 102-53	GRI 102. General Disclosures 106	Contact point	116	
GRI 102-54	GRI 102. General Disclosures 106	Claims of reporting in accordance with the GRI Standards	116	
GRI 102-55	GRI 102. General Disclosures 106	GRI index	118	
		Disclosures relating to significant reporting topics		
		Environmental impact		
		Material topic: Certification of green buildings		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	25-27, 80-81	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	25-27, 80-81	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	25-27, 80-81	
Wskaźnik własny	y N/A	Number of green-certified assets and their percentage share in the property's portfolio	25-26, 33-34	
		Material topic: Climate change		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	27-28, 30, 74, 80-81	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	28-30, 74, 80-81	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	28-30, 74, 80-81	
	GRI 302. Energy 2016		35, 86-93	Elec-Abs Elec-Lfl
GRI 302-1		Energy consumption within the organization		DH&C-Abs DH&CLfl
				Fuels-Abs
				Fuels-Lfl
GRI 302-3	GRI 302. Energy 2016	Energy intensity	86-93	Energy-Int
GRI 303-1	GRI 303. Water and sewage 2018	Interactions with water as a shared resource	27-29	

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 303-5	GRI 303. Water and sewage 2018	Water consumption	35, 98-101	Water-Abs Water-Lfl Water-Int
GRI 305-1	GRI 305. Emissions 2016	Direct (Scope 1) GHG emissions	35, 94-97	GHG-Dir-Abs
GRI 305-2	GRI 305. Emissions 2016	Energy indirect (Scope 2) GHG emissions	35, 94-97	GHG-Indir-Abs
GRI 305-4	GRI 305. Emissions 2016	GHG emissions intensity	96	GHG-Int
GRI 308-1	GRI 308. Supplier Environmental Assessment (2016)	Percentage of new suppliers that were screened using environmental criteria	65	
		Material topic: Circular economy		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	27-29	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	27-29	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	27-29	
GRI 306-1	GRI 2020. Waste	Waste generation and significant waste-related impacts	27-29	
GRI 306-2	GRI 2020. Waste	Management of significant waste-related impacts	27-29	
GRI 306-3	GRI 2020. Waste	Waste generated	02-106	Waste-Abs Waste-Int
GRI 306-4	GRI 2020. Waste	Waste diverted from disposal	02-106	
		Social impact		
		Material topic: Satisfaction of clients/tenants		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	49-50	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	49-50	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	49-50	
N/A	Own ratio	Description of methods for measuring customer/tenant satisfaction	49-50	
	Ma	terial topic: New methods of building relationships with customers/tenants during	g the COVID-19 pandemic	
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	52-54	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	52-54	

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	52-54	
N/A	Own ratio	Description of the objectives and results of relationships with customers/ tenants during the COVID-19 pandemic	52-54	
		Material topic: Commercial properties management		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	49 -54	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	49 -54	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	49 -54	
GRI 416-1	GRI 416. Customer health and safety	Assessment of the health and safety impacts of product and service categories	51 - 54	H&S-Asset
GRI 416-2	GRI 416. Customer health and safety	Incidents of non-compliance concerning the health and safety impacts of products and services	52	H&S-Comp
		Material topic: Investments in local infrastructure		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	52	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	52	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	52	
GRI 203-1	GRI 203. Indirect Economic Impact 2016	Infrastructure investments and services supported	57-60	
GRI 203-2	GRI 203. Indirect Economic Impact 2016	Significant indirect economic impacts	38, 52-54, 57-60	
		Material topic: Community involvement		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	55-56	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	55-56	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	55-56	
GRI 413-1	GRI 413. Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	55-62	Comty-Eng
Own ratio	N/A	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	39	Comty-Eng
		Material topic: Economic impact		

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	38	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	38	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	38	
GRI 201-1	GRI 201. 2016 economic results	Direct economic impact	38	
Own ratio	N/A	Contribution to the state budget (broken down by country)	38	
		Material topic: Reliable employer		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	41	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	41	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	41	
GRI 401-1	GRI 401. Employment 2016	New hires and departures	42,109	Emp-Turnover
GRI 401-2	GRI 401. Employment 2016	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46-47	
GRI 403-1	GRI 403. Occupational health and safety 2018	3 Occupational health and safety management system	The companies of the GTC Group have in place an OHS management system compliant with the legal requirements of the markets in which they operate.	
GRI 403-2	GRI 403. Occupational health and safety 2018	B Hazard identification, risk assessment, and incident investigation	Employees are encouraged to report to their superiors and bodies dedicated to OHS management in the company any situations that may pose a threat in the OHS area.	
GRI 403-3	GRI 403. Occupational health and safety 2018	3 Occupational health services	The GTC Group strictly adheres to the principles of personal data protection of employees, in particular their health data. In accordance with the law and internal regulations of the company, we do not allow any breach of the confidentiality rule in this respect. Employees may benefit from additional medical care provided by an independent third party.	

