



The developer for new times

ESG report 2021

Vantage Development
Capital Group

Introduction from the Management Board



Dear Sir or Madam,

Since 2016, the Polish property market has entered a phase of dynamic growth that continues to this day. The sustained high demand means that apartments in the best locations are already selling out at the construction stage, and companies like us are breaking sales records. Although the rising real estate prices are accompanied by rapidly increasing costs of workmanship or construction materials, it can still be said that developers in Poland have nothing to complain about financially. Even the coronavirus pandemic lasting for two years has not been able to permanently halt the growing demand or price increases (+14% YoY on average in the six largest markets). Why?



Dariusz Pawlukowicz
Member of the Management Board

Apartment is a necessary good. Especially in a country where there is a shortage of almost 2 million apartments and where the number of apartments per 1,000 inhabitants is 393 (the EU average is 463).

Apartment is the best investment. It is chosen by people with more capital, who especially now want to protect the value of their money against high inflation (December 2021: 8.6%).

Apartment is an office, a school, a gym, a restaurant, a cinema. During quarantine or periods of restricted social contact, it becomes the only safe place for entire families to live.

The market's good fortune continues and that is not going to change any time soon. However, we can see that **new times** are coming. Younger generations are beginning to approach the issue of property in a different way. Instead of buying and often deciding on a long-term financial commitment such as a loan, they prefer to rent. Just as they rent a bike, a car or work space. We understand their needs, which is why in mid-2021 we launched an offer of apartments for rent under the Vantage Rent brand. Within a few months, we reached a 95% rental rate. However, we have not completely given up on sales units (although we have definitely reduced them), because a developer for the new times should above all offer **ALTERNATIVE OPTIONS**.



And that is how we are trying to operate. That is why, we have approached the creation of the „apartments for rent“ product in a completely different way than before. From a short-term sales perspective (the property development process is about 3-5 years), we have moved to a long-term strategy of not only developing the housing project, but also maintaining it for decades to come.

It is at this point that **sustainability** issues have become as important to us as ever. Eco-friendly solutions in buildings that reduce the use of natural resources. Efficient rainwater management and investments in renewable energy sources have become part of our standard. Just like high-quality furnishing and energy-efficient household appliances.

In 2021, we established the ESG Advisors Group within our structures to create and implement sustainable development projects. To varying degrees, they concern almost all sections and teams of Vantage Development.

We also reviewed Compliance issues, introduced a system for anonymous reporting of irregularities and trained our team on issues relating to desirable behaviour. We initiated a process for selecting the organisation's values with the participation of employees and associates and implemented a number of charitable initiatives.

We sum up the year 2021 with the first ESG report in our history. On the following pages you will find detailed data concerning the GK Vantage Development and material topics, which, after consultations with shareholders, we decided to share with you.



Calendar

2021

- 01 ●● launch of the **Vantage Rent website**
- 02 ●● **opening of a common room** in the School and Education Centre in Dobroszyce
- 03 ●● **adoption of the Compliance Policy** by the Management Board
- 04 ●● implementation of the **system for reporting irregularities**
- 05 ●● our employees take part in the **Company Run**
- 06 ●● **launch of rental of first Vantage Rent apartments** in Wrocław
- 07 ●● **appointment of the Management Board's Plenipotentiary** for ESG and ESG Advisors Group
- 08 ●● completion of the second edition of the **internal project „Summer with Health”**
- 09 ●● company fleet with its first **hybrid car**
- 10 ●● first edition of the **Vantage Skills Academy**
- 11 ●● **compulsory compliance training** for the entire VD team
- 12 ●● **„Beautiful Wrocław” competition prizes** for the Popowice Port and Dorzeczce Legnickiej investments



I. What do you need to know about us?

● ● [GRI 2021: 2-1,2-6,2-28]

We are from Wrocław

GK Vantage Development (hereinafter referred to as: Group, organisation) has operated on the Polish market for more than ten years. The company - Vantage Development S.A., which dominates the structure of the group, was established in 1991 in Wrocław. Our development activity in its present form started in 2007 with the preparation of a project for single-family housing estates in Sadków. For 13 years our team has been mainly involved in the implementation of development investments for sale (residential, commercial and mixed-use) in Wrocław and Warsaw.

For many years, we have been a member of the Polish Association of Developers [PZFD] and the Western Chamber of Commerce [ZIG], which supports local entrepreneurship in Lower Silesia.

We revitalize

We specialise in preparing multi-phase projects, often located on post-industrial sites. We restore neglected space to city residents, creating complete housing estates with full retail and service infrastruc-

ture, roads, pavements, cycle paths and greenery. An example of this is the creation of a new city district from scratch: Promenady Wrocławskie. On 13 hectares of post-industrial land, within the framework of 10 stages, we built until 2020: 2,150 apartments, 67 commercial premises, kilometres of roads and pavements. We finished the project by arranging, together with the Wrocław Urban Greenery Management, a boulevard by the city canal, providing it with greenery, pedestrian routes, lighting and landscape architecture.

