



ESG REPORT 2022

Vantage Development Capital Group



Introduction from the Management Board



Dear Stakeholders,

the past 2022 was a difficult test for the entire property development industry in Poland. The unfavourable economic situation with rising inflation and interest rates effectively limited the purchasing capacity of Poles. The mortgage market, which for many customers is an important support in the process of buying their own property, practically ceased to exist. As a company selling flats, but above all renting them under the Vantage Rent brand, we faced the challenge of further developing our business in times of high uncertainty.

However, the market anxiety was nothing compared to the outbreak of war in Ukraine at the end of February 2022. The influx of millions of refugees from across our eastern border mobilised the entire society to make an effort to provide them with the best possible living conditions during their stay in Poland. As a company, we also joined in this effort, supporting at various levels (financial, in-kind) organisations caring for refugees. We also made 10 Vantage Rent premises in Poznań available to the Erbud Foundation, which was thus able to provide security for the families of their Ukrainian subcontractors. The attitude of our employees, who got involved in helping refugees on their own - by providing or renting flats for them, organising collections or working as volunteers at support points in Wrocław - also deserves a lot of praise. Over time, the situation stabilised and, although we are still waiting together for the war to end, today it can be said that many Ukrainian citizens have found their new home in Poland. Some of them have decided to live in Vantage Rent apartments, where we provide them with service in their native language, thanks to the fact that Ukrainians have also joined our team.

Despite unfavourable circumstances in 2022, we successfully introduced approximately 800 more flats to the rental offer, which enriched the real estate market in Wrocław, Poznań and Łódź. At the end of IQ 2023, our customer base numbered nearly 1,400 satisfied tenants. Thanks to the dynamic growth of the company in recent years, we have become the 2nd largest PRS (Private Rented Sector) market player in Poland in terms of the offer size. This is thanks to good business decisions related to locations and the



Dariusz Pawlukowicz

Vice President of the Management Board



standard of our projects, but above all thanks to the work and commitment of the entire Vantage Rent team.

Internally, we were also focused on the process of operational integration with CG ROBYG, which was acquired by our owner, the TAG Immobilien Group, in March. Working out an optimal formula of cooperation, merging selected back office teams and creating a common Management Board became the basis for building a strong position for the new organisation on the Polish market. You can read more about the process itself on the following pages of this report.

In the area of ESG, we searched for further technological solutions that could positively affect the energy efficiency of Vantage Rent buildings. We invited the Wrocław University of Technology and two renowned engineering consultancy companies to cooperate with us. Information about the results of the analyses can be found in the chapter devoted to environmental issues. There you will also find data on our emissions, which unfortunately increased compared to the 2021 report due to the expansion of our operations and the lifetime of the buildings (this time we provide data for a full calendar year).

Our community engagement, although focused on helping refugees from Ukraine, also included a number of other activities, including the most important one: the employee volunteer programme, 'GOODdoers' [',DOBROczynni']. We decided to put the initiative and responsibility for ongoing charitable projects in the hands of our team members. As a result, a wide and diverse group of beneficiaries from Wrocław and the surrounding area were supported.

In the chapter on management issues, you will find information on the activities that enabled us to maintain a stable market position despite the unfavourable economic situation. It also describes our Compliance policies and anonymous whistleblowing system.

A new element of the ESG report is the statements of our stakeholders, whom we invited to contribute to this publication. These are primarily Vantage Rent employees, but also contractors and representatives of NGOs with whom we had the pleasure of working for many years.

By publishing the second ESG report of Vantage Development CG, we hope that it will be an interesting read which will allow you to better understand the functioning of the organisation and our gradually growing contribution to the sustainable development of the real estate industry in Poland.



Calendar

2022

- 01 ●● start of the „GOODdoers” employee volunteering program (Oryg. „DOBROczynni”)
- 02 ●● **satisfaction survey summary** among Vantage Rent tenants
- 03 ●● **organization of aid** for refugees from Ukraine
- 04 ●● **launch of ESG tab** on Vantage Development website
- 05 ●● „**Children at the construction site**” project in Port Popowice
- 06 ●● **cyber security training** for employees
- 07 ●● start of the „**Summer with Health**” program
- 08 ●● **donations to charges** of ERBUD Foundation
- 09 ●● **joint planting of trees** in Kindergarten No. 56 in Wrocław
- 10 ●● next edition of **Vantage Skills Academy (III)**
- 11 ●● **Compliance webinar** for the team
- 12 ●● cooperation with **Wrocław Hospice for Children**



Integration with ROBYG Capital Group

●.....● [GRI 2-1, 2-9, 2-10]

In March 2022, German group TAG Immobilien, which owns Vantage Development Capital Group (hereinafter referred to as: VD, group, organization, company), finalized the purchase transaction of ROBYG Capital Group (hereinafter referred to as: ROBYG). Like us, ROBYG is involved in the construction and sale of apartments, although on a larger scale – the group operates in Warsaw, Gdańsk, Wrocław and Poznań. Its structures also include ROBYG Construction, whose main task is to carry out development projects for ROBYG Capital Group (and, in the future, investments

from the Vantage Development Capital Group portfolio for rent purposes) on a general contracting basis.

In the following months of 2022, the ROBYG and Vantage Development teams met to develop a new model of cooperation that would maximize the potential of both groups. The closing of the arrangement was the appointment of a new joint management board of ROBYG S.A. and Vantage Development S.A., which have a dominant role in the structures of both capital groups.

New composition of the management board of Vantage Development S.A.

(effective October 21, 2022), appointed by the Supervisory Board:

Eyal Keltsh	Marta Hejak	Dariusz Pawlukowicz
<p>President of the Management Board, CEO</p> <p>Responsibilities: general responsibility, business development, sales and marketing, investment implementation, legal area, real estate management (after-sales),</p>	<p>Vice President, CFO</p> <p>Responsibilities: accounting, finance, controlling, administration, IT</p>	<p>Vice President of the Management Board (2011-2022 Management Board Member)</p> <p>Responsibilities: rental and real estate management segment, HR, ESG</p>

At the same time, Edward Laufer, the long-time President, who had held the position since 2007, left the former two-member management board of Vantage Development S.A.

The remuneration policy of the Management Board and top management (directors) in the Vantage Development group is based on a fixed monthly remuneration and a bonus for achieving operational goals.

Goals for the Management Board are set (and verified) by the Supervisory Board in two groups: i) short-term covering a one-year period and ii) long-term covering a three-year period. Both the Management Board's short-term and long-term goals are driven by the group's business strategy. **Settlement of the Manage-**

ment Board's three-year incentive plan for the period 2020-2022 will take place in 2023.

The group's Management Board, in turn, sets annual goals for the directors, which are accounted for in 12-month cycles and reflect the impact that each department has on the group's business operations and stakeholders externally and internally.

During the reporting period, no additional bonuses, retirement benefits or severance payments were paid in connection with the termination of cooperation.

A new member joined the Supervisory Board of Vantage Development S.A. in 2022: Przemysław Kurczewski (as of May 13). On January 19, 2023, by decision of the General Meeting of Stockholders, Oscar Kazanelson was appointed Chairman of the Supervisory Board, and former Chairman dr Harboe Vaagt was appointed Member of the Supervisory Board.

Supervisory Board of Vantage Development S.A.

Oscar Kazanelson	Chairman of the Supervisory Board
Martin Thiel	Deputy Chairman of the Supervisory Board
dr Harboe Vaagt	Member of the Supervisory Board
Claudia Hoyer	Member of the Supervisory Board
Radosław Biedecki	Member of the Supervisory Board
Przemysław Kurczewski	Member of the Supervisory Board

Changes in operational activities

●.....● [GRI 2021: 2-1, 2-28]

Integration of the organization takes place at the operational level, but not at the formal level. Both ROBYG and Vantage Development continue to operate as separate business entities, retaining a degree of independence as specialized tasks are carried out.

ROBYG: operating development projects in the sales segment, construction of investments (sales, rental) as part of ROBYG Construction’s operations, after-sales service, real estate management.

Brand: **ROBYG**

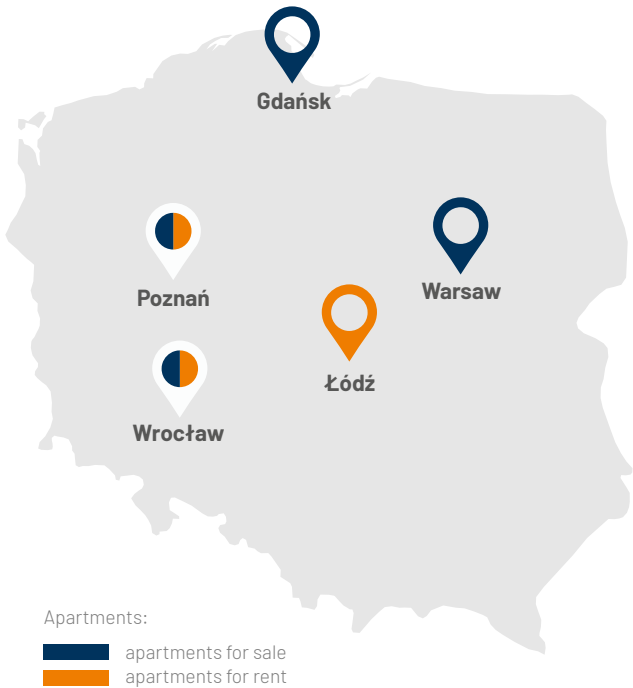
Vantage Development: comprehensive management of rental product - design, marketing promotion, tenant acquisition and service, real estate management with apartments for rent.

Brand:  **VANTAGE RENT**

The sale of the units, previously carried out by the company under the Vantage Development brand, was taken over by ROBYG in November 2022.

Future plans

There have also been changes in the area of development plans for both entities. Together, ROBYG and Vantage Development plan to sell about 2,500 units per year (Warsaw, Gdańsk, Wrocław, Poznań) and offer 3,300 apartments for rent to customers (as of the end of 2024) under the Vantage Rent brand in Wrocław, Poznań and Łódź.



Products

●● [GRI 2-1, 2-28]

Vantage Development Capital Group, based in Wrocław, has been operating on the Polish real estate market for more than 15 years. The parent company in the group is Vantage Development S.A., a member of the Polish Association of Real Estate Developers and the Western Chamber of Commerce. For most of this period, we specialized in residential and mix-use projects in Wrocław and Warsaw. Today, our business is focused on developing a portfolio of apartments for rent under the Vantage Rent brand. The immediate driver for change in our business strategy was the acquisition of 100% shares of Vantage Development by TAG Immobilien group based in Hamburg, in 2020. Since then, we have consistently strived to create the largest network of institutional rental housing (PRS – Private Rented Sector) in Poland. We still have projects with units for sale, in 2022 these were Port Powice and Cieszyńska 97.

Market environment

In 2022, the situation in the real estate market has changed dramatically due to local factors, but also the international situation. Rising inflation levels have prompted the Monetary Policy Council to make a se-

ries of decisions to raise base interest rates. In January 2022, they amounted to 2.25% to reach 6.75% by the end of the year. This had a considerable impact on the entire real estate market. The number of mortgage applications submitted fell month by month, as the creditworthiness of Polish families steadily declined. In the second half of 2022, purchases of residential units were made mainly by customers with sufficient resources in cash. The 35% year-on-year drop in sales also affected the plans of many developers, who decided to postpone the decision to start new construction and expand their offerings. In the future, this could lead to an insufficient supply of units (e.g., in 1-2 years) and a further increase in unit prices. In the absence of the possibility of buying their own real estate with bank support, many young Poles have turned their interest towards the rental market. It was further enhanced by the arrival of millions of refugees from Ukraine, fleeing the armed conflict that has escalated within their country since February 24. The inadequate supply of units on the market and the large number of customers interested in renting have led to a situation of rapidly rising rental prices. Rental costs continued to rise (although no longer as dynamically)



until the end of Q3, to finally stabilize at a still high level by the end of the year. According to market data collected by our analysis section, the average level of rents in 2022 increased: in Warsaw by 34%, Wrocław by 27%, Gdańsk by 24%, Łódź by 23% and Poznań by 19%.

Despite the fact that the PRS sector (11,700 at the end of 2022 according to our estimates) represents only a fraction of the rental market offerings, it has become a topic highly discussed by politicians in the press at the end of 2022. The government side considered tax and legal solutions to limit the number of transactions in the PRS market, which, according to representatives of various ministries, will further increase housing prices. Meanwhile, it is mainly related to the high cost of land (of which there is insufficient supply), construction materials and workmanship. The number of

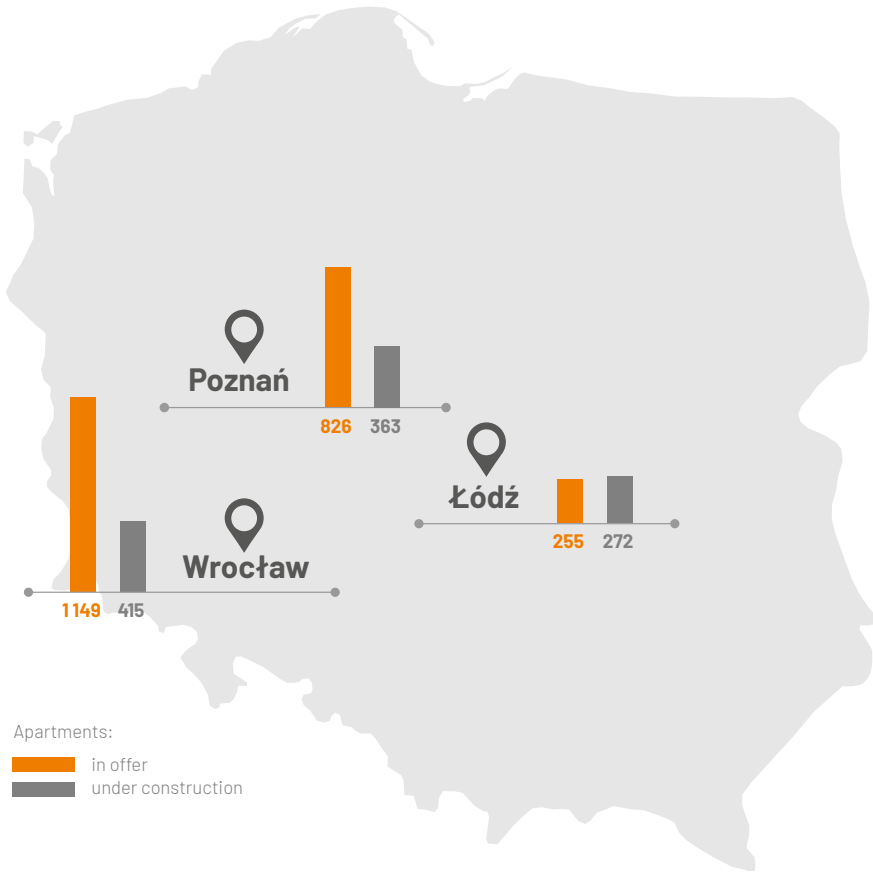
wholesale purchases of rental units has already dropped to 2019 levels on its own, due to the economic situation across the European Union and the conflict in Ukraine.

Vantage Rent portfolio development in 2022

[GRI 2-6]

Under these exceptional market conditions, the company continued to develop its apartments for rent portfolio under the Vantage Rent brand in 2022. In 12 months, we put nearly 800 new units into service, thanks to further investments completed in Wrocław, Poznań and Łódź. We therefore currently operate in three different local markets, ensuring that, regardless of location, we maintain a high standard of the product itself, as well as service to tenants.

¹ According to BIG DATA Rynekpierwotny.pl, <https://strefainwestorow.pl/artykuly/nieruchomosci/20230105/rynek-mieszkaniowy-polska-2022>, [accessed: 31.01.2023]



In addition to completed projects and those still under construction, we own land, allowing us to prepare investments with another 10,000+ rental units. The

decision on when new construction will begin is largely dependent on the economic situation in Poland, but also in Western Europe.

Product: apartments for rent

We want our tenants to feel, above all, comfortable in Vantage Rent apartments. To achieve this goal, we draw on the team's years of experience in the field of investment implementation to ensure that the projects we target for rent are no different from those we have offered for sale in the past.

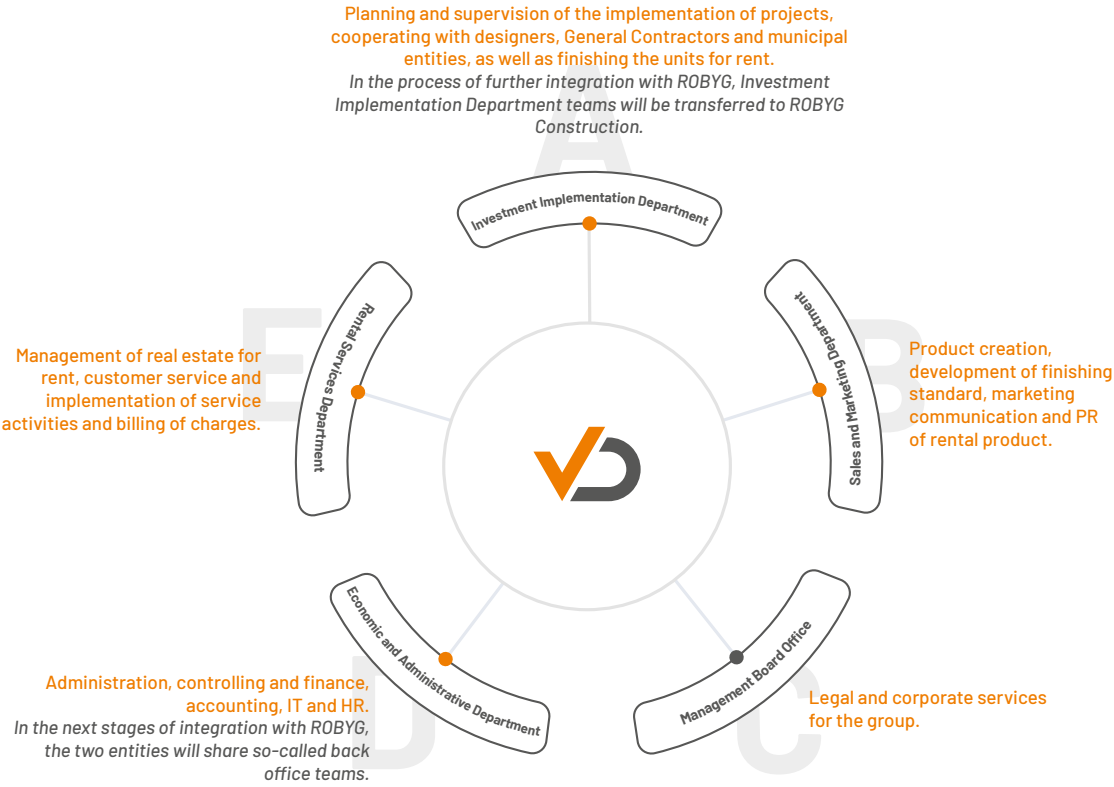
We want renting to become as good a way of meeting housing needs as buying a flat in the opinion of Poles in the future. We realize that this will be a multi-year process requiring changes in consumer attitudes. However, we are convinced that the diversification of the Polish real estate market is highly desirable, first and foremost on the part of customers.

We take care to create the necessary infrastructure, in almost every investment we design commercial units on the ground floor, where later stores and service points are located, accessible to tenants and our neighbours (we do not fence the estates). Vantage

Rent apartments are fully furnished (kitchen and built-in cabinets, bathroom, movable furniture) and equipped with energy-efficient household appliances. We support our tenants in leading a greener lifestyle by installing water purification filters and waste separation containers in the units. At the end of 2022, we also launched a dedicated **Vantage Rent ECO website**, where we have compiled information and practical advice on how to save utilities and use household appliances in an eco-friendly way. The service is available in 3 language versions. In addition, in 2022 we realized a pilot event at Buforowa 89 promoting sustainable transportation among tenants. To learn more about it, see pages 26-27 of this publication.



The entire Vantage Development team is involved in the process of developing a key product for our business. Specialists and managers, responsible for the complex preparation of apartments for rent and the subsequent service of real estate and tenants, work in 5 departments:



Creating and renting PRS apartments in 10 steps

●● [GRI 2-6]

Like the developer process, the preparation and management of the rental product involves several stages. The teams involved in the development of the project work in parallel and in close cooperation to deliver the product to the market, according to a pre-approved schedule and budget.





At almost every stage, our team members are supported by external business partners. Our contractors are reliable and proven companies that frequently cooperate with us on various projects. Among the general contractors, Erbud S.A., Unidevelopment S.A. or Mostostal Warszawa S.A. are certainly worth mentioning. In terms of functionality, but also aesthetics of our projects, we cooperate with numerous architectural studios from Wrocław, Łódź and Poznań. These include Design Lab Group, Uni-Form, 22 Architekci, ISBA Grupa Projektowa and Group Arch.

Acquiring Vantage Rent tenants

The marketing communication of our product is based on clear, transparent rental rules and inclusivity. All costs associated with renting an apartment in the Vantage Rent building are presented in the offer on the website, as are photos of the units, a map with the location of the project and a list of amenities within the building (storage units, parking spaces). We are open to our customers, regardless of their family status or pets they own. This puts us in some opposition to private landlords, who often refuse to let families and four-legged admirers rent an apartment for fear of overusing the premises.

Our openness is also evidenced by the fact that a large group of tenants are foreigners - at the end of 2022, about 40% of all our customers. With them in mind, we conduct communication in three languages: Polish, English and Ukrainian. This proved particularly important last year, when refugees came to Wrocław and Poznań in search of rental units following the outbreak of war in Ukraine. On the communication side, we were ready to ensure that they were completely comfortable with the advisors and the entire process,

heading towards the signing of the contract. A description of our activities in this area can be found on page 24 of the report.