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 403-4	GRI 403. Occupational health and safety 2018	Worker participation, consultation, and communication on occupational health and safety	The GTC Group strictly adheres to the principles of occupational health and safety. In accordance with the provisions of law and internal regulations of the company, the employee is always informed about changes in the occupational health and safety at the workplace by the person responsible for HR in a given country. Changes in the field of health and safety are implemented at least after consultation by the management of a given country. Each employee can submit their comments on health and safety to the Management Board and the HR department.	
GRI 403-5	GRI 403. Occupational health and safety 2018	Worker training on occupational health and safety	The GTC Group companies conduct mandatory OHS training and additional training in this field in accordance with the law.	
GRI 403-6	GRI 403. Occupational health and safety 2018	Promotion of worker health	44, 46-47	
GRI 403-7	GRI 403. Occupational health and safety 2018	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	
GRI 403-9	GRI 403. Occupational health and safety 2018	Type and rate of work-related injuries	45, 110	
GRI 404-1	GRI 404. Training and education 2016	Average hours of training per year per employee	48, 110	Emp-Training
GRI 404-3	GRI 404. Training and education 2016	Percentage of employees receiving regular performance and career develop- ment reviews	48, 110	Emp-Dev
GRI 405-1	GRI 405. Diversity and Equal Opportunities 2016	Diversity of governance bodies and employees	107	Diversity-Emp
Own ratio	N/A	Average years of service in the GTC Group	109	
Own ratio	N/A	Employees working in the GTC Group for over 5, 10, 15 and 20 years	109	
		Corporate governance		
		Material topic: Compliance		
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	74	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	74	

No of ratio	GRI standard title	Name of ratio	No of pages in the report	EPRA Code <sup>21</sup>
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	74	
GRI 205-1	GRI 205. Anticorruption 2016	Activities of the organization/business units assessed regarding risks related to corruption	75	
GRI 205-2	GRI 205. Anticorruption 2016	Communication and training about anti-corruption policies and procedures	75, 110	
GRI 206-1	GRI 206. Anti-competitive Behavior 2016	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75	
		Material topic: Transparency and open dialogue with stakeholde	ers	
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	72	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	72	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	72,82	
		Material topic: Asset risk management during the COVID-19 pande	emic	
GRI 103-1	GRI 103. Management approach (2016)	Explanation of the material topic and its Boundary	82-83	
GRI 103-2	GRI 103. Management approach (2016)	The management approach to material topics	82-83	
GRI 103-3	GRI 103. Management approach (2016)	Evaluation of the management approach to material topics	82-83	
Own ratio	N/A	Description of the objectives and results of asset risk management during the COVID-19 pandemic	82-83	



Disclosures regarding the guidelines of the European Commission and TCFD (Task Force on Climate-related Financial Disclosures) for reporting on climate-related non-financial information

Disclosures	Chapter	No of pages in the report
The impact of climate issues, risks and related opportunities on the business model, strategy, and financial plans of the entity	2	23-35
The main climate-related risks and opportunities for an organization in the short, medium, and long term	2	23-35
Climate-related targets including GHG emission targets (Scope 1, Scope 2)	2	pending
Management oversight of climate-related risks and opportunities	4	76, 80-81
Management role in assessing and managing climate-related risks and opportunities	4	76, 80-81
A description of the organization's processes for identifying and assessing climate-related risks and opportunities	4	76-79
A description of the organization's manner of integrating processes for identifying and assessing climate-related risks and opportunities	4	76-79

# The report was created byt GTC team.

We would like to thanks **CSRinfo** for a substantive support and **Logotomia** agency for a creation.



# 

We provide real estate solutions that improve the way we live.

www.gtc.com.pl