We are currently working on the third and fourth stage of the Port Popowice project in Wrocław, which is being carried out in the area of the former river port that ceased to operate in the late 1980s. Instead of erasing the history of this place, we decided to be inspired by it and introduced „port” elements to the common parts of the buildings and to the landscape architecture. Ultimately, 2,500 premises will be created in Port Popowice: apartments for sale, for rent and space for business. In the years to come, the greatest challenge will be the revitalisation of the harbour basin and its



transformation into a place of recreation for all inhabitants of Wrocław. As a rule (with a few exceptions over the years) we do not fence our investments so that they can naturally blend in with the existing space and the infrastructure created can be used by the widest possible social groups.

Co-creating the PRS in Poland

Since 2020, with the change of shareholders - our owner is now the German company TAG Immobilien AG, based in Hamburg - we have been developing a new product in the residential real estate sector. Inspired by our shareholder's activity in the institutional rental segment, we decided to introduce an offer of rental units on the Polish market under the Vantage Rent (VR) brand in mid-2021. Renting in a long-term form is extremely popular in Western Europe (it is estimated that 50% of Germans and 35% of Britons satisfy their housing needs in this way). In Poland, where one of the most treasured values is ownership, such a model has not been popular so far. The activities of our shareholder, as well as those of other foreign funds (from Denmark or Sweden), will result in approx. 105,000 PRS (Private Rented Sector) premises appearing on the market in the coming years. The rental sector, dominated by private landlords, is set for dynamic growth not only in terms of the number of apartments on offer, but also in terms of the standard of apartments and the level of service provided to tenants. At the same time, it should be stressed that the development of the PRS in Poland is proof of the maturity of the local real estate market, and offering alternatives does not in any way negate the current, more traditional ownership model.

In social terms, the PRS increases the availability of modern apartments, located in well-connected parts of the city. Young adults, students and/or working people, as well as families will be able to rent these apartments for many years on stable conditions, with a guaranteed rent and on clear partnership terms. For those who do not want or cannot afford to buy an apartment, it will be a real alternative to long-term loans or, for example, living with parents (which is the choice of over 1/3 of Poles aged 25-34, according to the Central Statistical Office). According to the qualitative research conducted by

BEELINE Research&Consulting agency on our behalf in 2020, renting an apartment is often perceived negatively by the research group (young people living in big cities). On the emotional level, it is associated with a sense of shame - the respondents admitted that they feel „less resourceful in life“ because they do not have their own apartment. In addition, they felt alienated because they did not feel „at home“ in a rented apartment. They know that they can be asked out at any time, and in such an atmosphere it is difficult to feel stable.



The aim of all our product and communication activities is to change this way of thinking about renting. We offer apartments of the same quality to tenants as to buyers. Additionally, we equip them with necessary furniture and household appliances. We also guarantee an appropriate standard of maintenance of common areas and prepare packages of additional services for tenants to use in the future. In the buildings we introduce similar facilities (bicycle rooms, storage rooms, underground garages) and take care of the accompanying infrastructure (playgrounds and green areas). We want a rented apartment to be as attractive as one's own, and the prospect of a long-term agreement to be a sure basis for tenants to plan their future.

We have modified our strategy

Entering a new market meant big changes for the whole organisation in terms of modifying the structure of the Vantage Development Group, but also the process of creating a product such as an apartment. New teams have been established to deal with finishing and arrangement of apartments (competences which have not been present in our team so far), sections related to property management have also been made.

The role of ESG topics has grown in importance, and these are now undertaken by various teams as part of their day-to-day operational activities.

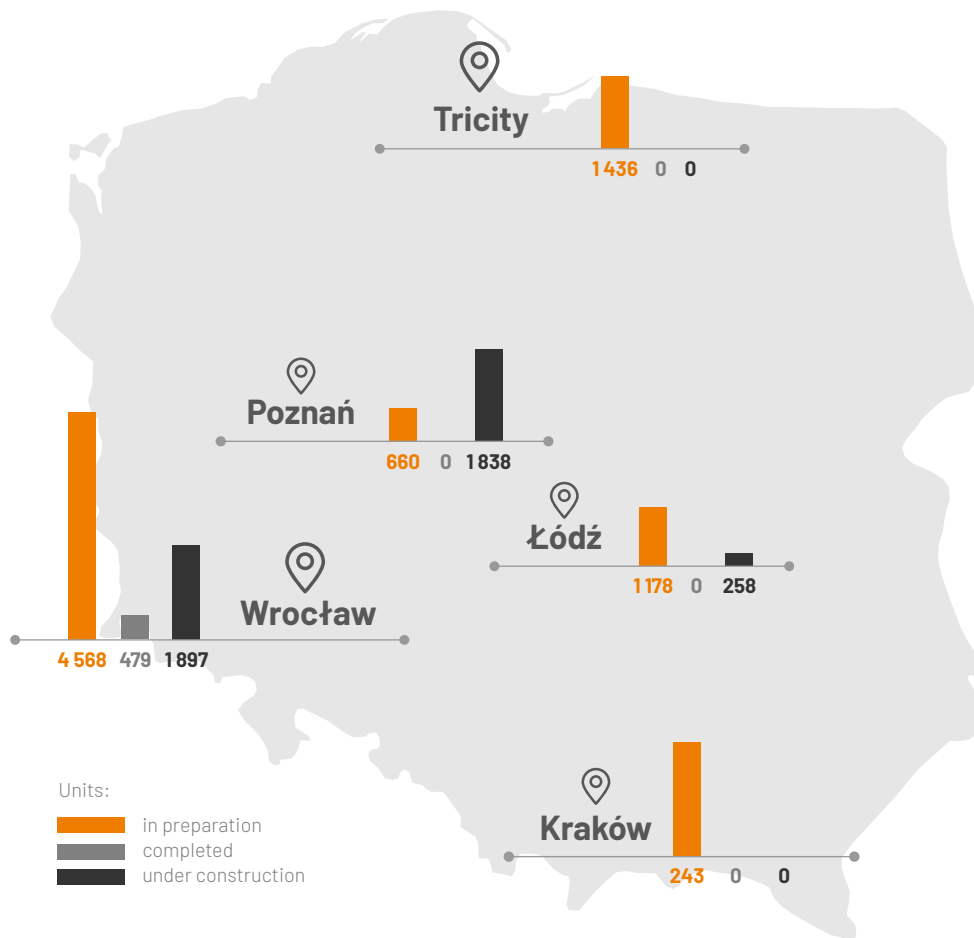
The newly adopted business strategy also assumes that the Group will transform from an organisation primarily developing and selling apartments into a production and service (rental) entity over the next 5-6 years.