After expressing initial interest in Vantage Rent offer, we invite potential tenants to the project site to view the selected apartment(s). This is the time to freely ask questions and resolve any doubts, regarding the terms and conditions of the rent and the product itself. In order to provide both parties to the contract with a sense of security, we offer prospective customers to go through a financial verification process offered by a third-party provider: Simpl.rent company. The prospective tenant's identity, income and credit history are checked. The action is carried out in a secure virtual space, and Vantage Development receives only a positive or negative evaluation of the process. For us, it is, of course, confirmation of the financial capabilities of the future tenant, and for the tenant it is information that he/she can afford to rent an apartment from our offer.



At simpl.rent, we put transparency first - in developing our products, we ask ourselves how we can make the rental market equal for everyone, and make trust between parties a standard, not an option. The partnership with Vantage Rent is fully in line with our values as an organization and allows us to spread good practices to a new group of customers. For us, partnership with the brand is synonymous with development in the area of institutional rental, exchange of experience and learning about the real estate rental market from the perspective of many parties. And above all, an opportunity to make the idea of easier and more equal rent even more effective.

Filip Dykas
Co-founder, simpl.rent



We strive to make our product as attractive as possible to prospective customers in terms of project location, layout and apartment amenities. Back in January 2022, we conducted the first satisfaction survey among our tenants to find out their evaluation of the product and rental service. When setting rental price lists, we take into account not only the size of

the unit itself, but, above all, we collect detailed data, regarding the offer of competitors in a given location. Thus, young people (including students) are offered apartments often to a higher standard than private landlords, yet at competitive prices and with professional service.



Service: rental service

Once the contract is signed, the tenant is assigned a dedicated advisor, who from then on is the main point of contact for the customer, communicating with him/her by email, phone or face-to-face meetings. The tenant is also given login credentials for the Electronic Customer Service Office (EBOK), where, once logged in, he or she gains access to a wide range of materials in which he or she can find useful information on apartment operation and billing. The basic document is the Tenant's Essentials, which collects information on, for example, installed household appliances, contacts to service points or rules for using common areas. EBOK also publishes announcements related to current events of an organizational, but also lifestyle nature (e.g., invitations to tenant events).

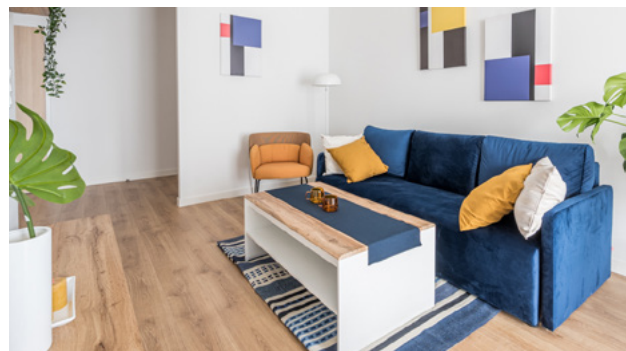
In the past year, we have offered our tenants the opportunity to use additional services, such as washing upholstery and mattresses, cleaning the apartment or tending the garden. At the beginning of 2023, we expanded our offer with the "Explore the neighbourhood with a discount" program (Oryg. „Poznaj okolicę z rabatem”), to which we invited owners of stores and service outlets in the vicinity of our Vantage Rent projects in Wrocław. Tenants, in these selected locations, can take advantage of a dedicated discount upon presentation of a special electronic card, confirming the rent of an apartment in the Vantage Rent network. In the future, the project will continue to expand with new partners and more locations outside of Wrocław. More details on **the dedicated website**.

In mid-2022, our team also faced a renegotiation process in which customers, after the first 12-month contract, had to decide whether or not to renew their rental period. All activities involving this process have been prepared by VD staff to the extent that they can be automated as much as possible. To learn more, see page 52 of this report.



In a customer satisfaction survey conducted in 2022:

- EBOK portal received an average rating: 4.2 points (on a 5-point scale, where 1 – denotes a very negative rating and 5 – a very positive rating),
- **68%** of tenants agreed that in response to their application, the response from Vantage Rent team of rental advisors was fast enough,
- **93%** of tenants believe that the way utilities are billed is simple and clear.



Product: commercial units for rent

Part of the infrastructure on estates with buildings for rent are commercial units located on the ground floors of the projects. They serve primarily as stores and service outlets for tenants, but also for neighbours. Grocery shops, beauty salons, beauty supply shops,

confectionery, a hair salon or a notary public office are set up in the commercial spaces.

In 2022, we rented 18 units with a total area of 1,720 sq.m in Wrocław and Poznań.



Product: apartments and commercial units for sale

Over the dozen years of Vantage Development operations on the primary market, we have managed to build a strong position in the real estate sector, mainly in the capital of Lower Silesia. In Wrocław, we are known for the implementation of more than a dozen projects (in several dozen stages), practically all over the city. Among them, it is worth mentioning the following: the new self-sustaining district of Wrocław Promenady Wrocławskie, Dorzecze Legnickiej investment, Nowy Gaj, Centauris or, in recent years, Port Popowice. The sales offer has always been complemented by com-

mercial units on the ground floors of the projects, which have been adapted over time into essential stores and service outlets, such as restaurants, bakeries, florists, beauty salons, medical or veterinary offices, as well as kindergartens and nurseries. We have also developed 2 office buildings in the area of Promenady Wrocławskie, which have made the district a complete place to live and work.



mercial units on the ground floors of the projects, which have been adapted over time into essential stores and service outlets, such as restaurants, bakeries, florists, beauty salons, medical or veterinary offices, as well as kindergartens and nurseries. We have also

While implementing investments, we took care to create road, bicycle and pedestrian infrastructure. In recent years, we have contributed to the creation of a new tram line, connecting the Popowice estate with the center of Wrocław. Starting in 2020, we gradually reduced sales, developing the segment of apartments for rent. Last year, we offered our customers only apartments in Port Popowice (stage IV) and the Cieszyńska 97 project (total: 297 units sold and 309 hand-overs of units). At the same time, we also sold 15 commercial units, with a total area of 1,900 sq.m, mainly in the Port Popowice investment area in Wrocław.

IMPLEMENTATION AND SALE OF UNITS BY THE END OF 2022



Number of units sold
6 137



Number of projects
18



Number of stages
41

Stakeholders

●● [GRI 2-29]

The company first conducted a stakeholder analysis in 2021. The assessment focused on the impact of each group on the organization and their interest in the company's activities, the opportunities and risks of working with them, the type of relationships or communication channels used. Identifying stakeholders and learning about their expectations was a necessary step to better understand the company's operating context and plan ESG activities in the future.

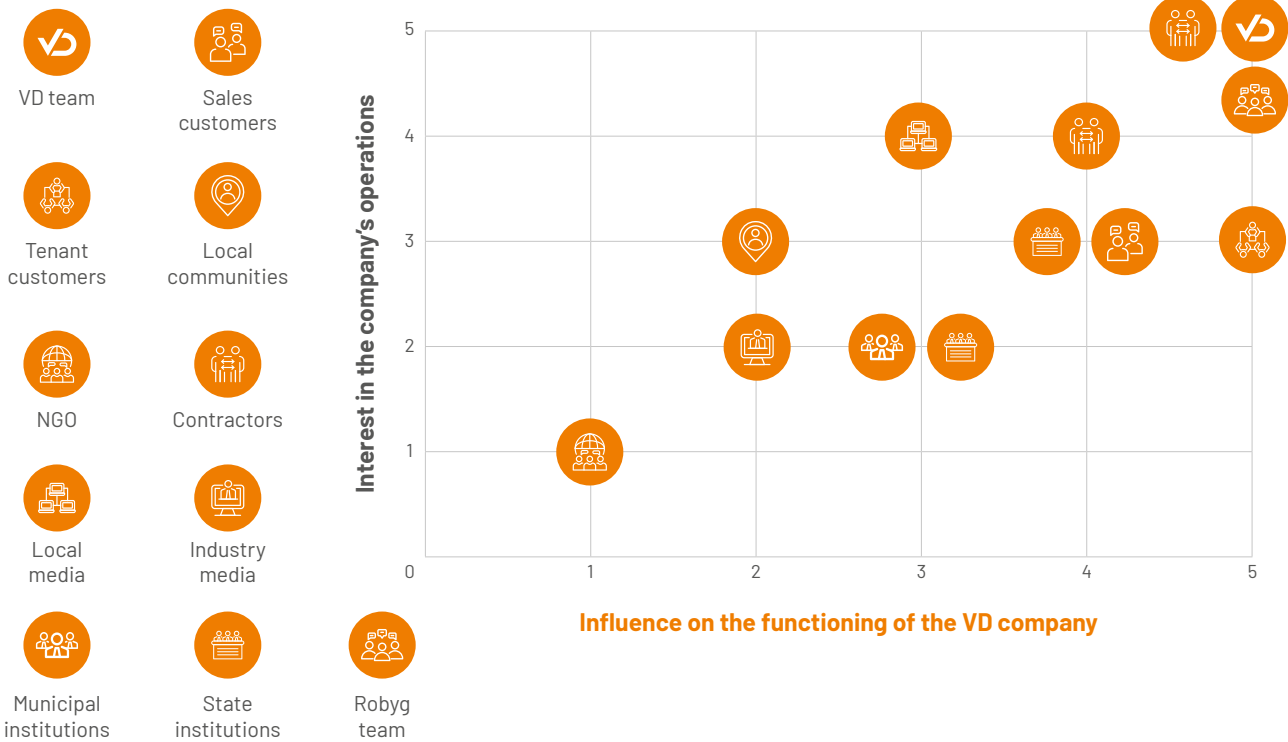
Information on stakeholder needs is gathered using a variety of tools - satisfaction surveys or focus groups in the case of tenants, face-to-face meetings in groups of employees (e.g., in the implementation of the VD value selection project), daily communication with contractors, or contact with NGOs who communicate their needs to support selected initiatives. What certainly characterizes Vantage Development as a business entity is its great openness to the external environment and feedback. On the company's ESG website, you can find a direct contact to the person

in charge of stakeholder relationship management. If they wish to remain anonymous, they can also contact the organization through an online form as part of the whistleblowing system. We write more about this procedure on pages 81-82.

In the 2022 matrix has undergone significant changes in the process of reassessing the situation and stakeholder expectations, as described below.

They were influenced by:

- a change in the internal situation of the organization, related to the integration with ROBYG Capital Group,
- development of the rental portfolio in further Polish cities,
- deteriorating economic situation in Poland and the conflict in Ukraine.



New stakeholder group

Between April and December 2022, representatives of Vantage Development and ROBYG met several times at various meetings to develop a new formula for cooperation between the organizations. Discussions included the management of internal processes and human resources and the implementation of IT systems, as well as the division of competencies be-

tween companies. According to the reporting group of Vantage Development, interest in the company's operations and impact of ROBYG were rated highest on a 5-point scale. This has to do primarily with the close cooperation between members of both teams, as well as the use of best practices in the structures of both companies.

Increased role of customers (sales/rental)

In the prevailing 2022 macroeconomic conditions and restrictions on access to mortgages, we have clearly seen an increase in interest in the company's operations from customers buying apartments. Those who were ready for such a large financial expense, investing their own capital in the purchase process (without the bank's support) were much more diligent in the process of comparing developers' offers. They were interested not only in the apartments, their location, standard or additional amenities, but also in the level of after-sales services and offer promotions, prepared by Vantage Development.

In the case of tenants, as the portfolio of Vantage Rent apartments has grown, so has the number of customers served by our team. This means hundreds of emails, phone calls received and in-person meetings at Vantage Rent projects areas, no longer only in Wrocław, but also in Poznań and Łódź. In the next few years, when the rental portfolio reaches more than 3,300 units (by the end of 2024), the role of tenants and their influence on the company's operations will be even more important.

Reliable contractors

Russia's attack on Ukraine in February 2022 also affected the company's operations, especially in the area of investment implementation. The first months of the conflict were a time of great uncertainty at construction sites. On the one hand, there was a temporary shortage of some materials (e.g., steel), which could delay the project's completion date; on the other hand, the General Contractors' subcontractor employees, who were from Ukraine, often considered

returning to their families. At this time, it has become more important than ever to communicate openly and clearly present positions so that joint ventures can be completed successfully. Despite the difficulties, construction was carried out as planned, and the company was able to provide additional support to subcontractors' employees coming from Ukraine, as can be read on page 55.



State institutions and the PRS market

In the autumn of 2022, the government announced in the media that it would introduce new regulations that would limit the number of transactions in the PRS market. Government authorities see in the development of the institutional rental market a threat to Poles' plans to buy their own apartment. According to the government, the growing new rental sector is having an impact on rising unit prices, and it is the state's job to support Poles on their path to ownership. The announcements also included the enactment of, among other things, a higher real estate tax on PRS buildings.

The rhetoric carried out in this way negatively affects the perception of Poland by entities in the institutional rental sector as an attractive place for further investments. Indeed, in the future, it may turn out that transactions and maintenance of PRS investments will incur a higher tax burden.

A group of stakeholders in the form of state institutions not only increased their interest in the institutional rental industry in 2022, but also began to have a greater impact on the sector as a whole, including Vantage Development, through ongoing communications in the media.

VD team

I level stakeholders

Form of engagement: dialogue

» What do they expect?

In 2022, the expectations communicated by the Vantage Development team primarily related to employment stability and concerns about changes in the internal and external environment. The anxiety generated by the ROBYG integration came to the fore, as did the decline in the number of apartments sold on the market and the outbreak of conflict in Ukraine. Information, regarding the future of the organization and further development in other cities, was the subject of numerous discussions during official meetings, as well as informal communication.

In addition, Vantage Development team members expect attractive remuneration commensurate with their duties, opportunities for promotion and further development, as well as clear and open internal communication. In this regard, there have been no significant changes since 2021, although the need for incre-

ases in remuneration has become much more urgent due to inflation.

» How do we respond to their needs?

The HR team regularly commissions preparation of remuneration benchmarking reports so that the organization can offer market-attractive salaries. The company also has an incentive system, under which Vantage Development shares profits earned with employees. The decision to award an annual bonus depends on the organization's achievement of the operational goal and financial results for a given year. Distinguished team members are further rewarded at the company's annual gala. The company does not apply a system of inflationary remuneration adjustments, but in the past year a remuneration adjustment for a significant number of positions took place.



The company also offers numerous benefits including: private medical care, preferential terms for group insurance or the use of a Multisport card. The team can develop new competencies through subsidized training, postgraduate studies and regular English language learning. In 2022, the company has contributed PLN 283,217 for this purpose.

The HR/PR section also prepares events for the Vantage Development team, with a Company Gala in 2022 to celebrate the organization's 15th anniversary, a company-wide integration in Wrocław and a joint Christmas party for the combined ROBYG – Vantage Development team. Employees were also invited to participate in the „GOODdoers” employee volunteering program, in which the company granted funding to carry out charitable events with their participation; to learn more, see page 57-59. Team members involved in helping refugees from Ukraine were also able to take 1 additional day off for volunteer work.

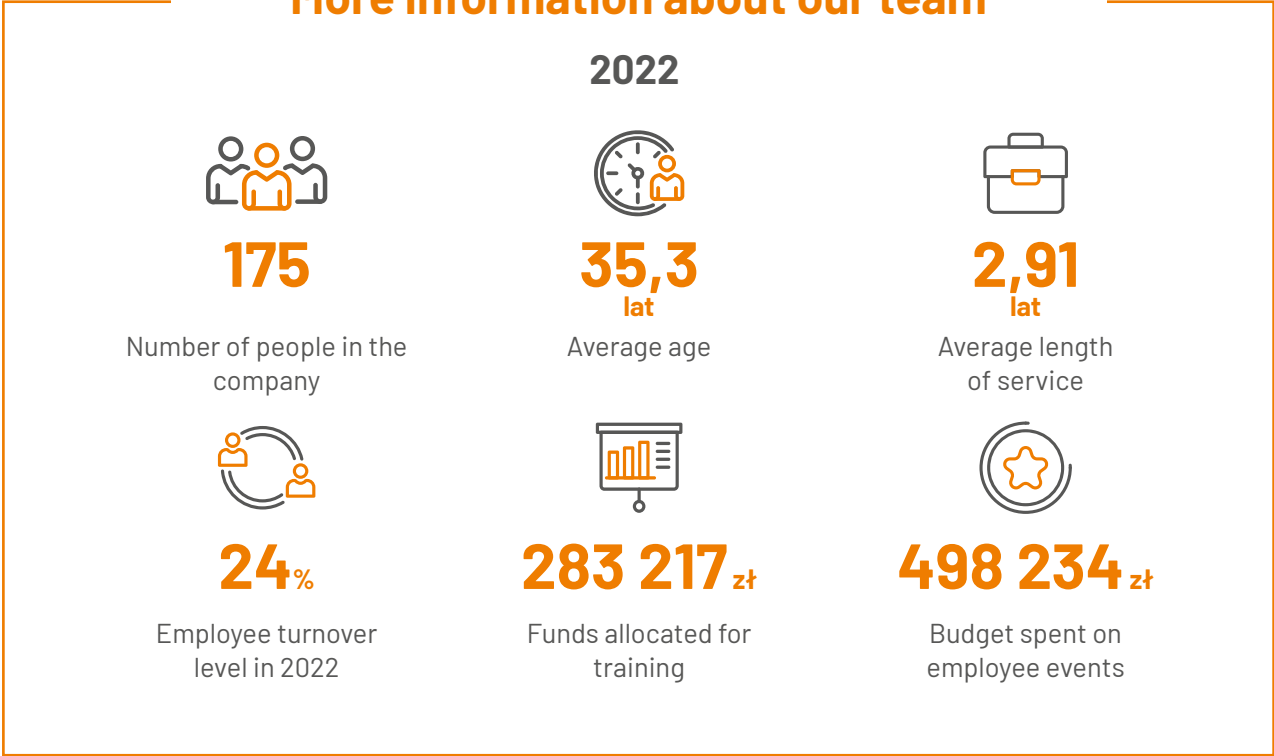
» **How do we communicate with stakeholders?**

There is constant, ongoing and two-way communication with members of the Vantage Development team. Among the channels used, it is worth mentioning the following: an extensive intranet with the ability to comment and interact with other team members, regular newsletters, information exchange through the Teams application, and face-to-face and online meetings.

A new way to communicate with the team, introduced in 2022, is Chat with Management Board. This is an online event implemented through a meeting on the Teams application. Each time, the event began with a short presentation from the Management Board, only to move into the second part with anonymous questions from the team. For this purpose, an online tool was used – the external platform AhaSlides, which allowed employees to post their messages to the Management Board on a virtual board. The President and a Board Member answered all questions live. Then, after the meeting, a Q&A post with a summary of the event appeared on the intranet.

[GRI 2021: 2-7] ●.....●

More information about our team



Employment structure by contract type and gender:

	Women	Men	Total
Team members	120	55	175
Employment contracts:	97	24	121
fixed term	24	6	30
<i>of which part-time</i>	1	0	1
indefinite time	73	18	91
<i>of which part-time</i>	1	0	1
Other contracts (total)	23	31	54

Employment structure by location:

	Wrocław	Poznań	Gdańsk	Łódź	Kraków	Warsaw	Total
Team members	143	22	2	6	1	1	175
Employment contracts:	103	13	0	4	0	1	121
fixed term	19	7	0	3	0	1	30
<i>of which part-time</i>	1	0	0	0	0	0	1
indefinite time	84	6	0	1	0	0	91
<i>of which part-time</i>	1	0	0	0	0		1
Other contracts (total)	40	9	2	2	1	0	54

Several factors contributed to the changes in the employment structure compared to 2021:



- the development of apartments for rent portfolio in Wrocław, but also in other cities, led to the expansion of the teams involved in acquiring and then servicing tenants. There is also a new employee in Warsaw who is part of the combined RO-BYG-Vantage Development IT team,



- in the customer service and back office teams, women are in the majority, hence the increase in their share of the overall employment structure with the company's transformation from a developer to a service company,



- in 2022, we have completed a number of construction projects, and due to the current economic situation, we have not started new ones. Therefore, we decided to change the formula of cooperation with supervision inspectors, who continue to work on projects on behalf of an external company. As a result, the share of men in the organization's structure has declined.

ROBYG team



» What do they expect?

In the process of integrating the operations of the two entities, our partners on the part of ROBYG expect first and foremost a rapid exchange of information and experience. The first months of cooperation required the companies to get to know each other in the areas of products and services, procedures and policies or human resources management.

» How do we respond to their needs?

The VD team at various levels of the organization participated in meetings with ROBYG. Sections, responsible for specific areas of the company's operations, met with their counterparts on the other side. There has been an exchange not only of information about the current operations of the organization, but also of documentation for its subsequent consistency. Their needs, therefore, were directed mainly toward gathering data about the company and constructive discussions about the possibility of later close cooperation.

In the area of employee benefits, where there was a need to unify the offer of employers, there was a clear call for the changes not to make things worse for

either party. In February 2023, uniform rules were introduced for the VD and ROBYG teams, which were received positively. To learn more about the benefits offered by Vantage Development, see page 70.

» How do we communicate with stakeholders?

Communication between the teams took place via email, phone calls and face-to-face meetings in the offices of both organizations, in different cities. There were also two major stationary events: a meeting of the new Management Board with the management staff on October 18 in Wrocław, and the company's Christmas Eve on December 16 in Serock, near Warsaw, to which both teams were invited.

To strengthen the flow of information, a joint intranet was established in the second half of January 2023, available to employees of both organizations. There is information on VD and ROBYG news, unified compliance and GDPR documentation, ESG materials, an address book and a position structure. The intranet content management team consists of employees from both organizations.

Sales customers



» What do they expect?

In the area of the product offered, customers expect spacious and functionally designed apartments in attractive locations. Buying an apartment is a big financial expense, whether it involves bank support or not. Therefore, customers expect clear and reliable product information, adherence to the agreed schedule of apartment hand-overs, and delivery of the unit with an adequate level of quality. Buyers are

also focusing on the immediate surroundings of the buildings: how is the area around them developed, what is the greenery, what are the recreational areas and other amenities? Finally, customers expect an appropriate level of service: responding promptly to their inquiries, being flexible in contract negotiations and ensuring that their personal data is protected.

» How do we respond to their needs?

Until November 2022, a team of professional advisors operated within the company's structures, who are now already continuing to sell apartments in the Port Popowice and Cieszyńska 97 projects in Wrocław under the ROBYG brand. They continue to use a professional CRM system, based on the leading Salesforce platform, where they manage customer communications.

We designed investments for sale in accordance with current trends in architecture, in attractive locations and with attention to detail. Our mission has always been to create projects that satisfy buyers' expectations - the need to live among greenery, proximity to stores and service outlets on the estate or recreation with children on the playground.

We reliably fulfil our obligations, handing over our apartments to customers according to the approved schedule. If there have ever been minor delays in the

company's history, they were solely related to external factors beyond the control of our team. We then maintain open communication with buyers and inform them in advance of any inconvenience.

Once the apartments are handed over to the customers, we legally remove defects under the 5-year warranty provided for the investment. We are supported in this by the General Contractor's employees and its subcontractors. In the event that we consider a defect to be unfounded, we inform the customer of this fact, often supporting ourselves with the expertise of external experts.

» How do we communicate with stakeholders?

Communication is mainly through phone calls, email exchanges and face-to-face meetings at the showroom located in Port Popowice in Wrocław. If there is an opportunity and we can provide safe conditions for customers, we also invite them to the site during Open Days.



Tenant customers

» What do they expect?

The needs of our tenants are focused on gaining access to attractive apartment for rent with a high level of service at an affordable price. The relationship between these two values is crucial for them when deciding whether to sign a rental contract. According to a tenant satisfaction survey we conducted in early 2022, in addition to price, tenants were also guided by the location of the apartment (30%) and the fact that the landlord is a company, not an individual (25%)². Tenants expect to be treated as partners by the apartment provider, they expect stable rental terms and conditions, flexibility to shorten the contract, transparent billing of utility charges and a discount program for regular customers.



» How do we respond to their needs?

According to the results of the previously cited survey, our tenants are very positive about our product as well as the rental service itself. According to those surveyed:

- communication in the process of signing the rental contract is clear **(71%)**;
- units are equipped with furniture and household appliances adequately **(80%)**;
- functionality of the Electronic Customer Service Office (EBOK) was rated **4,2** (on a scale of 1-5);
- billing of utility charges is clear to tenants **(93%)**.



As many as 93% of our tenants would recommend a Vantage Rent apartment to their friends and family members. High customer satisfaction is also evidenced by the fact that in the process of renegotiation of the units, which began in mid-2022, as many as **80%** of tenants decided to renew their contracts for another term.

In addition to sending out the survey electronically, we also invited our tenants to participate in focus surveys conducted on behalf of Vantage Development by the BEELINE Research & Consulting agency³. The purpose of the meetings was to deepen the issues and assessments that emerged from the quantitative survey. Among the tenant expectations expressed during the moderated discussion, it is worth mentioning the following:

- organization of team-building events with the participation of tenants and the Vantage Rent team (see Case study 1, on page 26, for a description of events completed in 2022);
- creation of discount program for tenants „Explore the neighbourhood with a discount“ in cooperation with local stores and service outlets (the initiative was launched in January 2023 in the first instance for tenants from Wrocław, **more information**).

Tenants of Vantage Rent apartments are our key stakeholders, so we undertake numerous initiatives to

respond to their needs in a wide range of ways. However, it is worth adding that this is not always possible. One of the requests that arose from tenants during the focus group meetings was the possibility to flexibly terminate the rental contract in exceptional situations (e.g. job loss, illness, major life changes, etc.) without incurring additional costs. This is a need that, unfortunately, we cannot meet, because our business model is based on long-term contracts. Unlike short-term rentals, we want to offer customers stability and security that will make them stay as a tenant for the long term. A low turnover among customers is therefore expected by us, as it allows us to build neighbourhood relations and a sense of community. From the point of view of economics and the amount of margin on apartment rentals, the possibility of terminating the contract before its scheduled completion negatively affects the profitability of PRS.

² Self-administered survey, conducted via electronic form from 11-19.01.2022 on a sample of Vantage Rent tenants. Number of completed forms: 167, representing 46% of the group of potential respondents at that time. The forms, as well as all communications related to the survey, were conducted in three languages: Polish, English and Ukrainian.

³ Survey in the form of 3 online focus groups with the participation of Vantage Rent tenants, implemented on 22,23,24.02.2022. The meetings were attended by residents of three investments: Małopanewska 4, Legnicka 33 and Buforowa 89 in Wrocław.

» How do we communicate with stakeholders?

In our organization we use the principle of communication without barriers, so service to our tenants is provided in Polish, English and Ukrainian. In 2022, we carried out various activities aimed at providing our foreign customers with unhindered access to information. Our intention was to make every tenant, regardless of their origin or native language, feel at home here. We want the language of communication to bring us closer together and create a friendly atmosphere in our relations with tenants.

In teams dedicated to rental, we employ advisors who are fluent in English. Our employees have the opportunity to learn and polish their English during lessons with a teacher, which are paid for by the employer. In addition, throughout 2022, Vantage employees had access to the eTutor e-learning platform to train their language skills.



Among rental customers, 40% are from outside Poland, including the vast majority of signed contracts with citizens of Ukraine or Belarus. Particularly after the outbreak of war in Ukraine in February 2022, the arrival of refugees resulted in a significant increase in inquiries from Ukrainian citizens for apartments for rent. To meet such demand, a rental consultant who speaks Ukrainian and Russian joined our team in July 2022. In December, we hired another employee who speaks Ukrainian, Russian, as well as Spanish. This allows us to more effectively contact customers from across the eastern border, whose number has increased significantly compared to last year.

For the convenience and ease of communication of foreigners, rental materials such as contracts, information folders and notices of current affairs are prepared in several language versions. For example, a rental contract with foreigners is signed on a bilingual template, in which two columns juxtapose the text of the contract in Polish and in English or Ukrainian, respectively. In sales and rental showrooms, we have information folders about the apartments for rent product in three dedicated languages.

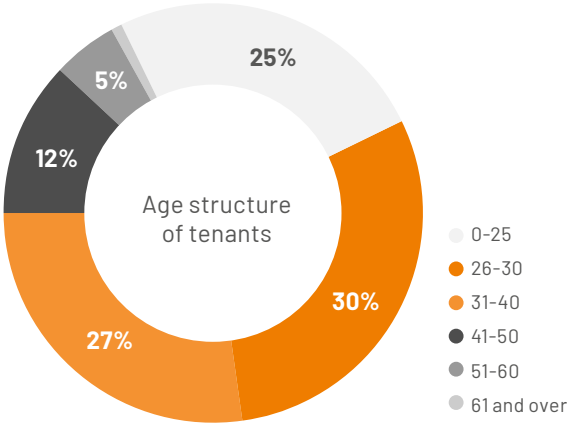
In our organization we focus on modern solutions, so we have adapted a number of system functionalities to serve our customers in the target language of their choice. From the beginning of contact with Vantage Rent, the customer – potential tenant – can choose the language version of the website and browse the rental offer in Polish, English or Ukrainian.

Customers who select an apartment for rent for themselves go through a financial verification process in Polish, English or Ukrainian through the portal or application of our provider simpl.rent. As of November 2022, automatic financial verification is possible for all foreigners, including those without a PESEL number and from outside the European Union. Such functionality definitely speeds up the verification process for the foreign customer, who instead of providing documents for manual verification by our team, can quickly and intuitively go through the financial verification online.

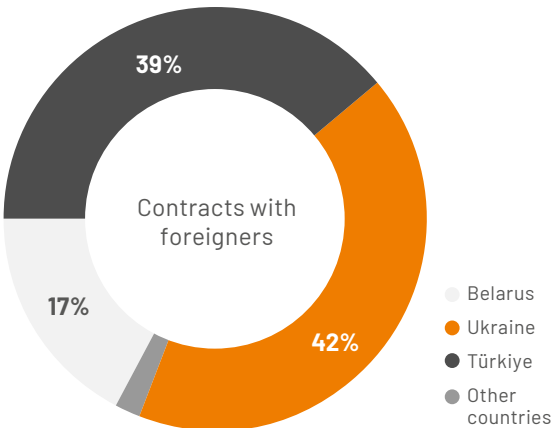
In order to maintain continuity of tenant service in the target language, in October 2022 we also implemented a mechanism of automatic emails, which are sent systematically in the language selected for the tenant. As a result, tenant customers receive quotation emails and notifications about various stages of the contract and renegotiation in a language familiar to them.

Another measure to improve communication with our tenants was the implementation of language versions in eBOK for tenants. As a result, as of July 2022, our foreign customers can enjoy the freedom of using the application in English and Ukrainian. Tenants will find on the eBOK all current information, alerts, billing of rent and other charges. It is also a place where they have the ability to report defects and damage to their apartment, all using the application in their native language.

More information about our tenants

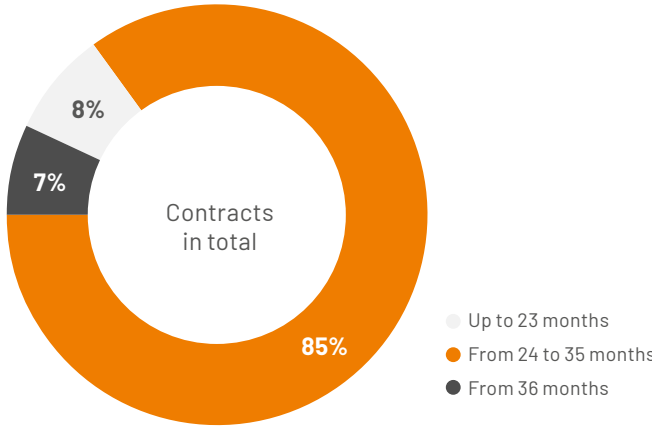


The marketing research we commissioned in preparation for the design of Vantage Rent apartments clearly indicated that the people in Poland most interested in renting a unit are young people. Nearly two years after the launch of Vantage Rent offer, this is also confirmed by the structure of our tenants, which is primarily dominated by customers under the age of 30 (55%). However, there is also no shortage of tenants in their 40s and 50s, although it can be assumed that these are often parents, renting apartments for their children – students. As a result, the average age of Vantage Rent customers is 31.6.



The structure of our customer group is quite balanced, although slightly more often Vantage Rent tenants are men (57%).

The minimum duration of the rental contract is 12 months and is the most preferred by our customers. However, there is a systematic increase in the number of tenants who opt for a longer rental. On the one hand, this is due to the fact that tenants, after the first year of renting, are already convinced from their own experience that renting from a company is a safe and stable form of satisfying a housing need. And as a result, they decide to opt for a longer contract in the next period.



On the other hand, the conflict in Ukraine and the arrival of refugees have significantly reduced the available supply of rental units in major Polish cities. In such a situation, the popularity of Vantage Rent apartments was also determined by the fact that, despite their very good location, they still remained attractively priced.

Openness in communication to all tenants, regardless of their background has resulted in the fact that as many as 40% of our customers are foreign language speakers. Among them, citizens of our neighbours predominate in the first place: Belarusians and Ukrainians, who together account for as much as 81% of foreign tenants.

We have concluded the largest number of contracts with customers being a foreign language speakers in the Buforowa 89 and Port Popowice projects in Wrocław.

Case study



Building relationships with tenants during events

We are committed to making our tenants feel at home in Vantage Rent apartments. We want to build strong relationships with them that will make long-term renting a common and acceptable form of meeting our customers' housing needs.

In order to integrate the Vantage Rent community in 2022, we offered them 4 different event formulas aimed at spending time together, strengthening communication between them and our team (tenant services section) and building neighbourhood relationships. At the same time, it is worth noting that due to the diversity of customers, the promotion of events was carried out in 3 languages.

The first „Spring unwind“ (Oryg. „Rozkręć się wiosennie“) event was held in May, at the Buforowa 89 project site in Wrocław. During the event, we encouraged our tenants to use sustainable transportation. We prepared for them a mobile bicycle service point, which tenants could use free of charge on the day of the event. While they waited to pick up their bicycles, participants had the opportunity to take part in a contest to win bicycle gadgets, as well as enjoy refreshments in the form of coffee and tea from the Bike Cafe.

The second event was based on the concept of cooking together. We invited our tenants to an online culinary workshop hosted by Damian Kordas – the winner of a popular cooking show. Using live streaming on YouTube, tenants were able to interact with the host in real time and cook seasonal dishes together. The



event was also accompanied by a thematic contest to encourage tenants to actively participate in the event.

In August, we held our first event in Poznań. Tenants from ul. Hawelańska 2 investment were invited to say goodbye to summer together. The event was held at a nearby Italian restaurant, where we offered them complimentary refreshments and a number of activities for children.

We ended the year by dressing Christmas trees together on the patio, located on the premises of the Buforowa 89 project. Tenants, along with their families, were able to feel the holiday atmosphere by decorating trees together and treating themselves to warm drinks. Meanwhile, Santa hats and cotton candy awaited the children.



Contractors



» What do they expect?

Contacts with contractors are primarily of a business nature. We are bound by contracts, obliging both parties to undertake certain tasks. The most basic need of stakeholders is to fulfil contracts reliably, pay on time and build cooperation in the long term. In difficult situations (e.g., economically) ensuring continuity in placing orders, fairness and partnership. They also expect to make recommendations when promoting each other's goods and services.

» How do we respond to their needs?

The company is a business partner you can rely on. We comply with the provisions of the contracts we enter into and ensure the timeliness of our payments. We regulate our relations with business partners through internal policies such as anti-corruption, which

includes accepting and giving gifts. In addition, our contractors are required to comply with the Business Partner Code, which can be found on ESG website of Vantage Development. We also frequently support the CSR initiatives of our contractors, for example by cooperating with the foundation of our General Contractor, ERBUD.

» How do we communicate with stakeholders?

Communication takes place within the framework of ongoing business contacts, including the exchange of electronic and traditional correspondence, phone calls or face-to-face and online meetings.

Local communities



» What do they expect?

Local communities (formalized or not) in the form of associations are an important recipients of our activities in the urban space. In our experience, representatives of this group expect above all to build partnerships and be open to communication. When the construction of an investment in any way negatively affects their daily life (noise, too much lighting at night, access problem) they expect us to respond quickly and decisively. In addition, local communities are often the initiators of neighbourhood events, to which they also invite company representatives.

» How do we respond to their needs?

We respond to all requests, sent by local communities. We are contacting the General Contractor to determine the causes of the incident and we are levelling it. We also oblige the General Contractor to warn local communities about temporary inconveniences (such as noise). We also willingly approach authorities of cooperatives or housing communities ourselves, frequ-

ently consulting with them about changes in the projects (this happened, for example, at the Sienkiewicz 20 investment in Wrocław). We support neighbourhood events because we also see value in them for our customers who have purchased or rented an apartment from Vantage Rent. You can read more about it on pages 60-63.

» How do we communicate with stakeholders?

Communication is permanent and depends on the needs of the local community. We get information about its activities and planned events directly from the organizers themselves, with whom we have ongoing contact. In situations involving construction-related events, social media is also a frequently used communication channel. We respond to all messages within 24 hours, although this is usually done immediately.

NGOs



» What do they expect?

Above all, NGOs are looking for stable partners in the business world who will support their activities and the realization of their statutory goals. Often they are the ones who take the initiative to communicate, offering us participation in charitable initiatives and events. Their primary goal is to improve the living and operating conditions of their beneficiaries, and in order to achieve it, cooperation with funders (including business) is essential.

» How do we respond to their needs?

Above all, we build long-term relationships with them based on regular (rather than event-to-event) support from the company. As a result, the number of NGOs we work with is not long, but it is characterized by great

constancy. Among them, it is worth mentioning the Wrocław Hospice Foundation for Children, the EKO-straż Association or the Saving Kids With Cancer Foundation.

In 2022, we expanded our cooperation with NGOs with a new element, implementing the „GOODdoers” employee volunteering program in our team. It was on the part of the employees – the project leaders – to get an NGO partner, to which an in-kind donation was made and volunteer work was carried out. To learn more about it, see pages 57–59 of the report.



Vantage Development has been providing its support to the Wrocław Hospice Foundation for Children for 6 years. Year after year, the charity cards ordered by the company allow us not only to help, but to fulfil the fondest dreams of both the charges and their siblings. We are grateful for this ongoing cooperation and invaluable assistance, and we look forward to further levels of action with the primary goal of helping chronically and terminally ill children in Lower Silesia.

Marta Golnik
Director of Administration,
Wrocław Hospice Foundation for Children

”

» How do we communicate with stakeholders?

NGOs contact us by email, phone or face-to-face meetings. We also participate in events, prepared by

NGOs or initiate voluntary projects ourselves, for the benefit of their beneficiaries.

Local media



» What do they expect?

Journalists in the local media primarily expect to be provided with quick and reliable information on investments, led by the organization, and data in the context of a growing portfolio of apartments for rent. Since they are closest to the local activities implemented by Vantage Development, contact from their side is frequent and repeated for specific projects. It is worth mentioning that with the development of Vantage Rent apartments for rent portfolio, the group of local media interested in the organization's activities has expanded to include journalists from Poznań and Łódź.

» How do we respond to their needs?

The organization has a spokesperson, whose contact details are available on Vantage Development website,

as well as the Vantage Rent website. The spokesperson responds to inquiries from the media on topics including the company's current operations, information on the rental product, charitable activities and the company's ESG. The media are also provided with photos, graphic materials and videos to promote the organization and the brand.

» How do we communicate with stakeholders?

Communication with local media is carried out through email, phone calls and face-to-face meetings.

Journalists receive regular press releases related to the launch of more rental investments and comments from the organization's representatives with regard to the institutional rental market.

Industry media



» What do they expect?

Like the local media, sector and business journalists are primarily focused on getting new and reliable information about the organization's activities. However, they are much more focused on the business aspects of the apartments for rent network being created, the results being achieved and the group's investment plans. As politicians are becoming increasingly interested in the PRS topic, they also frequently contact the organization to comment on planned legal changes that will affect representatives of the new real estate industry.

» How do we respond to their needs?

The spokesperson handles day-to-day contact with journalists from sector and business media. Data obtained from the market analysis section and the con-

trolling section are made available to them with the approval of the Vice President of the Management Board. Statements by Vantage Development in-house experts are prepared for the press and online portals.

» How do we communicate with stakeholders?

Communication is initiated both by the journalists themselves and the organization's spokesperson. Contact is made regularly, depending on the title from one to several times a month. Topics of interest to journalists often appear in cycles (such as a quarterly or annual summary of the real estate market situation), and also ad hoc in relation to current political events.

Municipal institutions



» What do they expect?

Relationships built by Vantage Development representatives with municipal institutions are primarily formal in nature. As part of the administrative processes, permits are obtained for a variety of investments directly related to the residential building itself, as well as transportation routes and development of the land around the project. Above all, municipal institutions expect reliable cooperation by providing complete documents by the deadlines indicated by the offices. The involvement of developers in the co-creation of infrastructure (either in full or as a contribution to the cost of a municipal investment) is also welcomed and desired by municipal offices in various cities.

» How do we respond to their needs?

Vantage Development teams conducting investor supervision on construction sites are primarily respon-

sible for cooperation with municipal institutions. For their needs, professional technical documentation is prepared (in accordance with current legal requirements), supplementary information is prepared, applications are submitted and official responses to inquiries are made.

» How do we communicate with stakeholders?

The intensity of communication is largely related to the stage of the project being implemented. Complete documentation is provided with regard to the adopted schedule for the implementation of investment, while completed applications are provided in accordance with the expectations of the relevant office. Contact with municipal institutions is made by phone, email and face-to-face meetings held at the office or at the investment site.

State institutions



» What do they expect?

The nature of the relationship built with state institutions is purely formal. Above all, the various authorities overseeing our operations expect compliance with the provisions of the applicable law and cooperation when inspecting our activities. It is the responsibility of the HR, legal and accounting teams to fulfil the obligations of the employer and the company. At the turn of the year, the Tax Office carried out verification activities with respect to the Vantage Development operations and special purpose vehicles (rental), in connection with the VAT refunds we claimed. The result was positive for all entities. However, at the beginning of January 2023, there was an inspection by the Social Insurance Institution (ZUS). Officials found no major irregularities in the reviewed documentation.

» How do we respond to their needs?

To ensure that the organization's operations comply with current provisions of law, we employ specialists

and experts in the fields of law, taxation, accounting and human resources and payroll. We also cooperate with external advisors. We are proactively responding to inspections from state institutions. We provide the necessary documentation and clarify any irregularities.

By a decision of the Management Board, we adopted extensive compliance documentation, including the company's operating rules, anti-corruption policy or procurement policy, among others. To learn more about it, see pages 77-79 of the report.

» How do we communicate with stakeholders?

Communication takes place through formal correspondence, email exchanges, telephone conversations and face-to-face meetings - especially in situations of record checks.

ESG Management

●.....● [GRI 2021: 2-22]

Global ESG goals we support

We take full responsibility for the product and service we offer our customers. In line with the Vantage Rent brand slogan, we want to be fair to our tenants, but also to other stakeholders.

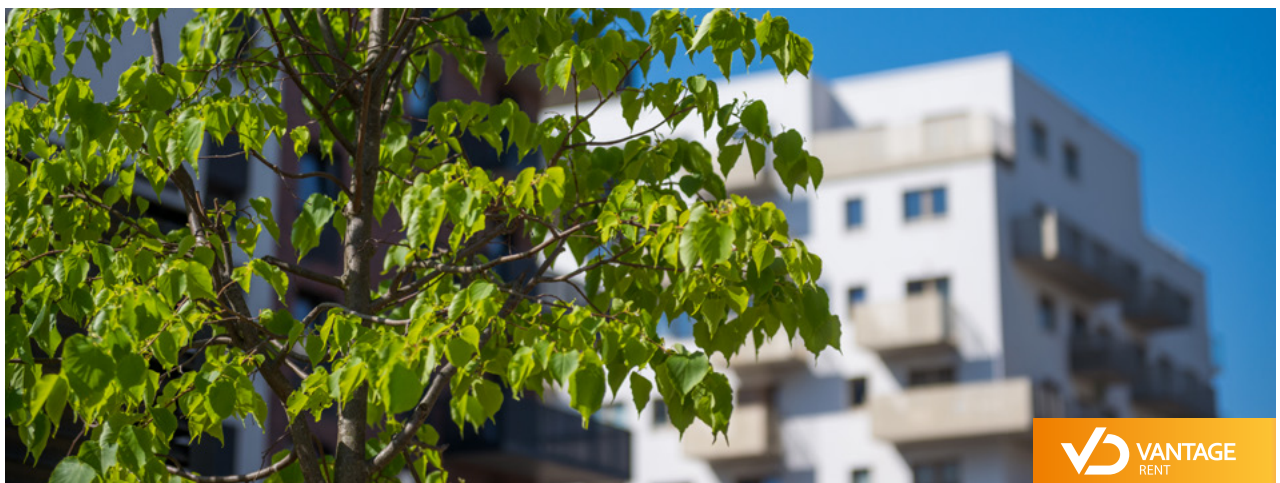
We offer equal access to the rental product for all customers regardless of their gender, age, family status or origin. We build inclusive communities of tenants, conducting communications in three languages and organizing team building events for them. We engage our employees in charitable activities and work with local communities. As one of many companies, we have joined in assisting refugees from Ukraine with financial and material donations, as well as providing apartments for those in need.

As we changed our business strategy from selling units to renting them, we also became a long-standing manager of residential real estates. Given that it is the exploitation of buildings rather than their construction that generates the greatest amount of CO₂, we have taken steps to determine our environmental impact. We have also introduced numerous solutions affecting the energy efficiency of projects. And we are not stopping with further research, which you can read about in the following sections of the report.

We are aware of our impact on the environment related to our transformation of big-city spaces. We know that we offer a product that is unique because it satisfies one of the most important human needs.



As an owner and operator of apartments for rent, we want to offer modern units in environmentally friendly buildings that meet the needs of our customers – now and in the future.



Below we present the level of achievement of the goals we adopted in 2021. We have included a commentary next to each one informing about the activities

carried out or explaining why a particular goal was not achieved.



Level of achievement of ESG goals



Environment:

- 1. Systematically increasing the share of projects (sale, rent) in our portfolio with EP* demand lower at least by 10% than expected by law regulations.**

Implementation level: **40%**

Comment:

An analysis of the Vantage Rent buildings completed so far shows that thanks to the solutions used, they have an average EP 4% lower than indicated in the energy certificate for a given type of project. However, due to the different approach to the methodology of calculating the efficiency of buildings on the part of our partners and the amendment of the legal regulations of April 28, 2023 related to the certificates issued, it will be necessary to re-analyze the portfolio in this regard.

*EP- annual demand of the building for non-renewable primary energy.

- 2. Further investing in sustainable mobility among internal and external stakeholders through the development of infrastructure in the estates.**

Implementation level: **100%**

Comment:

- We are preparing cycle rooms and cycle paths on the investment site. In total, we have prepared as many as 700 places for bikes in the investments for rent – in the form of racks, outdoor shelters and lockable rooms inside the buildings.
- We have extended the sponsorship contract for the Wrocław Urban Bike (Oryg. Wrocławski Rower Miejski) Station at Port Popowice until the end of November 2024.
- We implemented an internal information campaign targeting the VD team, centred around the topic of sustainable transportation. The thematic competition held at the end of the campaign was attended by 17% of the team.
- We prepared a bike event for the tenants of Buforowa 89, during which their bikes underwent a technical inspection and minor service repairs.

In the course of further integration of ROBYG and Vantage Development, the rules for the protection of greenery during construction were reviewed.

- 3. Increase in the number of new plants to 400 trees by the end of 2022 and improvement of protection of existing resources during construction.**

Implementation level: **100%**

Comment:

- In 2022, we made replacement plantings in the number of: 51.
- On our behalf, 400 trees were planted in 3 municipalities, cooperating with Posadzimy.pl.
- Together with representatives of the VD team and Dotlenieni.org, we planted 60 trees on the grounds of Kindergarten No. 56 in Wrocław.

Total: 511 trees

- 4. Implementation by the end of 2022 at least 2 solutions in the process of implementation or maintenance of the real estate, which will reduce the consumption of natural resources.**

Comment:

In 2022, we attempted to expand the catalogue of green solutions used in our rental buildings. To this end, we have established cooperation with Wrocław University of Science and Technology and two engineering consultancy companies. In the course of analysing the selected projects, market experts proposed a list of possible technical solutions, while assessing how they would affect the building's EP demand and after what time the investment would prove profitable. For more details, see page 43.

In addition, together with the heat supplier Fortum, we explored the possibility of implementing a service to optimise the operation of the heat distribution centre. We presented our findings further in the report.





Society:

1. Involvement of our team members in charity initiatives through an employee volunteering program (minimum of 8 initiatives per year).

Implementation level: **100%**

Comment:

- In the first edition of the „GOODdoers“ employee volunteering program, 8 initiatives were implemented, targeting local communities in and around Wrocław. Read more on pages 57-59 of the report.

2. Maintaining a high satisfaction rate among tenants (currently at the level of 93%).

Comment:

The first tenant satisfaction survey was conducted in January and February 2022.

In the final months of 2022, several hundred new Vantage Rent units were handed over for occupancy, but by the end of the year the occupancy rate was only a few percent. Therefore, the decision was made to move the next edition of the tenant satisfaction survey to the end of 2023, so that new customers would have time to formulate their opinions on the product and service of Vantage Rent.

3. Strengthening the VD team, in line with the organization's values, through training programs and systematic knowledge sharing.

Implementation level: **100%**

Comment:

- In 2021, we invited VD employees to jointly choose the organization's values. In the first half of 2022, the HR team, together with an external training company, implemented a series of workshops referring to the organization's values. The workshops were attended by 26% of the team.
- As part of the promotion of values, at the Vantage Development Capital Group Company Gala in May 2022, the Management Board granted 4 special awards to employees who implement them to the greatest extent in their daily work.
- The next (2nd and 3rd) editions of the Vantage Skills Academy were held in May and October. During the meetings, employees took on the role of trainers, passing on their expertise and skills to the rest of the VD team. A total of 140 people took part in the 2022 Vantage Skills Academy.



Governance:

1. Implementation of at least 2 projects for the promotion of Compliance among the company's stakeholders by the end of 2022.

Implementation level: **80%**

Comment:

- Starting in January 2022, the company's compliance training was included in the onboarding process. Such training was given to 35 new employees, that is 81% of all new hires.
- In November 2022, we prepared a webinar with an expert, on anti-corruption in organization. It was attended by 18% of the team.

2. Developing and publishing the group's annual ESG reports to present to our stakeholders the progression of the initiatives undertaken by the company.





Implementation level: **100%**

Comment:

- The company has prepared an ESG report for 2021, which has been published in two language versions (PL, ENG) on the website dedicated to the sustainability of the organisation. The report was prepared in accordance with the GRI 2021 standard.
- Vantage Development ongoing activities in 2022 were additionally communicated on the organization's social media and intranet.



We plan all sustainability activities and projects in relation to 4 different contexts, described below:

 <p>Business model</p> <p>is primarily the scope of Vantage Development activities, products and services offered, developing a dynamic portfolio of real estate with apartments for rent, each characterized by a different location, environment and offer of units. In recent years, our core business has undergone major changes, and the process itself was modified in 2022 through operational integration with ROBYG. Now that implementation of developer investments is not in our area of expertise, we will focus even more on improving the product and the rental service.</p>	 <p>Local context</p> <p>means, on the one hand, the legal regulations within which we operate in the real estate market, but on the other hand, also the market conditions prevailing in individual cities with Vantage Rent apartment offerings. For each location, it is also different community needs and the needs of our stakeholders, which are not always the same.</p>
 <p>Stakeholder needs</p> <p>through surveys, focus groups and face-to-face interviews, we monitor key stakeholder needs. It should be noted that the changes that occurred in our organization (integration with ROBYG) and in the external environment (war in Ukraine, new market situation) meant that their expectations towards the company also changed. Details can be found in the section dedicated to stakeholders on pages 16-31.</p>	 <p>Global ESG goals</p> <p>our initiatives are inspired by the global Sustainable Development Goals adopted by the United Nations in September 2015. It is a guidepost for the efforts of business, state governments and NGO entities to create a new and better world.</p>

At the same time, it is worth noting that not all of the 17 SDGs (Sustainable Development Goals) are compatible with the formula of our activities, the state conditions in which we operate on a daily basis or the needs of Polish society. So, in the course of the analysis, we decided to focus on those areas where we can directly and through a number of initiatives make particular changes. Moreover, we compared our assumptions with the shareholder’s ESG strategy and consulted stakeholders as part of a materiality study.

Below are the UN Global Goals that we have chosen to focus on and examples of activities as our contribution to the process of achieving them.

UN Global Goals



Vantage Development team consists mostly of women (68%). Women perform their duties in all departments functioning in the organization, and are present at all levels of employee’s assignment in the company’s structure.

Due to a change in the Management Board of Vantage Development, the first woman (33% of the Management Board) has joined the ranks.

We invest in the development of our employees, enabling everyone regardless of gender to benefit from opportunities to improve their professional skills.



We are a developer aware of its impact on the environment, so we invest in materials and solutions to achieve high energy efficiency in buildings.

As an operator of apartments for rent, when designing, we take into account the long-term exploitation of the projects, current technical guidelines and the expectations of current and future generations in terms of environmental impact.

The basis of our investments is the installation of photovoltaic panels on the roofs of buildings. The energy produced in this manner is used by us to power common areas and auxiliary devices, thus reducing the demand of the buildings for non-renewable primary energy.



The company actively cooperates with various NGOs that take care of sick children, harmed animals and work for local communities.

In 2022, we additionally involved our team in helping with the „GOODdoers” employee volunteering program. As part of eight projects, it has been possible to help, among others, the charges of Zakład Opieki Leczniczej in Jaskotle (Healthcare Facility-przyp. tłum.), poor people using the Ostrów Tumski beanery, animals from the EKOstraż shelter and Grupa Ratuj (Rescue Group-przyp. tłum.).



We offer real estate developer projects and apartments for rent in Wrocław, Poznań and Łódź. In all locations, we take care to create infrastructure around the investment, creating access roads, pedestrian routes and bike paths. We participate in the reconstruction of public roads and intersections, also investing in the arrangement of urban greenery.

We care about high quality of work carried out, the functionality of the proposed solutions, and accessibility to different social groups.



In 2022, we have started cooperation with the Wrocław University of Science and Technology and two engineering consultancy companies to jointly develop a catalogue of the best solutions increasing the energy efficiency of buildings.

We take care of the greenery in our investments, where we implement recreational areas whenever space allows. We protect particularly valuable specimens (e.g., a row of oak trees in Port Popowice), and often, instead of cutting them down, we replant the trees elsewhere.

We collect rainwater and then use it to water the plants. In accordance with the law, we carry out replacement plantings and engage in projects that promote the development of tree stands (cooperation with Posadzimy.pl and Dotlenieni.org). We also realize green roofs and offer our tenants private gardens for exclusive use at selected investments.



The organization cooperates with entities from different sectors of the economy: public institutions (at the local level), local communities, NGOs and contractors, to jointly achieve common goals.

Our activity goes beyond business activities, we choose the path of community involvement, getting involved where help is currently needed. Whether it is an infrastructure project or helping refugees from Ukraine.

ESG responsibility at different levels of the organization

●●●●●●●●●● [GRI 2021: 2-12,2-13,2-14, 2-16]

We make sure that employees from different levels of the organization are directly involved in the implementation of ESG activities. The person responsible for the company's sustainability area is the Vice President of the Management Board, to whom the Management Board's ESG Representative reports directly. The function was appointed by a Management Board resolution in July 2021. The Representative is also the leader of an internal, interdisciplinary ESG Advisory Group. The team includes representatives from all departments of the organization, and their task is to create and then implement sustainability solutions at Vantage Development. The Group's Members are responsible for tenant services, marketing, real estate management, compliance, communications or investment implementation. The Representative, with the support of the VD team, also prepared Vantage Development Capital Group's first ESG report for 2021 and took on the role of coordinating the company's employee volunteering program.

In addition, with the beginning of 2022, a position of ESG Advisor has been established within the structures of the Investment Implementation Department, whose main area of activity is to seek (with the support of external experts) solutions and inspiration to improve the rental product and influence the energy efficiency of our buildings.

External ESG initiatives and the role of management

[GRI: 2021, 2-17] ●●●●●●●●●●

Vantage Development team members from the highest levels of the organization, engage in external sustainability initiatives at the local and national levels. As of early 2023, Vice President of the Management Board Dariusz Pawlukowicz joined the Chapter Zero Poland program, whose main goal is to raise awareness of the consequences of climate change for companies and the impact of business on the cli-

Building team engagement and communication with stakeholders

VD employees can get involved in implementing ESG in the company, using their knowledge and skills. Team members are encouraged to submit their ideas directly to the ESG Advisory Group, which reviews them in detail. Team members can also get involved in volunteering by becoming a leader of their own project or volunteering as a participant in an initiative. So they independently choose the direction and area of activities they would like to support.

The ESG topic is covered in internal communications, and information on current activities is published on the company's intranet, where a dedicated tab has been created. We also use the platform for internal campaigns that deal with sustainable transportation or involvement in charitable initiatives (also with a competition aspect), and we invite the team to meet with experts (such as DKMS or Compliance).

In external communications, we use our own channels including a website dedicated to ESG and social media. In articles and industry publications, we comment on the impact of sustainability on the real estate industry. In 2022, for the first time, our activities were described in the report „Responsible Business in Poland. Good Practices“ prepared by the Responsible Business Forum.

mate. The project is the local version of the Climate Governance Initiative, set up by the World Economic Forum and implemented in Poland by the Responsible Business Forum.

In the capital of Lower Silesia, Director of VD Rental Services Department Natalia Sawicka has become the supervisor of the ESG Working Group, which was established within the Wrocław branch of the Polish Association of Real Estate Developers. Representatives of member companies are invited to participate, and together they will deepen their knowledge and



exchange experiences in the field of sustainability activities. The most relevant topic for the group is the issue of energy efficiency in buildings and the changing provisions of law in this area.

The immediate impulse to its creation was the invitation by the Department of Sustainable Development of the Wrocław Municipal Office directed to Polish

Association of Real Estate Developers in Wrocław, to participate in the EU project: City Mission - climate-neutral and smart cities. The capital of Lower Silesia, as one of 100 urban centres in the European Union, was qualified to participate in the program, and Polish Association of Real Estate Developers in Wrocław became a partner in the project on the business side.

Material topics

●● [GRI 2021:3-1]

The people involved in the process of creating the publication were employees invited by the Management Board's ESG Representative to join the reporting group. Among them were VD team members responsible for rental, sales, IT, administration, communications, real estate management, compliance and HR. This time, the consultations were held in 3 meetings, which reviewed topics of relevance from last year and re-mapped the needs of stakeholders - see 16-18 pages for more details.

Very quickly it became clear that two new items, directly related to current market conditions and the political situation, should be added to the relevant topics. Other issues such as building a strong organizational culture have become less important due to the integration with ROBYG that has been underway for several months and the need to create a new one for the merged company. After the group's meetings, an anonymous survey was prepared for internal and external stakeholders to rate the relevance of each

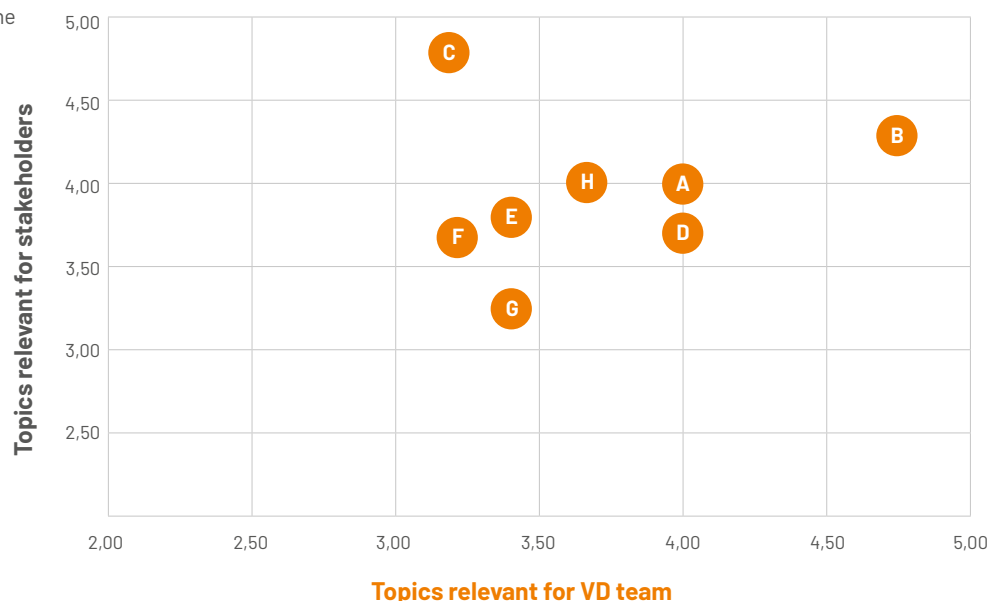
topic on a scale of 1-5 (where 1 - means least important and 5 - means very important). In the next step, the results of the analyses were presented to the Vice President of the Management Board for approval and incorporated into the structure of the report.

Evaluation of material topics

The survey, examining the level of relevance of each topic, was sent to stakeholders via email. The request for evaluation was sent to representatives of various groups including: customers, contractors, journalists, local communities, NGOs or municipal institutions. In addition to the evaluation questionnaire, each topic was described from the organization's perspective, so that respondents had no doubt what the issue was about. A 50% return on surveys was achieved.

A matrix was then prepared, in which the average ratings given by the organization's internal and external stakeholders were juxtaposed.

- A** The impact of the war in Ukraine on the group's operations.
- B** The impact of the current economic situation on the company's operations.
- C** Environmental impact.
- D** Digitization of processes, new technological solutions.
- E** Compliance - conducting business in accordance with legal regulations.
- F** Local community involvement.
- G** Building a strong team based on competencies.
- H** A company of equal opportunities - the position of women.














The highest relevance was demonstrated by the topics of the company’s response to changing economic conditions (new issue), environmental impact, and digitization of processes and the impact of the war in Ukraine on the organization’s operations (new issue). In contrast, lower scores were given to the topics of doing business in accordance with the law, local involvement in community affairs, the position of women, and building a strong team based on competence. This is further evidence of how external factors









in 2022 strongly affected our stakeholders. The uncertainty resulting from the economic situation and the threatened sense of security caused by the war have changed the perspective of many of them. It is also worth noting that the relevance of environmental issues has increased by 0.3 points for external stakeholders, which may be due to their growing awareness of climate change.

Material topics 2022

●●●●●●●●●● [GRI 2021: 3-2]

Finally, after reviewing the relevant topics and re-evaluating them, we prepared data and qualitative descriptions for 8 issues, presented below. We have additionally assigned global ESG goals to each section of the publication to make it easier to navigate the different parts of the report.

Area	Relevant topics	ESG Global Goals
 <p>Environment</p>	<ol style="list-style-type: none"> 1. Environmental impact 2. Digitization of processes and implementation of new technological solutions. 	  
 <p>Society</p>	<ol style="list-style-type: none"> 1. Building a strong team based on competencies. 2. A company of equal opportunities - the position of women. 3. Local community involvement 4. The impact of the war in Ukraine on the company’s operations 	   
 <p>Governance</p>	<ol style="list-style-type: none"> 1. Conducting business in accordance with legal regulations. 2. The impact of the current economic situation on the company’s operations. 	

ENVIRONMENT	<p>Environmental impact.</p> <p>We are aware that we directly or indirectly affect the environment through our operations. Issues related to climate change and nature degradation are of utmost importance to us, which is why the group is trying to reduce its negative impact, for example, through activities that increase the energy efficiency of buildings under construction or compensate for CO₂ emissions.</p>	
	<p>Digitization of processes and implementation of new technological solutions.</p> <p>The company relies on modern technology and digitization (and thus automation of processes), this allows for faster customer service and contact with contractors, as well as reducing paper consumption (waste) whenever possible.</p>	
PEOPLE	<p>Building a strong team based on competencies.</p> <p>We build our success on a strong and motivated team. The company offers its members stable employment conditions, security and opportunities for development (e.g. by financing training, English language learning and postgraduate studies).</p>	
	<p>A company of equal opportunities - the position of women.</p> <p>The women are 68% of the Vantage Development team. They also make up the majority of the company's managers and executives, and influence all areas of the organization - investment implementation, administration, sales and rental, corporate governance, finance and human resources management. The company supports their development and enables them vertical as well as horizontal promotion.</p>	
	<p>Local community involvement.</p> <p>As a real estate developer, we implement investments in Wrocław, Poznań and Łódź. Projects are being developed in dense urban areas where our tenants will coexist with their new neighbours and local communities in the future.</p>	
	<p>The impact of the war in Ukraine on the group's operations.</p> <p>The organization's response to the changing geopolitical situation and the arrival of millions of Ukrainians in Poland. As a company and at the individual employee level, we have joined in helping those in need: making financial and in-kind donations and providing housing units for refugees.</p>	
BUSINESS	<p>Conducting business in accordance with legal regulations.</p> <p>The company operates on the basis of applicable Polish and international laws. Compliance with regulations is supported by Compliance Policies adopted by the Management Board and the organization and promoted within the group's stakeholders. The company has also a whistleblowing procedure and system.</p>	
	<p>The impact of the economic situation on the company's operations.</p> <p>The real estate sector is currently in a downturn. As a result of high interest rates and restrictive requirements of Financial Supervision Authority (Oryg. Komisja Nadzoru Finansowego) for calculating creditworthiness, many customers cannot afford to buy an apartment. High inflation and the cost of workmanship or construction materials also negatively affect the profitability of the real estate developer's business.</p>	

Environment



Environmental impact

●● [GRI 2021: 3-3]

During the design and implementation of investment in cooperation with General Contractors, we first refer to the applicable standards in the construction law. We monitor changes in the technical guidelines, which address, among other things, the energy efficiency of residential investments. These, on the other hand, are becoming more demanding every year, especially when we talk about the primary energy (EP) demand of buildings. How great a challenge this is for the entire development industry is evidenced, for example, by the fact that despite our efforts and cooperation with market experts in 2022, we have not found effective technical solutions for multifamily construction that would significantly reduce the EP of projects. We provide more information on this topic later in this chapter.

We realize that the development industry is responsible for significant CO₂ emissions, not only at the stage of creating the projects themselves, but especially

during their long-term operation. In order to meet our environmental goals to a greater extent, the Management Board adopted an Environmental Policy as early as March 2021, under which we committed to increase the energy efficiency of buildings, use natural resources reasonably and take care of biodiversity. Further provisions, concerning the organization of the construction itself, are included in the document entitled "Environmental Guidelines for General Contractors".

Any violations of the principles described in the documents can be reported by our stakeholders (also anonymously) via the whistleblowing system or directly to the Compliance Officer, who reports to the company's Management Board and Supervisory Board.

Environmental issues are the primary responsibility of Vantage Development Management Board.

Energy efficiency certificates

●● [GRI 302-5]

According to Polish law, every building, and more recently, commercial and residential units, should be evaluated for energy efficiency. The certificates, in which a lot of detailed information can be found, are given to the customer so that it has full knowledge on the purchased or rented apartment. Among other things, the document records final and primary energy demand, as well as the average amount of CO₂ emissions/sq.m/year.

At the same time it is worth adding that the calculation methodology in the case of investments takes into account a number of different factors, such as building volume, location in relation to the points of compass and the region of Poland where the building was erected,

characterized by specific weather conditions. Unfortunately, not all factors can be influenced by us as investors. Poland's energy mix, based overwhelmingly on fossil fuels, results in high CO₂ emissions from even an average building or apartment's heating needs.

However, we make sure that our projects are equipped with the greatest number of solutions that favour the environment. The number of improvements implemented is selected in each case according to the type of building (residential or residential-service), the size of the plot or the immediate surroundings of the investment.



Since 2020, in buildings with apartments intended for rent under the Vantage Rent brand we have been installing:

- photovoltaic panels, which supply common areas with green energy, and since 2022, we have also been installing supporting equipment, which has had a positive impact on lowering the EP of the buildings.
- Energy-efficient LED lighting with motion sensors in common areas,
- Pavements made of anti-smog cubes, with scientifically proven effects,
- Rainwater retention tanks and, depending on the size and terrain around the project, also drip irrigation systems, on selected projects also green roofs,
- Electric chargers for cars,
- We equip apartments for rent with high-quality household appliances and durable furniture to serve our tenants for many years,
- We also install water purification filters in the units so that our tenants can completely abandon the purchase of bottled water and thus not generate further waste.



Energy production from photovoltaic installations in 2022 was: 40,000 kWh, and in 2021: 6,188 kWh.

In the following months of 2023, photovoltaic installations will be put into operation on new projects that were completed in late 2022.

As part of our educational activities aimed at tenants, last year we also implemented a website project vantagerent.pl/eco (available in three languages), where we gathered information for customers on how to, among other things:



use of individual household appliances, so that it involves the least possible energy consumption



save water and heat



segregate waste properly



nurture household plants

Cooperation with experts: energy efficiency

In 2022, we decided to intensify our efforts related to the search for new technical solutions that would allow us to increase the energy efficiency of our buildings. The immediate impetus for establishing cooperation with market experts in this field was, on the one hand, the adopted ESG goals in this area, and on the other, the increasingly stringent technical guidelines for new projects implemented in the Polish legal system.

We invited academics from the Wrocław University of Science and Technology and two reputable engineering consulting firms to conduct joint analyses. After initial meetings, during which we communicated our expectations, we decided to conduct an in-depth analysis of several selected projects and then compare the proposed optimization solutions. Among them were the installation of PV panels, external roller shutters with an insulating insert, DCV-type me-



chanical exhaust ventilation, and heat recovery from wastewater.

The experts working with us were also tasked with evaluating the **time** it will take to get a return on the implementation of the solutions and their **impact** on the primary energy (EP) demand of the project, as determined in the building's energy certificate. After receiving the final reports from the Wrocław University of Science and Technology and meetings with experts, we reached the following conclusions:

- The methodology for calculating EP demand takes into account, for example, specific atmospheric conditions prevailing in a particular region of Poland. As a result, even identical buildings completed in the western and central parts of the country will have dramatically different energy certificates.
- There is no universal catalogue of eco solutions that could be implemented for all buildings, achieving the desired (low) EP demand results every time. Projects vary in terms of volume, positioning in relation to the points of compass (meeting standards regarding sunlight) or the structure of residential and commercial units. Thus, each case should be analysed individually and solutions selected that are appropriate to the building.
- Some of the proposals identified by experts, while theoretically having a positive impact on reducing the project's EP demand on the other hand raise it in another area. An example of this would be the use of a heat pump, the implementation of which would improve the efficiency of the building in one parameter, but its supply of electricity (from a municipal power supply where the energy mix is based on fossil fuels) would increase the EP demand in another.
- The selection of these solutions is also complicated by the fact that the multifamily housing sector in which we operate precludes the use of some of them. An example of this is heat recovery ventilation, which is extremely popular in commercial projects such as offices and commercial spaces. Such ventilation works efficiently and has a measurable effect in reducing utility consumption where non-opening windows are installed in the

building. With the use of the BMS (Building Management System), the ventilation and therefore also the temperature in the building can then be easily controlled. According to Polish law, we must use casement windows in residential buildings. Their spontaneous use by tenants, would completely disrupt the operation of heat recovery ventilation, and the expensive investment would not bring the intended environmental benefits (reduced heat consumption, and thus lower CO₂ emissions).

- Optimization solutions that could be implemented constitute a certain closed and repeatable list of proposals. At the moment, the Polish market lacks technologies whose implementation in multifamily housing would realistically reduce the EP demand of buildings. We hope that further regulatory changes at EU and national level will have a positive impact on the innovation economy in this area and that eventually there will be more such solutions or they will become more affordable.



- Another important issue is Poland's energy mix – based on coal and lignite – which nullifies any efforts to convert buildings to more environmentally friendly designs. Indeed, the origin of energy is crucial in calculating the CO₂ emissions of buildings. As a building owner, we can:

- a. **install our own photovoltaic panels** (which we have been gradually doing in rental buildings since 2021), which are not, however, due to weather conditions in Poland, a stable source of energy, and connect the common parts and supporting equipment in the building to them. It is worth mentioning here that, for legal and logistical reasons, it is not possible for tenants in residential units to use the green energy produced by our installation.
- b. **buy certified green energy on the market.** Unfortunately, we encounter further difficulties. The energy purchased in this way could only be used in the common areas, since the vast majority of our tenants enter into their own contracts to provide electrical energy. This is due to the consistent, despite our protests, assignment of the C11 (more expensive for business) energy tariff, instead of G11

(cheaper for households) by suppliers to Vantage Rent customers. In order not to expose tenants to increased costs, we recommend that they rewrite their electricity meters for themselves, which automatically results in a reduction in their electricity bills. At the same time, it deprives us, as the building manager, of the possibility of switching to a “green” supplier in the residential units.

In the near future, we will continue to monitor regulatory changes and innovations emerging in the construction industry to increase the energy efficiency of our buildings. We hope that the legislature will take definitive steps in the near future to increase the share of Renewable Energy Sources (RES) in the Polish energy mix. This could be anticipated by the realisation of the first nuclear power plant in the country, which is expected to start operating in about 10 years in the coastal commune of Choczewo.

Cooperation with experts: optimizing the operation of the building’s heat distribution system

In 2022, during numerous meetings with heat supplier Fortum, we analysed the possibility of implementing a new service to optimize the operation of internal heat distribution systems located in individual buildings with rental apartments. The goal of the cooperation was to reduce heat consumption in the projects, which would benefit tenants’ bills, but also the CO₂ emissions of the buildings. Thanks to the service, the operation of the system would be influenced, to a great extent, by the weather conditions outside the building, but also by data regarding the temperature in the apartments, collected thanks to special sensors. According to preliminary information obtained from the supplier, in older generation buildings the

implementation of such a solution has reduced heat consumption by as much as over a dozen percent.

Before signing the contract, we made joint analyses related to the selected Vantage Rent building and the estimated savings we could achieve by implementing this service. Unfortunately, due to the fact that our projects are buildings only a few years old, carefully insulated, with new window frames and implemented in accordance with current guidelines – the estimated savings were only a few percent, and the cost of implementing the solution exceeded the possible benefits to be gained from it.

Our environmental impact

In 2022, we expanded our portfolio of rental apartments in more Polish cities. More units, of course, means an increase in the number of customers, and thus also in the consumption of heat and electricity. We monitor the consumption of utilities within our operations through monthly billing with suppliers and tenants. We do not charge advance payments for sup-

plying the building with heat or electricity, and we settle invoices according to actual consumption.

Unlike in 2021, in this report we can present data for the full 12 months of activity in 4 projects. Previously, it was just six months (the first Vantage Rent apartments were delivered in mid-2021).

●● [GRI 302-1, 302-2, 302-3]

Direct and indirect values			Total
Fuels*	Diesel	205,087	403,79 MWh
	Petrol	198,698	
Electricity**	MWh	163	1 557 MWh
Heat energy**	MWh	1 394	

*fuel consumption for Vantage Development fleet of company cars in 2022.

consumption of heat and electricity (common parts) in buildings with apartments for rent by Vantage Rent in 2022 in the projects Małopanewska 4, Legnicka 33, Buforowa 89 in Wrocław and Hawelańska 2 in Poznań. Energy supply is carried out through the municipal power supply. Based on this data and the rented area of the projects at the end of 2022, the average energy consumption of the building was **60 kWh/sq.m.

[GRI 303-1] ●●

We take steps to use water resources efficiently in organizing our operations. Many years ago we completely ceased using bottled water in offices. We install filters in rental apartments so that our customers can also follow our example. On project sites, we install rainwater retention tanks, which we then use to water the greenery. We realize that the so-called "small retention" also has a positive impact on water resources, so we also implement flower meadows on some projects.

In 2022, **29,678 square meters of water** were used in the residential units and common areas of Vantage Rent buildings.

[GRI 306-1, 306-3] ●●

Waste is generated both in the investment implementation process and in the subsequent operation of buildings. In addition, it is not uncommon for the ground floors of projects to have commercial units that generate further waste in connection with their business activities. We estimate their number in Vantage Rent portfolio of apartments based on the number of recycling containers made available and their collection schedule (1-3 times a week) by cooperating companies.

In 2022, the company indirectly generated 4,848 m³ of waste in buildings with rental units:

- 1,769 m³ of mixed waste,
- 1,856 m³ of waste constituting packaging (plastic, glass),
- 1,223 of paper,
- 88 m³ of bio waste.

We pay special attention to the tenants to segregate waste, which they are obliged to do under provisions of the rental contract. In addition, we remind them of this duty by preparing educational materials for them, in the form of the Tenant's Essentials or a **dedicated website**.

CO₂ emissions

As we did last year, we analysed Vantage Development Group's carbon footprint. We took into account the fuel billing of our vehicle fleet, purchased heat and electricity for our own needs and those of our tenants.

To estimate Scope 3, we asked counterparties – general contractors – to provide data for construction sites. In calculating CO₂ emissions, we used rates obtained directly from utility suppliers.

Total CO₂ emissions in 2022

● ● [GRI 305-1, 305-2, 305 - 3]

Total carbon dioxide emissions from Vantage Development Capital Group's operations amounted to **2,099 tons of CO₂**:

208 tons of CO₂

constituted the direct emissions resulting from the use of the company's vehicle fleet and the consumption of utilities at the organization's registered office and local offices – Scope 1. In 2021, the value was slightly lower – 186 tons. The increase was caused by an increase in the scale of the company's operations and thus also in the service we provide to our customers.

656 tons of CO₂

(indirect) from the consumption of electricity (in common parts) and heat in buildings with Vantage Rent rental apartments (common parts and units) – Scope 2** In 2021, the value was 309 tons, its more than doubling due to the expansion of the Vantage Rent brand portfolio and the full 12 months of building operation compared to the data presented last year.

1 235 tons of CO₂

are the (indirect) emissions emitted during the 2021 general contractors – Scope 3*** process.

**data of 4 projects that were in operation for 12 months in 2022 in Wrocław (Małopanewska 4, Legnicka 33, Buforowa 89) and Poznań (Hawelańska 2). In the calculations, we have taken into account the rates of t CO₂/GJ and t CO₂/MWh obtained directly from our suppliers (Kogeneracja Wrocław, Veolia Poznań, Tauron).

*** Data obtained from the General Contractor of some of our investments in 2022. These include direct emissions (fuel combustion) and indirect emissions (purchased electricity and heat), excluding subcontractor work. The selected rates were verified by an external party.

[GRI 305-4] ● ●

The CO₂ factor per square meter of a residential building, taking into account the consumption of utilities (energy in common parts and heat in the entire pro-

ject) in 2022 for 4 projects – Małopanewska 4, Legnicka 33, Buforowa 89 in Wrocław and Hawelańska 2 in Poznań – averaged **26 kg CO₂/sq.m.**



Creating green spaces



As a real estate developer, we are obliged to create green and soft landscaped areas within our projects. The situation is no different for buildings with rental apartments, where greenery is highly desirable to tenants and increases the attractiveness of our locations.

The implementation of the project requires proper preparation of the plot, which often involves cutting down trees. However, we try to use it sparingly, and protect or replant exceptional valuable specimens elsewhere. An example of this is the tree stand in Port Popowice, where a row of century-old oak trees near the harbour basin is under special care. In April 2022, we also decided to replant several trees so that they would not interfere with planned construction activities. Preparations took many days, and coverage of the venture can **be seen on our fanpage**.

Within new projects, the selection of trees, shrubs and other plants is left in the hands of specialized companies with whom we cooperate on a daily basis. Each investment is analysed individually due to its location, volume and the location of the building on the plot or the size of the underground parking. Appropriate vegetation is then selected, complementary to the existing ecosystem at a given location. We also plant flower meadows on the area of our projects,



which increase biodiversity and improve small-scale retention in the area.

In 2022, we created 5,836.92 sq.m of green (including 2,713 sq.m of gardens for the exclusive use of tenants), where we planted:



51

new trees



5 492

seedlings of various plant species



3 123,92 sq.m

of flower meadow



4 711 sq.m

of rolled grass



Case study



We plant trees

In addition to the mandatory implementation of replacement plantings, the organization took part in two initiatives in 2022 to increase the number of trees planted. Thanks to the commitment of our team members, we took care of the green area located at Kindergarten No. 56 "Niezapominajka" in Wrocław.

Posadzimy.pl - the first 400 tree seedlings

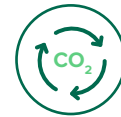
The portal provides the opportunity to purchase virtual tree seedlings, which are then located on the site of:

- Moravian Gate Arboretum,
- Gostynin municipality in Mazovia Province,
- Ogródzieniec and surrounding areas,
- Kamienna Góra.



444 sq.m

Forest area



2 400 kg

Co₂ uptake/year



400

Number of trees



268

Oxygen for people per year



23 200 kg

Amount of paper returned

The organization cooperates with municipalities, county offices and forestry districts, which take over the care of the young trees after the plantings carried out by professional companies. Species are selected jointly with experts who work in the area, so that the new seedlings perfectly complement the existing tree stand. Planting is done twice a year, during the growing seasons of the plants (spring and early autumn). After their completion, the organization receives confirmation from the Forestry District, Municipality or County Office of the number of new trees planted on their land. **As part of the first cooperation with the portal, 400 trees were planted in April at the initiative of Vantage Development.**

Dotlenieni.org joint tree planting in Wrocław

In September, a group of Vantage Development employees and associates took part in planting 60 trees on the grounds of Kindergarten No. 56 in Wrocław. The project was carried out in conjunction with the organization dotlenieni.org, which took care of the purchase of suitable seedlings and the provision of equipment to make the work possible. Plant species were specially selected to naturally complement the ecosystem found in the area around the kindergarten – entire rows of trees were replenished and created from scratch.

After the work was completed, the participants of the event were thanked by the kindergarteners themselves and received a certificate confirming the planting.



New company registered office in CU Office building

Due to the growth of the business, at the beginning of 2023, the company has changed the address of its registered office from ul. Dąbrowskiego 44 to CU Office (ul. Jaworska 11) in Wrocław. The process of selecting an office building and then developing the interior design was conducted throughout 2022. We started it with an extensive survey, aimed at our employees, in which they could express their expectations for the new space. In the survey, they entered the postal code of where they lived so that it would be easier to determine the location convenient for most of the team, and described their preferences for workspace (open space, hot desks, relaxation spaces, conference room sizes, other amenities).

At the same time, together with external partners, we made an analysis of the office space available at the moment in Wrocław, in order to choose a new registered office, optimal for our team. One of the criteria obviously included environmental factors and certifications that the location could boast. The CU Office building at ul. Jaworska was completed in 2019 and received BREEM certificate at the Excellent level, which confirms the implementation of eco-friendly and energy-efficient solutions in the building. Among them, it is worth mentioning:

- BMS - monitoring of ventilation, lighting, power, fire and security systems,

- Central heating with heat recovery,
- Effective ventilation system,
- Halogen-free lighting - in the event of a possible fire, the cables used emit only carbon dioxide and water vapour (no toxic or corrosive gases) during combustion,
- Green terraces on roofs, biodiverse areas in the vicinity of the building,
- Charging stations for electric cars and scooters.

The architecture of the building has been adapted to meet the needs of people with disabilities, whether in terms of required parking spaces, the width of pedestrian walkways, accessibility of entrances, contrast marking of steps or elevator panels.

While relocating was a major logistical challenge for our organization, we made sure that we also kept the environment in mind throughout the process. During the move, we used the services of a company providing reusable boxes, and all the work of transporting documents and equipment was completed in two days, without having to organize additional transportation.

Thanks to the cooperation with our external partners, 100% of the furniture used at the current registered office at ul. Dąbrowskiego has been re-circulated and will serve its next owners.



Digitalization of processes, new technological solutions

●●●●●●●● [GRI 2021:3-3]

Digitization of documents, digitization of processes within the organization and digital support for development are at the core of our organization. With the integration with ROBYG, the need to standardize systems and ways to manage information became even more important. Therefore, the company's existing IT section was transformed into a new, much more numerous IT Department. The two main pillars of the new unit are based on teams working together, dealing with: IT infrastructure management (hardware) and IT systems development (software). Both include employees from Vantage Development S.A. and ROBYG S.A.

IT systems and tools support in organizations, among other things: processes of customer acquisition (sa-

les, rental), management of after-sales service and rental billing, personnel activities, conducting finances or whistleblowing. In 2022, IT team members faced two important challenges:

- creation of a new process for the renewing of apartment rental (in cooperation with the section of rental advisors and tenant service advisors), which would allow for maximum automation of operations and the renewing of apartment rental or making it available on offer to new customers,
- system integration of Vantage Development and ROBYG to make the joint operation of both teams as simple as possible with the support of new technologies.

The process of renewing the apartment rental

With the ever-increasing scale of our business and the first customer rental contracts ending in mid-2022, the IT section decided to develop and implement a procedure that would enable efficient management of renewing the apartment rental process. The main goals of this project were to automate operations as much as possible, involving little of the Vantage Rent team, and to provide comfort to customers by conducting communications well in advance and in 3 languages (Polish, English and Ukrainian). Two integrated systems support us in the process of renewing the apartment rental: CRM, based on the leading Salesforce platform, as well as ZSI, a tool used to manage VR apartment rental.

With the comfort of our tenants in mind, as early as 10 weeks before the end of the contract, they receive an automatic, personalized email informing them of the impending end of the contract. This gives them plenty of time to review their life and career plans and decide whether to extend or terminate their rental contracts.



Depending on the feedback received from the tenant, the advisor prepares an annex extending the contract or informs the tenant of the dates as well as terms and conditions for the acceptance of the unit (including a scheduled inspection visit). For customers who deci-

de to stay with us longer, a special offer is prepared, as well as the possibility to add or remove elements from the contract (parking space or storage unit). Tenants are not subjected to financial re-verification, as is the case with new customers.

In the situation of unit acceptance, the contract (including the deposit) is settled, and the apartment is refreshed and prepared for reintroduction to the Vantage Rent offer.

In 2022, we sent out several hundred emails about the possibility of extending the apartment rental. On average, as many as 80% of our customers have decided to sign a contract for the next billing period. This brought the total square footage of apartments and commercial units with extended contracts in the past year to: 8,690 sq.m.

IT resource integration project

The integration process began with market analyses to select an experienced IT partner who could support ROBYG and Vantage Development internal team in operations. Once it was acquired, a detailed analysis of the IT infrastructure was performed and various integration scenarios were created. An additional initiative carried out in parallel was to raise the level of cyber security at both organizations. This was to be served, among other things, by training with an external expert who deals with countering hacking attacks on a daily basis and raising awareness of possible phishing methods.

A key part of the project was the migration of Vantage Development and ROBYG employees' computers to a new **shared domain** and the integration of data within the Microsoft 365 platform. The result of all these measures is more efficient communication between ROBYG and Vantage Development employees – in the Outlook address book you can see the contacts of all employees, in the Teams application they can create joint groups and conduct projects together. Access to systems for all team members has been unified. Finally, additional computer security measures have been put in place to increase data

security. As a result, we are able to better protect not only information directly related to our operational activities, but also the data of our customers and tenants.

During the integration of accounts in M365: employees' computers were reconfigured, hundreds of mailboxes and thousands of files were migrated to Sharepoint. In addition, new email addresses have been set up, dozens of servers have been updated, and offices have been merged into a single ICT network.

The integration of IT resources is just the beginning of the road to creating a unified organization in which Vantage Development and ROBYG teams will function. However, without the support of technology, it would be difficult for a geographically dispersed team to communicate and exchange data efficiently while maintaining full information security. The system integration of the companies was successful, thanks to effective cooperation between the IT Department and the external partner, but also properly managed communication with the Vantage Development and ROBYG team members involved in the process.

People



The impact of the war in Ukraine on the organization's operations

●●●●●●●●●● [GRI 2021: 3-3]

Russia's invasion of Ukraine came as a shock to the entire Western world community, including Poland. Across our eastern border, there is still war going on to this day, with innocent people dying as a result. Some of them decided to emigrate – according to Border Guard statistics, 9.5 million refugees from Ukraine crossed the Polish border between 24 February 2022 and 05 February 2023¹. They are mainly women and children who seek refuge in our country. In doing so, it is worth highlighting the admirable

attitude of the volunteers who, from the first days of the war, committed themselves to helping the refugees – offering them accommodation, food and other necessities. They were also joined by our employees who privately decided to help the Ukrainians by renting apartments for them, organising collections or volunteering at local aid stations (for which they were able to use 1 extra day off).

Aid for Ukraine

Decisions on the type and amount of aid from the company were made at the Management Board level with the full support of our stockholder TAG Immobilien, and operationally organized by the HR/PR section. As a first step, we supported the Polish Humanitarian Action with PLN 30,000, which launched a dedicated cash collection. The funds raised financed convoys containing items for those in need, including internally displaced people and those who could not leave their homes despite the ongoing war.

We also purchased power generators worth PLN 20,000, which were sent to Ukraine as part of an aid campaign by the Chancellery of the President of the Republic of Poland, carried out jointly with the Foundation Aid to Poles in the East. The purchase of the power generators was a response to the critical need for electricity in areas affected by armed conflict.

In the first weeks after the outbreak of war, when refugees were arriving in large numbers in Poland, we contacted the aid station located at the main railway station in Wrocław to determine their immediate needs, and then supported them with in-kind donations. On an ongoing basis, we purchased groceries for those in need, and delivered them to the train station and to Czasoprzeźrzeń, where

the Raft Association organized a collection of donations, legal aid and medical assistance for refugees. We have allocated about PLN 30,000 for this form of help.

As more and more people crossed our eastern border, the demand for their place of residence increased. All of Vantage Rent units in Wrocław were rented at the time, but with the launch of the offering of more apartments in Poznań, we decided to donate some of them to help refugees. We have established cooperation with the ERBUD Foundation, to which we have provided 10 rental apartments for families affected by the conflict in Ukraine. The unit rent amounted to "PLN 1"; units were handed over to the new tenants with the equipment.

In the following months of 2022, we decided to support refugees twice more. In August, we donated Sodexo cards (PLN 6,000) to families in Poznań to support current expenses. In view of the assistance provided privately by our employees, these vouchers have also been given to the families under their care.

In December, in response to an appeal from Czasoprzeźrzeń, we again supported the aid station with grocery purchases worth PLN 10,000.

¹<https://www.ukrainianinpoland.pl/how-many-ukrainians-have-crossed-the-ukrainian-polish-border-since-the-beginning-of-the-war-current-data-pl/> [accessed: 07.02.2023]

Situation on construction sites

The outbreak of the conflict in Ukraine also had a destabilizing effect on the supply chains of Polish construction companies, including Vantage Development business partners. Our eastern neighbour is a very important steel manufacturer, one of the basic materials used in construction. Consequently, its inadequacy or lack is immediately noticeable on construction sites.

In addition, access restrictions were also noted for gypsum-based materials, including cement and other ag-

gregates. Demand, however, did not diminish, as projects that had been started had to be completed. Material prices, which had already recorded a significant increase during the pandemic period, have risen again. The high purchase costs were further bolstered by rising fuel prices, and thus transportation. Time is also an important factor on construction sites, so with the limited availability of materials, delays in completing the work also naturally occurred.



In the first weeks of the war, we observed a large exodus of people from the construction site. The employees of general contractors and their subcontractors were largely recruited from among Ukrainian citizens. When news of the Russian invasion of Ukraine emerged, many of them decided to return to their homeland and fight for their country. After a while, the situation stabilized, although the shortage of skilled workers is still a major challenge on construction sites.

We predict that once the armed conflict is over, some of them will decide to go to Ukraine to join the process of rebuilding the country, which will also not be without an impact on the Polish development market.

Krzysztof Sadowski

Deputy Director of the Investment Implementation Department

”

Currently, despite the passage of time, the situation on construction sites is precarious. Clearly, the availability of materials has not returned to its pre-war state, and

staff shortages periodically intensify. Despite these demanding operating conditions, the work is being carried out by our general contractors without major delays.

Changes in organization and customer structure

In the second half of the year, when we carried out the process of renewal of units rental in our Wrocław projects and supplemented our offer with more apartments in Poznań, Łódź and the capital of Lower Silesia, our stock of available units increased significantly. In the course of acquiring new tenants, we have seen a significant increase in foreign language customers. In 2021, they accounted for about 20% of tenants, now their percentage reaches 40%, with Ukrainian citizens being the largest group. With them in mind, we conduct communication in their native language, so that the process of signing the rental contract and then the operation of the apartment itself is as simple as possible for them. You can read more

about it on page 24 of the report.

Our core business is not only the implementation and rental of apartments, but also the subsequent service to tenants and the elimination of defects at the project site. Contact with Ukrainian-speaking customers who did not speak English was a major challenge for our team members. Therefore, in 2022 and 2023, we have decided to hire 4 new employees, coming from Ukraine, to handle tenants in their native language. To improve communication, in the near future, the maintenance and warranty section will also be trained in the basics of Ukrainian, with a focus on technical vocabulary.

Local community involvement

●.....● [GRI 2021: 3-3]

Although our customers, for whom we create products and services, are the organisation's most important stakeholders, let us not forget other groups in society – including our future neighbours. Since Vantage Development (sales) and Vantage Rent (rental) projects are built close to the centres of the cities in which we operate, we try to maximize the potential of their locations, while enriching the space with new elements such as roads, bike paths, pavements or places for public recreation. The Investment Implementation Department closely cooperates in this regard with the authorities of the cities in which we operate, preparing projects in accordance with the guidelines of the municipal office and the needs of the residents of a particular part of the city.

Our long-term rental business model also has a positive impact on building communities themselves. Due to the relatively low turnover of our customers, we give them the opportunity to create new neighbourhood relationships. At the same time, it is worth noting that approximately 40% share of foreign speakers in the structure of the group of our tenants allows them to more easily assimilate socially with their immediate environment, and within a given project to create a network of mutual

support (e.g. childcare or completing official formalities).

We actively seek contacts with local community leaders, which was the responsibility of the Communications and ESG Manager. So far, we have mainly focused on Wrocław, where most of our projects for sale and rental are located. In 2022, with the launch of the rental in Poznań, we built a relationship with representatives of the Wino-grady Estate Council. Next year, similar steps will be taken for Łódź, where the first Vantage Rent apartments went on offer in December.

We also do not forget to support our community partners – foundations and associations with whom we have worked for many years. There's no denying that the first half of 2022 required us to engage primarily in helping refugees from Ukraine, but we didn't forget about other stakeholders and assistance beyond making financial donations.

In 2022, we spent a total of PLN 422,000 on social goals related to charitable assistance to Ukraine, providing housing for refugees, working with local communities, and our employee volunteering program.

Employee volunteering program

In 2022, we implemented a new form of social engagement targeting employees and local communities in the form of an employee volunteering program called "GO-ODdoers". The first edition of the project, which ran from February to June, managed to implement as many as 8 initiatives with the participation of the VD team.

The project was based on a combination of a grant competition and direct involvement of employees in the implementation of volunteering activities. They were fully responsible for acquiring a beneficiary (NGO), recruiting participants for the initiative, planning activities, and then settling the budget (up to PLN 10,000 per project).



wolontariat pracowniczy

Employees had complete freedom in the choice of the NGO they wanted to support through volunteering and in-kind donations. However, additional funding in the grant competition could be received for initiatives related to landscaping, construction or architecture.



The Vantage Development team was eager to get involved in the volunteering program and implemented the following 8 initiatives:

- conducting art classes for disabled children and young people – the charges of Zakład Opiekuńczo-Lecznicy in Jaszgotle (Healthcare Facility) near Wrocław,
- supporting Family Child Care Centre No. 10 with the purchase of a laptop for educational purposes and bicycles, spending an afternoon together with children,
- cooperating with the EKOstraż Association in Wrocław – purchase of needed animal feed and all-day cleanup work at the shelter.



Being a volunteer brought me, first of all, a sense of great satisfaction from helping and the opportunity for self-development, and then there was even the thought of being a better person. Active action has shown me that I have the power to change the world, even in a minimal part of it, and has given indescribable joy in seeing the results. I have found that it is worth „not to look the other way”, even in case of difficult issues and the ugly world and taking matters into one’s own hands. Volunteering also proved to be a source of new friendships with inspiring people having similar interests and ideas of helping. Selflessly devoting time to others is also a break from mundane responsibilities, work and one’s own problems, which become less important in the face of the situation of those more in need.

Marta Szymanowicz
Senior Controlling Specialist



- art workshops centred around the theme of architecture at the Primary School No. 22 in Wrocław,
- supporting Grupa Ratuj (Rescue Group), which takes care of homeless animals by purchasing food, hygiene items, crates and protective gloves,
- preparing meals for the poor at the beanery which operates on Ostrów Tumski in Wrocław. Purchase of equipment for the kitchen, distribution of food portions to those in need,
- improving safety at the Zakład Opiekuńczo-Lecznicy dla Dzieci (Healthcare Facility for Children) in Piszkowice near Wrocław by designing fire escape route markings and erecting signage in the field,
- supporting the RESPECT Student Sports Club to organize sports day for children in the Gaj estate in Wrocław.



I was encouraged to participate in the employee volunteering project by the opportunity to combine my personal interests with promoting sports among kids. I myself like to be active, and when the opportunity arises I am happy to get on the field. At the Gaj estate, together with the RESPECT Club, we prepared a football tournament for children, in which I had the opportunity to referee. It was a very hot Saturday, but the players fortunately did not lack energy – we provided them with fruit snacks and water. The event was attended by whole families and I think everyone regardless of age had a good time. Volunteers too!

Tomasz Lewandowski
Project Supervisor



The spring-summer edition of the volunteering program was a great success, and the entire planned budget was used. Aid was provided to a diverse range of beneficiaries, whom employees were able to help according to their needs. It is worth noting that the projects were carried out during working hours – each member of the VD team starting from 2022 has 1 additional day off for volunteer work. Under the “GOODdoers” program, 20% of employees exercised this option.

The program was also an opportunity to integrate the team in a new environment. Working together outside the workplace, in circumstances beyond the job duties, was a very valuable experience for the volunteers. This is because one-day actions translated into an immediate effect: smiling faces of children, animals taken care of, a tidier space or gratitude from those in need who received a warm meal. This is a perfect example of a WIN-WIN situation worth repeating in the future.



Cooperation with local communities

●●●●●●●● [GRI 413-1]

While expanding Vantage Rent portfolio of apartments, we are completing construction and launching rental in more Polish cities. Acting in line with our business goal of creating a nationwide network of rental units, we also consistently build relationships with local communities. We are a company that is open to feedback from our stakeholders, and the Communications and ESG Manager,

together with members of the local teams, made sure that contacts were made at different levels: the municipal office, associations or educational institutions operating in the vicinity of the projects.

We are not interested in one-time cooperation, but in long-term partnerships based on frequent and direct contacts with representatives of local communities.

Wrocław

In the Szczepin estate, which is located a short distance from Wrocław Market Square, we have completed the Legnicka 33 project (with apartments for rent and for sale). It was during the construction of this project in 2021 that we partnered with the local Heart of Szczepin Association,

providing promotional support for their project in the vote for the Wrocław Civic Budget and purchasing event tents for the organization. In 2022, without hesitation, we also decided to get involved in the preparation of a Theatrical Children's Day on the estate.



Theatrical Children's Day is an event that turned Szczepin into a huge theatre stage! To celebrate Children's Day, the Heart of Szczepin Association invited the youngest residents to 5 theatrical performances in 5 backyards. Children, along with their caretakers, moved throughout the Estate that day to become spectators of the next performance at designated points at a specific time. It was an amazing cultural experience. The theatre came to children and showed its diversity and magic, and Szczepin proved that it is the best theatre stage in the world! Residents saw "Attack of the Clowns" by the Na Walizkach Theatre, theatre shows at the Academy of Theatre Arts, "Black and White" by the Po Prostu Theatre, "On the Cart" by the Zaułek Foundation and "Tesla and Edison" by the Wrocław Puppet Theatre. Such events are irreplaceable in awakening neighbourhood identity, building local activity and an opportunity to establish partnerships in Szczepin.

Joanna Klima

President of the Heart of Szczepin Association



The largest investment we have made in recent years in the capital of Lower Silesia is the Port Popowice estate, located in the northwestern part of the city. In close proximity to the investment is the "Popowice" estate with many thousands of tenants, built in the 1970s with a very active local community. Continuing our involvement in the life of the estate in 2022, we supported the Wrocław Association of Educators, which prepared a Family Picnic in the Popowice area. Its main goal was to integrate the local community, which is a very interesting multi-generational group of people. Sports activities, home-made refreshments, free consultations with a physiothera-

pist or educator, bicycle marking by the police, a raffle contest and artistic performances were prepared for the participants.

Last year, we also responded positively to a request from the Head teacher of Kindergarten No. 104 "Na Misiowej Polanie" in Popowice, who requested the purchase of a multimedia board for the institution. The new tool has helped make educational activities more interesting for the youngest. We have also purchased an air purifier for the kindergarten in the past, so for us it was a natural continuation of our cooperation with the organization.



Case study



Children at the construction site – an educational project in Popowice

In April and May 2022, together with our long-standing business partner Erbud, we prepared an educational project centred around the topic of investment implementation, targeting primary school classes and preschool children.

Port Popowice was visited by pupils and charges from:

- Primary School No. 20 in Wrocław,
- School and Kindergarten Complex in Piszczowice,
- Salesian Primary School in Wrocław,
- Primary School No. 10 in Wrocław,
- Kindergarten of the Sisters of St. Joseph in Wrocław.

The purpose of the initiative was to introduce the youngest to the investment process with a detailed discussion of the activities of all the teams involved in its implementation.

The site of the Port Popowice investment, at ul. Białowiecka in Wrocław, was visited by nearly **200 little construction enthusiasts** during 5 meetings.

In the first part of the meeting, the children could listen to a presentation on the objectives of the investor, the role of the architect, general contractor or inspectors, key to the proper functioning of construction. It was pointed out to the youngest that inspiration for designs can be found anywhere, including in the nature around us. There was also content related to the sustainable use of natural resources in the construction process or waste segregation.



The youngest learned about global trends in construction, and then used this knowledge to create their own architectural designs. The next step was to demonstrate the stages of the construction process and prepare mock-ups of the investment using special reusable blocks. The workshop concluded with a trip to the ongoing construction of a residential building, where children, equipped with helmets and vests, under the supervision of the Construction Manager and the Construction Industry Supervisor, were able to gain knowledge of basic occupational health and safety rules.

The project was an initiative of employees and associates of Vantage Development. The following persons were engaged in the substantive and organizational implementation of the project: Architect and Design Standards Manager, Cost Manager, Cost Analyst, Junior Communications and Social Media Specialist, ESG Advisor, Construction Industry Supervisor and Construction Manager (Erbud Company).

“Children at the construction site” was very positively evaluated by the participants of the event, as well as the teaching staff who accompanied the children. Its success is evidenced by numerous inquiries from schools about the possibility of repeating the meetings in subsequent months.



Poznań

The beginning of 2022 marked an important milestone for us with the launch of Vantage Rent apartments for rent in our first investment in the capital city of Wielkopolska. At ul. Hawelańska 2, there are about 150 apartments in 3 buildings with commercial units on the ground floor. While expanding our operations in Poznań, we have created a new team there, responsible for the operation of the project, acquisition and tenant services. The specialist responsible for managing the property at ul. Hawelańska also became the person who first initiated contact with the Winogrody Estate Council, where our investment is located. We had many telephone conversations with representatives of the council, we exchanged correspondence, and finally in June we met with them in person in Poznań to discuss the terms and conditions of cooperation.

Both parties expressed their willingness to help each other with the projects and needs of the residents,

which brought rapid results in the following months. We supported the promotion of the Estate Council's project in the vote for the Poznań Civic Budget. In September, when the council organized a Neighbourhood Picnic in Citadel Park, we joined in, providing free activities for the little ones.



Łódź

In Łódź, we continued our cooperation with the municipal office by realizing a press conference on the occasion of the launch of apartments for rent at ul. Tuwima 64. We have also completed a pavement and a

section of a bike path located within our project area, and reconstructed a bus stop. Our representatives also took part in a city authorities meeting with entities investing in the area of the New Centre of Łódź.

Negative impact on the local environment

● ● [GRI 413-2]

Despite our efforts, our impact on local communities is not exclusively positive. The projects we prepare often involve cutting down trees, developing road infrastructure and increasing traffic in the immediate area. Construction is also a months-long process, involving noise, new waste production and community disruption.

It is also worth adding that not all changes related to, for example, infrastructure development are perceived by everyone in the same way. In the already mentioned Popowice in Wrocław, a significant group of residents are senior citizens who have owned their flats since the very beginning of the housing estate. For many, the creation

of the new tram line, of which we are a co-investor, will be an amenity, but for others it will be a major inconvenience. Tenants of the ground floors units in buildings located right at ul. Popowicka are concerned that the noise generated by a passing tram will be difficult for them to

accept. Several articles have appeared in the local media on the subject, criticizing the way the route was planned and implemented (without noise barriers).

Building a strong team based on competencies

●● [GRI 2021: 3-3]

One of the biggest challenges associated with the integration of ROBYG and Vantage Development was the creation of a single team responsible for the implementation of activities, related to human resources management. Although both companies are in the real estate business and some of their competencies overlap, the approach to HR differs between the two organizations. At the end of IQ 2023, the two teams were united by the person of a new director, setting the direction of human resources management for the integrated company. At the highest managerial level, HR issues are within the responsibilities of the Vice President of the Management Board, to whom the Manager of the HR/PR section has reported in the past, and now the new director.

Summarizing the year 2022, it should be noted that the HR/PR section was responsible for the implementation of personnel policy as it was in the year 2021. In their everyday duties, the team collectively handled a wide range of day-to-day HR and personnel services, including:

- initiating and conducting recruitment processes,
- conducting internal recruitment,
- diagnosing the team's training needs, and then offering training courses, workshops and postgraduate studies to further develop the team's competence,
- advising the Management Board, Directors and Managers on issues related to the development of their employees and resolving difficult situations that could affect the team atmosphere and the effectiveness of their duties,
- optimizing HR processes, thanks to cooperation

with the IT section and external technology solution providers,

- handling and updating benefit offerings,
- cooperating with an external human resources and payroll company,
- in addition, the manager was responsible for remuneration policy, through regular remuneration reviews and their adjustments with reference to current market conditions,

Moreover, the team also carried out other tasks aimed at the VD team:

- organization of internal events (Vantage Development Capital Group Company Gala, Integration Day), preparation of educational projects aimed at employees (Summer with Health, Cooperation with DKMS), coordination of employee volunteering activities "GOODdoers",
- conducting ongoing internal communications via the intranet, Teams application, email correspondence, and through online and offline internal meetings, focusing on the integration of the two teams,
- preparation of training offerings supporting values in the company, implementation of the Vantage Skills Academy project (2 editions).

At the beginning of 2023, those responsible for communications in the Vantage Development group (2 employees) were transferred to the Sales and Marketing Department, to the marketing section. This change was dictated by the need to make the team structures in both organizations more consistent.





Over the past two years, I have had the opportunity to participate in two accredited training courses in the area of project management, based on the Prince2 methodology. After earning my first certification, I wanted to deepen my knowledge in the areas of launching, executing and supervising projects in an agile way – Prince2Agile Practitioner. During the training we discussed specific business cases, which I was very keen on. In the field of IT systems development, project ideas are plentiful, so from my point of view, the knowledge and competencies gained during the training have already proven to be very valuable in daily work.

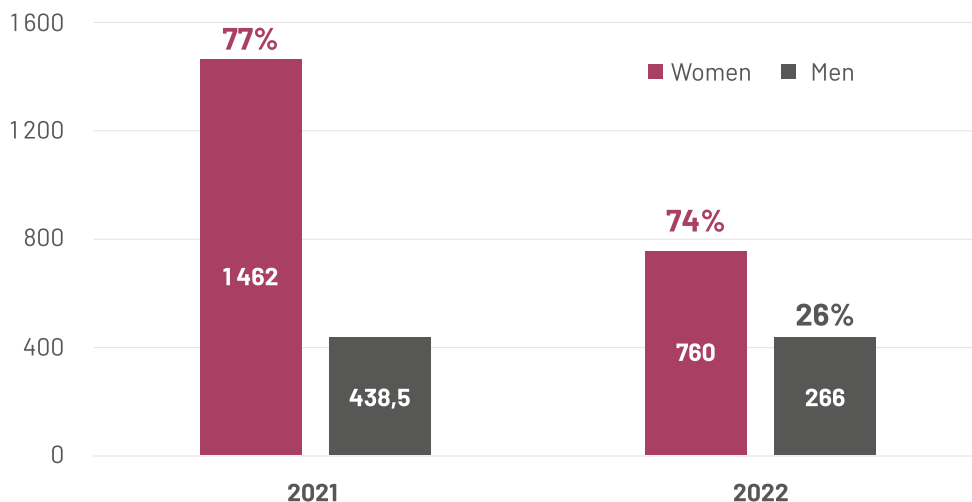
Krystian Hyrnik
Manager of IT Systems Development Section



The organization has an appropriate policy in place that governs the availability of training for all employees. Regardless of the rank, department or gender, the opportunity to develop or improve one's competencies is available to everyone. The budget for this type of spending is planned flexibly and spent according to the current needs of employees and individual teams.

Control of expenses in the area of training is carried out by the HR section. In 2022, the VD team's training budget was: **PLN 283,217**, which is 75 thousand less when comparing year-on-year figures. This is primarily due to a decrease in the average number of training hours per employee, which in 2022 was **9h** (2021: 11h).

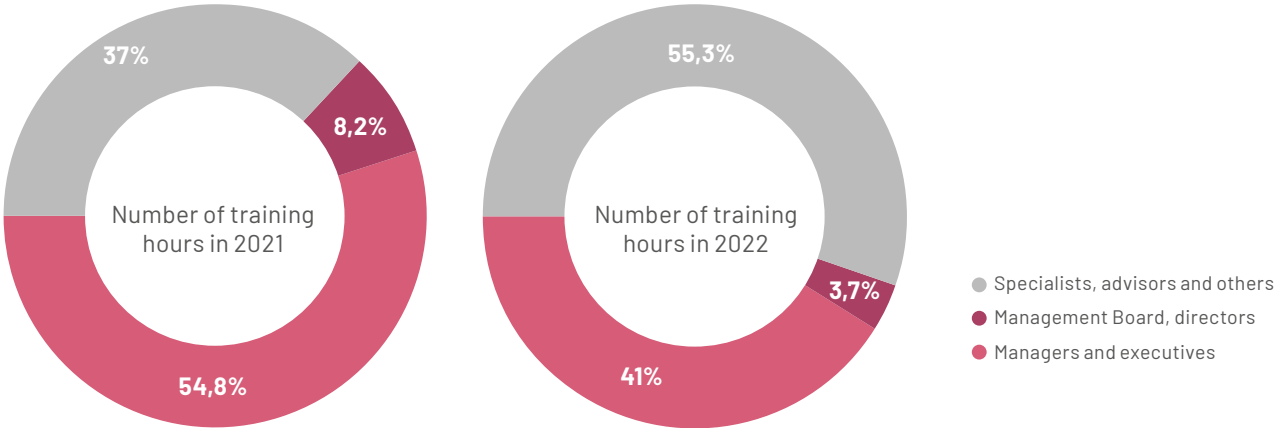
Comparison of the **number of training hours** of the VD team 2021/2022



Despite the lower number of training hours in 2022, women were still far more likely than men to take classes to improve their professional competencies.



Comparison of the number of training hours in relation to rank 2021/2022



In contrast, a significant change in the use of training hours is clearly evident when the rank of employees is taken into account. Senior and mid-level personnel involved in the integration process with the RO-

BYG group had less time to improve their professional skills. In 2022, it was specialists and consultants who made the most use of training, accounting for 55.3% of all hours completed.



I chose the Facility Manager course to expand my knowledge in real estate management, in this case commercial buildings. Despite years of experience, until now real estate has been an end in itself for me, and thanks to the training I was able to look at it as a means to an end. I am convinced that this change of perspective has greatly enriched my perception of industry reality and has given me unique competencies as a specialist that our market badly needs. The time spent on training and acquiring knowledge is the best investment I have been able to make in the past 12 months.

Kornelia Żukiewicz
Senior Real Estate Management Specialist



[GRI 404-2] ●●●●●●●●●●

In 2022, in response to reported demand from employees, the HR section jointly organized training sessions/ open meetings with external companies:

- specialized workshops on the use of Microsoft Visio, combined with practical classes (2 editions),
- change management workshops – separate editions for executives/managers and specialists,
- training sessions to support Vantage Development values: COOPERATION – joint achievement of goals, INITIATIVE – design thinking, CUSTOMER ORIENTATION – communication as the goal to success, SELF-RESPONSIBILITY AND CONFIDENCE – own responsibility.
- a meeting with psychologist B. Czajewicz on how to support oneself and others in crisis situations (in the context of the conflict in Ukraine).

A total of **112 people** participated in the training sessions and open meetings.

In the past year, the Vantage Development team has continued to be able to benefit from the company's English language learning program, initiated at the company in 2020. It includes weekly meetings, conducted by external teachers for groups of several people at different levels. In 2022, **64 people (61% women, 39% men)** took the classes. To test the effectiveness of the classes, tests are conducted once a year to assess the development of employees' language skills. Feedback is implemented in a two-way manner: lesson participants can also evaluate the level of satisfaction with the class and the work of the teacher. All the collected information is then used by the HR section to plan the next edition of the program.

Vantage Skills Academy 2022

The academy formula, implemented from October 2021, is based on knowledge sharing among company employees. Team members from all levels of the organisational structure take on the role of trainers to train their colleagues for 2h. Trainers are recruited on

a voluntary basis, and with each successive edition the number of applicants increases. Training sessions are held during business hours for 4 weeks in May and then in October, and the number of participants is limited (15 people per meeting).

In the spring edition of the Vantage Skills Academy, employees were able to attend workshops on:

- using Excel at 2 levels of difficulty (basic and advanced),
- the basics of managing and presenting data in Power BI,
- good practices in learning a foreign language,
- creative thinking techniques.

In the autumn edition of the project, participants expanded their knowledge in the field of:

- good practices in learning a foreign language,
- green certificates in the real estate industry,
- basic knowledge of the electrical industry,
- modern details in architecture,
- making changes and achieving goals in professional and personal life.



All training sessions were held in a hybrid format – at the organization's registered office in Wrocław and on the Teams application. A total of **150** participants took part in all meetings, in both editions of the project in 2022.

Safety and promotion of healthy lifestyle

In terms of the implementation of occupational health and safety training (initial and periodic), Vantage Development cooperates with Asekor. When it comes to organisation, it is the responsibility of the HR section to refer employees for training, achieving 100% efficiency in 2022. **We also recorded no accidents at work.**

In the Human Rights and Anti-Discrimination Policy,

Occupational health and safety at the construction site

Out of concern for all those on construction sites, whether employees, counterparties or subcontractors, we have implemented a project focused on increasing their safety awareness. As a first step, we looked at the reports of regular occupational health and safety inspections carried out by Asekor at the site of 2021 ongoing projects. The purpose of this analysis was to diagnose the most common irregularities. Among them, it is worth mentioning:

- inadequate protection of electrical cables, unlatched electrical boxes, third-party access to equipment,
- inadequate fixture protection,
- incomplete scaffolding or improper placement of scaffolding,
- the dismissive attitude of workers with regard to appropriate safety measures for work at height.

After the training sessions, all participants were given an anonymous questionnaire to fill out, in which they could evaluate both the topics of the training provided and the trainer. **91%** of participants described the meetings as “very interesting”, and 100% positively evaluated the work of the trainers.

●.....● [GRI 2018: 403-1, 403-5, 403-6, 403-9]

the Management Board of Vantage Development S.A. is committed to promote Occupational Health and Safety among Employees and regular associates of the company. A key aspect is to take initiatives aimed at minimizing the risk of occupational accidents. In 2022, we took additional measures to increase the level of occupational health and safety on construction sites carried out by General Contractors on our behalf.

In 2021, in the 7 projects undergoing diagnosis (in Wrocław, Poznań and Łódź), the average score was 3.93 (on a 5-point scale).

We ensure equal safety standards everywhere, in accordance with ISO 45001:2018, which is based on the cycle: “Plan-Do-Check-Act”. Developing a safety culture on construction sites has had a positive impact on the decisions made by our subcontractor teams. After the verification process, equipment was replaced with the appropriate safety class one, or the wor-



kers were further equipped with appropriate safety class equipment. As a next step, we decided to increase the number of OHS inspections on construction sites.

All of these measures have already brought the first results in raising the average OHS rating of projects to **4.16**.

Summer with Health

This year, for the third time, we conducted the company's "Summer with Health" campaign, which allowed us to promote activity and a healthy lifestyle among our employees. The topic of this year's edition was healthy bowels – during a webinar with an expert, VD team members had the opportunity to hear about how to take care of them and what is their impact on brain function.

Introducing an element of corporate competition, we once again organized a two-month sports challenge with the Activy application, in which participants ear-

ned points for each physical activity they performed (running, biking/rollerblading, walking). The points collected could be exchanged by the winners for prizes in the form of vouchers to a sports store in monthly editions. This year we undertook physical activity during the challenge for a worthy cause, as the kilometers covered on feet and on wheels by our employees were converted into zlotys, which were then donated to the Give Children Strength Foundation (Fundacja Dajemy Dzieciom Siłę).



37

participants (20% of the team)



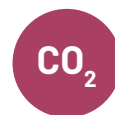
17 783,3

kilometers covered



876 946,6

calories burned



4 436,3

kg of CO₂ saved



7 000 PLN

donation to the foundation

VD team benefits

●.....● [GRI 401-2]

Invariably, in addition to an attractive remuneration based on current market rates, we also offer our team members a catalogue of benefits that employees and their families can take advantage of. In connection with the integration with ROBYG, their scope will be revised in 2023 to unify the rules of both organizations. In 2022, the Vantage Development team used:

- **private medical care** – a VIP-level package of services used in 104 individual packages, 26 family packages, 24 partnership packages, 9 senior packages and 1 with an adult child,
- **group insurance on preferential terms** – 84 employees and 12 accompanying persons opted for it last year,

- **an attractive offer to use a sports card** – 61 employees and 17 people from outside the company used it,
- **employee events** – for this purpose, the HR/PR section used a combined budget of PLN XXX (a 56% increase in relation to 2021). In 2022, there was a formal gala to celebrate the company's 15th anniversary, an Integration Day in Wrocław for the Vantage Development team, and a joint Christmas party with the company's employees and ROBYG.

In all benefits of an individual nature (with or without family members), we recorded a few percent increase in employee activity.



A company of equal opportunities – the position of women

●●●●●●●● [GRI 2021: 3-3, GRI 405-1]

The organization has an Anti-Discrimination Policy, adopted by the Management Board of Vantage Development S.A. in March 2021. In Q4 2022, the new Management Board adopted a resolution that updates compliance documentation (including the aforementioned Human Rights and Anti-Discrimination Policy), and its standardized form was adopted by both Vantage Development S.A. and ROBYG S.A. The Policy is available on the intranet for all employees of both organizations.

The documents refer to the following EU directives:

- Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin;
- Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation;
- Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation, and
- Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services.

The document emphasizes that all Vantage Development team members have equal opportunities regardless of their background, gender, age or physical disabilities. We view employee diversity as a market opportunity and a way to build a competitive advantage. A situation in which the team is a homogeneous monolith results in the organization being deprived of important skills and experience, including in dealing



with external stakeholders.

On the formal side, therefore, the position of women is adequately secured by existing external and internal regulations. Any irregularities, including those related to discrimination in the workplace, can be reported through an external system, described on pages 81-82. The Policy further emphasizes that “Vantage Development Capital Group shall exercise due diligence to ensure that there is adequate representation of women at managerial and supervisory levels”.

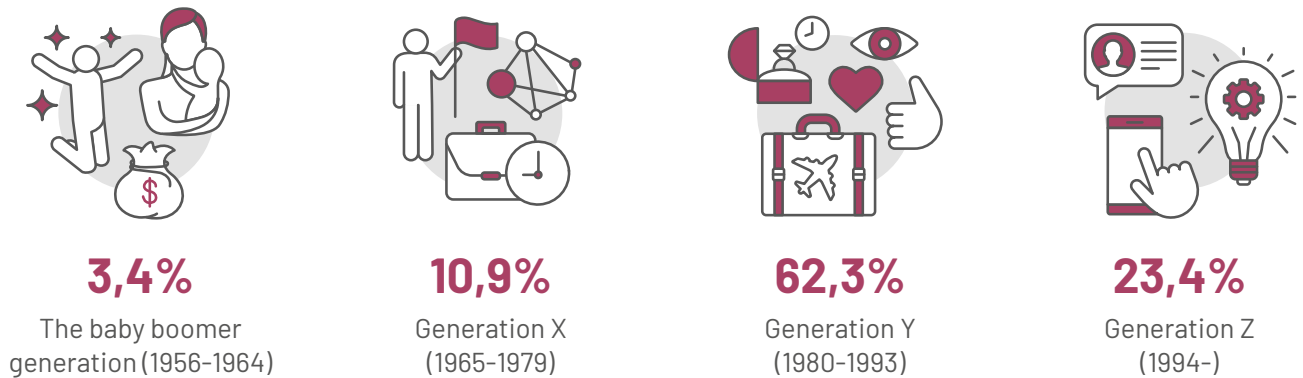
In practice: the VD team consists of **68.6%** of women and **31.4%** of men. Women perform work at all levels of the organization and in all areas of company operations. They are present at the construction site, controlling the investor process, in accounting, finance and controlling, as well as administration, legal section, customer service and real estate management sections. In 2022, in the group of managers and executives, women held **58%** of the positions, and in the Management Board **33%**.

In 2022, for the first time, we made calculations to show the difference between the earnings of men and women in the Vantage Development team at the same job level. Comparing remuneration, we obtained the following results:

Senior management (Management Board and Directors)	85,1%
Middle management (Managers and executives)	97,8%
Other team members (specialists, advisors)	90,2%

Age structure

The company's team members are mainly young people (the average age is 35), which is reflected in the size of Generation Y, which dominates the team's age structure.



In contrast, the top management group (Management Board and Directors) is dominated by people over the age of 50:

2022	
Under 30 years of age	0%
30-50 years of age	37,5%
Over 50 years of age	62,5%

Parents at work

Continuously since the pandemic period, the organization has had a home office option. The rules changed depending on the current pandemic situation and the recommendation from the Ministry of Health. For most of 2022, the VD team could make extensive use of the work-from-home option (with a minimum of 8 days/month of office attendance). It is worth mentioning that this did not apply to team members whose

work required them to be in a specific location, such as a construction site. At the end of the year, the ratio between home office and office opportunities changed – at home, employees could work up to 8 days a month. Statistics from the HR section show that **84%** of the team took advantage of such an opportunity in 2022.

The ability to freely manage one’s own time and choose where to perform duties is particularly attractive to team members who have children. The new regulations, which govern the work at home, went into effect on 07 April 2023. Based on these, we introduced remote work regulations.

In our company, contracted parents benefit from maternity leave, paternity leave and combining it with parental leave. The table below shows how VD employees used these benefits in 2022.

	Number of people who used the benefit in 2022:	Women	Men
Employees who have taken parental leave:	3	3	0
Employees who have returned to work after parental leave:	1	0	0
Employees who have returned to work after parental leave and are still employed after 12 months:	1	0	0
Return rate after parental leave:	100%		

Business



The impact of the current economic situation on the company's operations

Strategic decisions, regarding the development of the organization, are made at the highest levels of the company. The new, three-member Management Board is setting the course of action, following approval from the Vantage Development S.A. Supervisory Board. Directors, who manage their specialized teams, are responsible for the various areas of the company's operations. Operational activities are adapted on an ongoing basis to the current market situation, but based on the company's strategic goals. Such an update is regular and necessary, as it is related to internal and external factors affecting the company.

We obtain **internal information** from IT systems that have been implemented to optimize sales processes, tenant acquisition or their subsequent service. Thus, at any time, we are able to verify: how many apartments are leased, how many inquiries have been received in connection with the launch of an offer in a new project, how many potential customers are in the financial verification process, how many apartments for handover are scheduled for a given day, and so on. In addition, Vantage Development employees regularly meet in teams, discussing the progress of activities and verifying the possibility of achieving planned goals. Each week, the Management Board discusses key operational topics with executives and managers.

We collect **external information** through publicly available market data. We have our own system for aggregating and analysing them, so that we have up-to-date information, for example, on the level of apartment rents in the area. Furthermore, we use reports pre-

pared by specialized real estate agencies, published quarterly and annually. We check the activities of the competition, the trends that maintain in the industry, we participate in market events and follow the news. We are also interested in macroeconomic information about the Polish economy, which is largely a touchstone for current customer sentiment - the level of unemployment, the level of interest rates, the number of mortgage applications, etc. The collection and analysis of the data described above is handled by the market analysis section.



Market conditions – sales and rental

According to JLL report "Residential market in Poland in Q4 2022"², the real estate market faced a significant drop in apartment sales throughout the past year. According to experts, the number of concluded

transactions to buy units fell by almost half (compared to 2021) to 35,000. This was, of course, influenced by economic conditions (rising inflation, raising interest rates several times, reducing the creditworthiness of

Poles) and the political and social situation: the outbreak of war in Ukraine and the influx of refugees.

Without financial support from banks, many potential buyers have had to resign from purchasing a unit in favour of renting it. Thus, mainly those customers who were able to buy an apartment with cash remained on the market. The most popular among them were the more expensive, attractively located apart-



ments or the smallest ones, which they could rent out and thus get a return on their investment.

According to JLL, the result of apartment sales in 2022 in the six largest markets (Warsaw, Gdańsk, Poznań, Wrocław, Kraków, Katowice) was similar to the level of 2013, the period before the housing boom, which lasted almost 10 years. The current market situation has also influenced the decisions of many de-

velopers to postpone the start of new construction.

The year 2022 was exceptionally prosperous for the rental sector. The political and economic factors described above have created conditions for high demand in the real estate rental market. Private landlords, as well as PRS operators, could not complain about a lack of customers. The situation on the real estate market in the context of also renting apartments is brought closer by the report prepared for the fourth quarter of 2022 by Polityka INSIGHT, otoDom and olx³. Comparing rents year-on-year in Poland's largest metropolises, experts noted an increase of up to 32%. However, the last quarter of 2022 was characterized by a slightly lower rate of price growth, which can be explained by the "extinction of the demand shock associated with the influx of refugees from Ukraine" and a decline in the financial capacity of tenants. For the facts are that the current level of rents in Poland has come close to being acceptable to the demand party. Some of the customers of the rental market will in such a situation decide to change to a cheaper apartment or move to a less attractive location.

The increase in rental prices could be seen primarily in the largest cities (with populations above 500,000), where private landlords are more willing to test new rent levels. This is especially true when the property was purchased with the support of a mortgage, and the income from its rental does not compensate for the amount of increasing instalments. In smaller urban centres, with a population of less than 50,000, rents rose year-on-year by 23.3%.

²Residential market in Poland in Q4 2022, <https://www.jll.pl/pl/trendy-i-analizy/badanie/rynek-mieszkaniowy-w-polsce> [accessed: 21.02.2023]
³Housing Quarterly. Housing Market Situation Report Q4 2022, <https://www.politykain-sight.pl/bibliotekaraportow/2197634,kwartalnik-mieszkaniowy-raport-o-sytuacji-na-rynku-mieszkan-w-iv-kwartale-2022-roku.read> [accessed: 21.02.2023]

Adaptation of the organization to changing operating conditions

Staying ahead of trends. The decision to change our business model from selling to renting apartments was made in 2020, long before the change in the economic situation in Poland or the outbreak of war in Ukraine. At the time, the PRS market counted only a few operators with Resi4Rent and the Rental Housing Fund dominating. Thanks to the hard work of the en-

tire team, we developed the concept of the new product and rental service in record time. We have built up a land bank, allowing for the development of several thousand housing units, and have begun to expand into more local markets.

Since we have simultaneously limited the sale of units (to a maximum of 400 units per year), the collapse in



the primary housing market in 2022 did not affect the organization much. At this stage, the team was focused on introducing nearly 1,800 rental units in 3 Polish cities. And thanks to the favourable economic situation for rental, getting customers has proven to be extremely easy. Decisions made well in advance and the high growth rate of the entire group of companies has meant that today we can boast almost 20% market share (3rd place, right behind Resi4Rent and the Rental Housing Fund).

Use of advanced analytical tools. Thanks to the work of the market analysis section and investment in advanced technological tools, our team is able to generate reports related to the current level of rents in a given location on an ongoing basis. By comparing this data with CRM and inquiry information from potential customers, we are able to respond quickly to the changing situation. This precision, of course, influences the rents of Vantage Rent apartments, which are always in perfect balance with the market and the competition - their optimal height and the standard of the units effectively attract more tenants.

Building a base of satisfied customers. Our business model is based on long-term rental, in which building positive relationships with tenants is an absolute cornerstone. Most contracts are for 12 months, and in our opinion this is a period that allows customers to see that renting premises from the company is very beneficial to them. We take care of their high level of satisfaction from the first contact, offering them communication in their native language, a high level of service, attractively located apartments, organizing events or preparing a discount program for them. We are open to feedback from them, so we have already conducted the first tenant satisfaction survey in early 2022. And the conclusions of the survey, allowed us to improve our product and service in the following months.

Thereby, we build our competitive advantage, which will allow us to keep our tenants in Vantage Rent apartments in the long term – it will be difficult for them to find a better offer on the rental market.

Compliance – conducting business in accordance with the law

●.....● [GRI 2021: 3-3]







For the authorities of the organization, the priority is to conduct its operations in accordance with applicable laws. This is overseen by the Management Office Department and the legal section operating within it. Among their main tasks, in addition to day-to-day servicing, is to keep up to date with changes in regulations – both national and European – and then prepare the organisation for new legal conditions.




To ensure that the organization’s operations are in compliance with the regulations, the Management Board has already adopted a number of compliance policies in the first quarter of 2021, followed by the implementation of an anonymous whistleblowing system. This was accompanied by an internal information campaign and a series of other activities to familiarize employees at various levels of the organization with the essence of compliance and the role of whistle-

blowers (training, presentations, competitions). The whistleblowing system, initially received with caution among stakeholders, but over time has proven to be an effective tool for informing the Compliance Officer and the Management Board about troubling situations within the organization. The number of notifications in 2022 was 11, which is the best evidence of the team’s confidence in the company and belief in the effectiveness of the whistleblowing system.

[GRI 2021: 2-23] ●.....●

In Q4 2022, the Management Board of Vantage Development S.A. passed a resolution on adopting an update of the compliance documentation, applicable throughout the Vantage Development Capital Group. The documentation has been unified with that of the ROBYG Capital Group and includes the following documents:

 <p>Code of Conduct of the Vantage Development Group</p>	<p>is a summary of the system of values relevant to the activities of the Vantage Development Group built on the basis of high ethical standards and respect for human rights and freedoms arising in particular from the UN Universal Declaration of Human Rights and the International Labour Organization Declaration. Specifies the standards that employees and associates of Vantage Development S.A. and subsidiaries that make up the Vantage Development Group should follow both in the workplace and outside the workplace, including on social media.</p>
 <p>Business Partner Code of Conduct</p>	<p>the document describes the principles to be followed by companies cooperating with Vantage Development. There are provisions there for ethical conduct, compliance with occupational health and safety, anti-trust and anti-corruption regulations.</p>
 <p>Anti-Corruption Policy</p>	<p>the basis of this document is national and EU legislation. The Policy defines the rules applicable to the organization, related to, among other things, accepting gifts, conflicts of interest or offering donations from the company.</p>
 <p>Procurement Policy</p>	<p>the document describes what guides the company in the selection of its counterparties, specifies what requirements are placed on potential business partners and what aspects are key to the company in selecting them, ensuring due diligence in business dealings.</p>
 <p>Anti-Discrimination Policy</p>	<p>in this document, the company is committed to protecting and respecting human rights, promoting tolerance and diversity among employees and associates, and ensuring equal opportunities for all, regardless of gender, age, race, disability or other cultural and social characteristics. Implementing the provisions of this Policy, the organization also allows non-Polish-speaking customers to conclude contracts - customer service, documents function in several language versions.</p>
 <p>Environmental Policy</p>	<p>in this document, the organization declares that natural resources are an important value for it, especially in the context of its business operations. The company declares it not only complies with environmental regulations, but will also take active measures to help reduce the company's negative impact on the climate.</p>

 <p>Social Policy</p>	<p>in this document, the organisation declares its willingness to engage in helping those in need and to maintain an active dialogue with local communities and other stakeholders. The organization is aware that in its operations, creating places to live, it should shape a friendly space not only for its customers but also for other stakeholders.</p>
 <p>Procedure for Managing Significant Incidents</p>	<p>defines how to deal with significant incidents, how to manage incidents, how to inform the Members of the Company Bodies about them and how to manage the special situation related to the occurrence of an incident when dealing with the media. The procedure also specifies how to deal with the occurrence of other events affecting the Company's reputation, such as the inspection of the Company by authorized entities, the occurrence of significant litigation and other significant issues, including events involving the media.</p>
 <p>Know Your Customer Procedure</p>	<p>sets out requirements to assess the risks of starting cooperation with new customers. The Procedure serves to minimize reputation risk and prevent the risk of money laundering.</p>

Documents: **The Business Partner Code of Conduct** and the **Anti-Corruption Policy** are posted at <https://vantage-sa.pl/zalezy-nam/>.

Information on the adoption of compliance documentation was sent by the Compliance Officer via email to all employees and associates. The contents of all adopted Policies have been posted on the intranet.

As part of efforts to disseminate compliance knowledge, an expert webinar was organized in November 2022, covering the topic of corruption crimes, liability of collective entities and responses to corruption attempts.

The organization also declares to protect the privacy rights of its stakeholders. In the Vantage Develop-

ment Group, in August 2022, an update of personal data protection documentation – the Personal Data Protection Policy and its appendices – was adopted by a Resolution of the Management Board, which regulates the privacy matters of individuals whose personal data is processed in the organization. As with compliance documentation, personal data protection documentation has been aligned with that used at ROBYG Group.

The obligations under the adopted Policies apply equally to all business activities and relationships.



Taking into account the obligations contained in the Policies

●.....● [GRI 2021: 2-24]

In 2022, the Company had an interdisciplinary ESG Advisory Group, which was tasked with developing new solutions and implementing sustainability projects – in the areas of environmental protection, social issues and corporate governance, in order to implement the declarations contained in the adopted Policies. The actions taken are reported to the Management Board and the Supervisory Board.

Supervision of the implementation of the Policies is exercised by the Company’s Management Board. Day-to-day monitoring of the organization’s compliance with laws and implemented internal regulations is carried out by a Compliance Officer appointed by the Management Board, who has the authority to report any non-compliance with internal Policies and Procedures not only to the Management Board, but also to the Supervisory Board.

In order to ensure full knowledge of the declarations contained in the adopted Policies, compliance training is provided to the mandatory onboarding training program for new employees.

The scope of the training includes information on the scope of regulations to which the organization is subject, a reminder of the provisions of internal Compliance Policies, an indication of the role of the whistleblower in the organization, and a discussion of how to report irregularities and violations of the law.

One of the elements of onboarding in the organization is also training on the principles of protection of personal data processed in the organization. The training is designed for all employees and associates.

[GRI 2021: 2-25, 2-26] ●.....●

Since 2020, the organization has had a Management Board-appointed Compliance Officer. On 28 December 2022, the Company’s Management Board adopted

a resolution updating the “Whistleblowing Procedure”, which allows internal and external stakeholders to report any violations of laws and internal regulations and provides protection against retaliation.

According to the provisions of the Procedure, the following can be reported:

- violations of applicable laws;
- violations of internal regulations (Policies, Procedures and Regulations) in force in the Vantage Development Capital Group.

In 2022, the Company had a system in place for reporting irregularities through the website <https://vantage.zalezymi.pl/witamy>

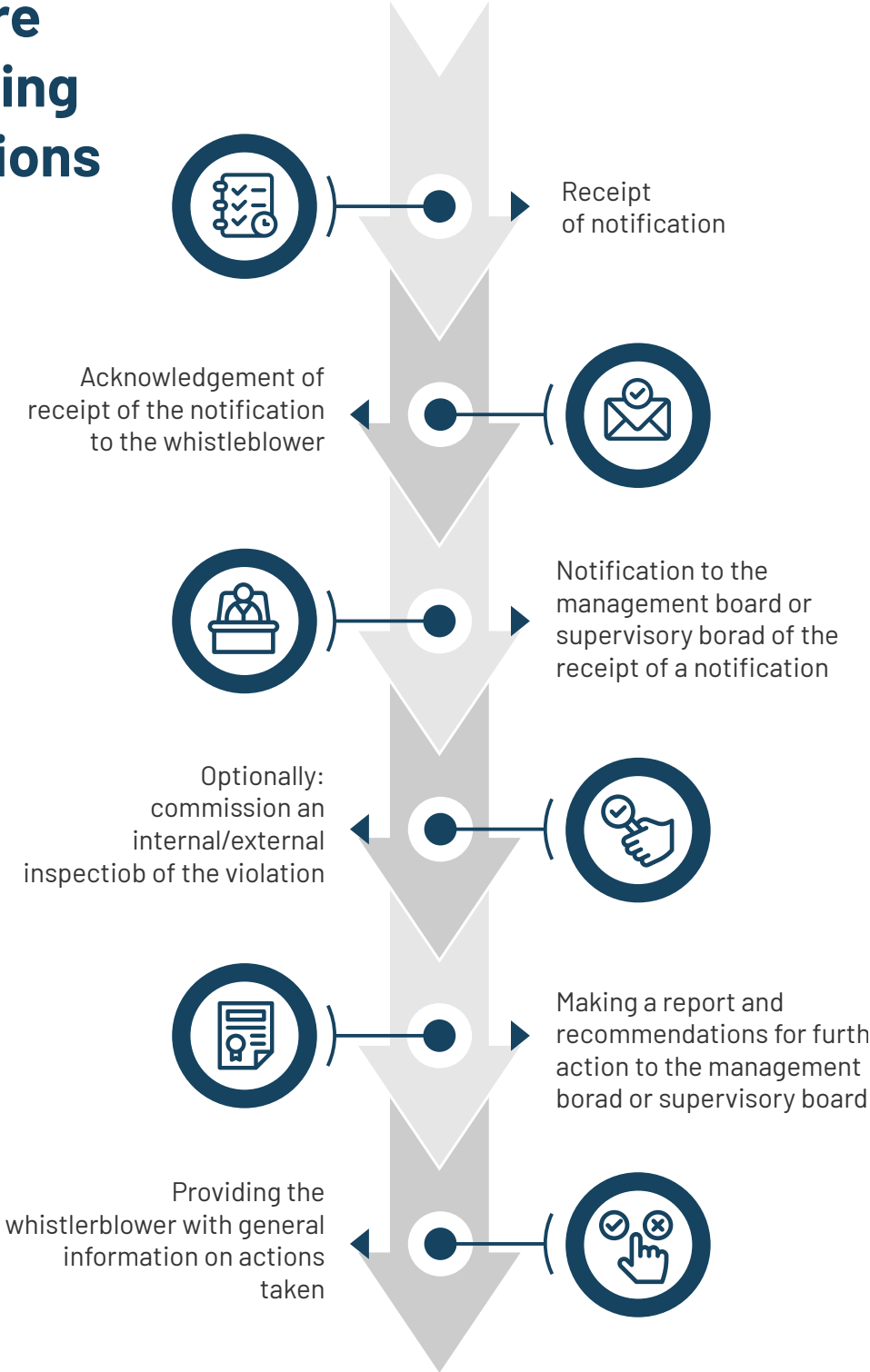
Members of the Management Board became the operators of the system, and the Compliance Officer became the coordinator.

Detailed information on how to report irregularities, along with instructions on how to use the system, has been posted on the intranet. The organization’s website has a tab through which it is possible to report irregularities anonymously by counterparties, customers and other stakeholders of the organization.

In addition to the dedicated system, the organization has several other channels for reporting irregularities – including a dedicated email address compliance@vantage-sa.pl, it is also possible to report actual or potential violations directly to a supervisor, HR team or Compliance Officer.

All notifications, regardless of the channel by which they are received, go to the Compliance Officer.

Procedure for handling notifications



The Management Board or Supervisory Board, after the Compliance Officer’s report, shall take action to remove the effects of the violation, but above all to prevent the occurrence of such violations in the future. These actions may include, but are not limited to, ordering a review and update of the applicable Procedures, issuing appropriate instructions to em-

ployees or taking disciplinary measures against them as provided by labour law, terminating a civil law contract with a co-worker, pursuing civil law claims, filing a notice with a public administration or law enforcement agency.

[GRI 2021: 2-27] ●.....●

During the reporting period, there were no significant non-compliance with laws identified in the organisation by external institutions and authorities. No fines were paid, and no non-monetary sanctions were imposed on the organization.

During the period covered by the report, 11 anonymous reports were received through an application that

allows the reporting of irregularities and violations of the law. The notifications were thoroughly reviewed and analysed by the Compliance Officer. Information on the actions taken and the results of the investigation were sent to the persons reporting irregularities. All notifications received by the Compliance Officer in 2022 have been clarified and closed.

Number of irregularity notifications in 2022	Notifications closed in 2022
11	11



[GRI 205-3, GRI 206-1, GRI 307-1, GRI 406-1]

During the reporting period, there were no violations related to:

- corruption cases,
- free competition rules or monopolistic practices,
- unfair competition,
- instances of discrimination.

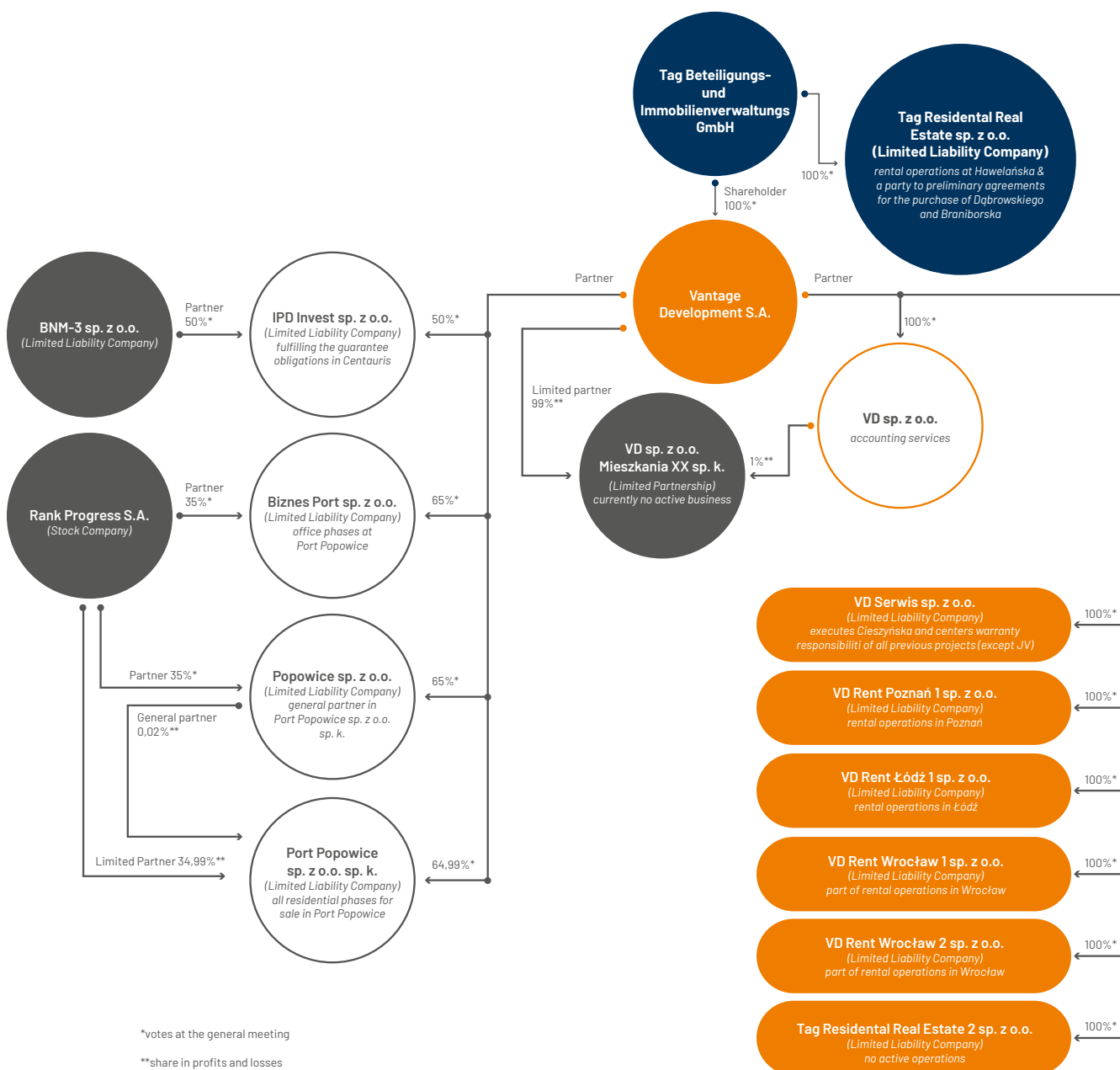
About the report



Structure of the capital group as at 31.12.2022

● ● [GRI 2021: 2-2a, c]

The Vantage Development CG consists of 13 subsidiaries and jointly-controlled companies (subject to consolidation) and the parent company Vantage Development S.A. On the chart below we present a detailed description of the group's structure, including interdependencies between individual entities.



Finance

●● [GRI 2021: 2-2-b]

We are not a public interest entity and therefore do not publicly disclose detailed financial information. The consolidation sheet for 2022 has been submitted to TAG AG and the individual parameters were included in the shareholder's financial statement. For more information, please visit: <https://www.tag-ag.com/>

Okres raportowania

The ESG Report of the Vantage Development Capital Group was prepared for the period 01.01-31.12.2022, unless otherwise indicated (some activities continued in 2023) according to the GRI 2021 Core standard.

This is the group's second non-financial report in which we have presented key information in relation to the company's activities, the products and services we offer, as well as topics relevant to our stakeholders.

The report was published in Polish and English on our sustainability **website**.

Contact

If you are interested in deepening the issues related to the publication, please do not hesitate to contact us:

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GRI Standard 2021	Disclosure	Page no.	Omission
GRI 2: General Disclosures	2-1 Organization details	5, 7, 8	
	2-2 Entities included in the organization's sustainability report	84, 85	
	2-3 Reporting period, frequency and contact point	85	
	2-4 Restatement of information		Not applicable. There are no information that need to be restatement in regards to 2021 ESG report.
	2-5 External assurance		The report wasn't subjected to an external assurance. The material topics were chosen after consulting with the stakeholders.
	2-6 Activities, value chain, other business relationships	9, 11	
	2-7 Employees	19	
	2-8 Workers, who are not employees		Not applicable. All team members are employed by entities from Vantage Development CG.
	2-9 Governance structure	5	
	2-10 Nomination and selection of the highest governance body	5, 6	
	2-11 Chair of the highest governance body		Not applicable. The President of the Management Board has no other position in the organization.
	2-12 Role of the highest governance body in overseeing the management of impact	37	
	2-13 Delegation of responsibility for managing impacts	37	
	2-14 Role of the highest governance body in sustainability reporting	37	
	2-15 Conflicts of interest		Not applicable. The shareholder structure and the relations between the Management Boards of entities in VD CG don't indicate a possibility of conflicts of interests to occur. However, according to the Anti-Corruption Policy all employees (including the Management Board) is obliged to report any kind of conflicts of interests to the Compliance Officer.
	2-16 Communication of critical concerns	37	
	2-17 Collective knowledge of the highest governance body	37	
	2-18 Evaluation of performance of the highest performance body	6	
	2-19 Remuneration policies	6	
	2-20 Process to determine remuneration	6	
2-21 Annual total compensation ratio		Confidentially constraints. The remuneration of the Management Board, top management and other members of Vantage Development Team are confidential.	
2-22 Statement on sustainable development	32		
2-28 Membership associations	7		
2-29 Approach to stakeholder engagement	16		
2-30 Collective bargaining agreements		Not applicable. There were no collective bargaining agreements during the reported period.	
GRI 3: Material topics 2021	3-1 Process to determine material topics	38	
	3-2 List of material topics	39	

Environmental impact.			
GGRI 3: Material topics 2021	3-3 Management of material topics	42	
GRI 302	302-1 Energy consumption within the organization	46	
	302-2 Energy consumption outside the organization	46	
	302-3 Energy intensity	46	
	302-4 Reduction of energy consumption	42	
GRI 303	303-1 Interactions with water as a shared resource	46	
GRI 305	305-1 Direct (scope 1) GHG emissions	47	
	305-2 Energy indirect (scope 2) GHG emissions	47	
	305-3 Other indirect (scope 3) GHG emissions	47	
	305-4 GHG emissions intensity	47	
GRI 306	306-1 Waste generation and significant wast-related impacts	46	
	306-3 Waste generated	46	
Digitization of processes, new technological solutions.			
GRI Standard 2021	3-3 Management of material topics	52	
Own measure	Process and IT tools incorporated in tenant service	52, 53	
The impact of the war in Ukraine on the group's operations.			
GRI Standard 2021	3-3 Management of material topics	55	
Own measure	Aid for Ukraine.	55	
Own measure	Situation on construction sites.	56	
Local community involvement.			
GRI Standard 2021	3-3 Management of material topics	59	
GRI 413	413-1 Operations with local community engagement, impact assessments and development programs	59-63	
	413-2 Operations with significant actual and potential negative impacts on local communities	63	
Building a strong team based on competencies.			
GRI Standard 2021	3-3 Management of material topics	64	
GRI 401	401-1 New employee hires and employee turnover	65	
	401-2 Benefits	70	
	401-3 Parental leave	72	
GRI 403	403-1 Occupational health and safety management system	69	
	403-5 Worker training on Occupational health and safety	69	
	403-6 Promotion of worker health	69	
	403-9 Work related injuries	69	

GRI 404	404-1 Average hours of training per year per employee	65	
	404-2 Programs for upgrading employee skills	67	
A company of equal opportunities – the position of women.			
GRI Standard 2021	3-3 Management of material topics	71	
GRI 405	405-1 Diversity of governance bodies and employees	71	
	405-2 Ratio of salary and remuneration of women to men	72	
The impact of the current economic situation on the company's operations.			
GRI Standard 2021	3-3 Management of material topics	75	
Own measure	Market conditions – sales and rental.	75	
Own measure	Adaptation of the organization to changing operating conditions.	76	
Compliance – conducting business in accordance with legal regulations.			
GRI Standard 2021	3-3 Management of material topics	77	
Own measure.	CG management according to law regulations.	77	
GRI 2: General disclosures	2-23 Policy commitments	77	
	2-24 Embedding policy commitments	80	
	2-25 Processes to remediate negative impacts	80	
	2-26 Mechanisms for seeking advice and raising concerns	80	
	2-27 Compliance with laws and regulations	82	
GRI 205	205-1 Operations assessed for risks related to corruption	82	
GRI 206	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	82	
GRI 307	307-1 Non-compliance with environmental laws and regulations	82	
GRI 406	406-1 Incidents of discrimination and corrective actions taken	82	