Our goal is to develop tens of thousands apartments for rent in Poland's largest cities.

We are currently focusing on centres with a growing population, well-developed public transport and academic facilities.

Our head office is located in Wrocław, but along with the development of a new product it became neces-

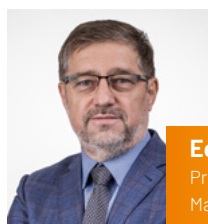
sary to open local branches and create teams in Poznań, Łódź, Gdańsk and Kraków, where projects with apartments for rent are also being developed by Vantage Rent.



Proven leaders

● ● [GRI 2021: 2-9]

The Group has been run for many years by proven leaders: Edward Laufer took over as CEO in 2007, while Dariusz Pawlukowicz assumed the role of the Member of the Management Board in 2011. The composition of the Management Board did not change even during the sale of the company's shares to TAG in 2020. This proves that the new shareholder has great confidence in the experience and competence of Vantage Development's leaders.



Edward Laufer
President of the Management Board



Dariusz Pawlukowicz
Member of the Management Board

Area of competence

Realisation of development investments, sale and rental of apartments, purchase of land and development of the company.

Finance, administration, legal activities, tenant service and property management, HR, PR/IR, ESG.

Supervisory Board of Vantage Development S.A.

● ● [GRI 2021: 2-10]

It is elected by the General Meeting of Shareholders. The Board then appoints the independent management of the Vantage Development.

Dr Harboe Vaagt

Chairman of the Supervisory Board

Martin Thiel

Deputy Chairman of the Supervisory Board

Claudia Hoyer

Member of the Supervisory Board

Radosław Biedecki

Member of the Supervisory Board

● ● [GRI 2021: 2-9, 2-18, 2-19]

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

The targets for the Management Board are defined (and reviewed) by the Supervisory Board, divided into two groups: i) short-term targets covering an annual period and ii) long-term targets covering a three-year period. Both the short-term and long-term targets of the Management Board are derived from the Group's business strategy.

The Group Management Board in turn sets annual targets for the directors, which are accounted for on a 12-monthly basis and reflect the impact that the various departments have on the Group's business and stakeholders externally and internally.

No additional bonuses, retirement benefits or severance payments were paid during the reporting period in connection with the termination of the relationship.



Case study



Our values: towards an open culture

We started the process of diagnosing our organisational culture and identifying our values in September 2021. The „VD Values - Our DNA“ project was implemented by the HR/PR section with the participation of employees at all levels and with the support of the Management Board.

In the first phase, the entire team was asked to complete a survey to determine the current state of the organisational culture (the turnout was approximately 83%). The results of the survey were presented to the Board and the management team during a regular meeting in October, and also made available on the company intranet. Subsequently, 40 employees were interviewed in focus groups, which allowed the issues identified by the respondents during the survey to be explored in more detail. In the next step, a Q&A document was produced, bringing together key facts about the project, the survey methodology and the current organisational culture - also made available to the team on the intranet.

Finally, during a strategy workshop in December, the management board, directors and representatives of individual departments jointly identified the desired

values (in relation to the current and desired future organisational culture).

In January and February 2022, the selected values were communicated to the team during an online meeting with the Management Board and cascading workshops with directors and managers with individual teams. This provided a space to discuss the values, their definition and direct translation into the organisation's business activities.

Project leaders are aware that the identification of values is only the beginning of changes in the organisational culture of the group. Further communication activities, their promotion in the daily functioning of the company and the creation of a network of value ambassadors in organisational structures are necessary.

Our DNA

We are moving towards a culture of greater openness to new ideas and initiatives from the team. We collaborate with each other, ensuring high quality end results, but also paying attention to positive relationships within the team.

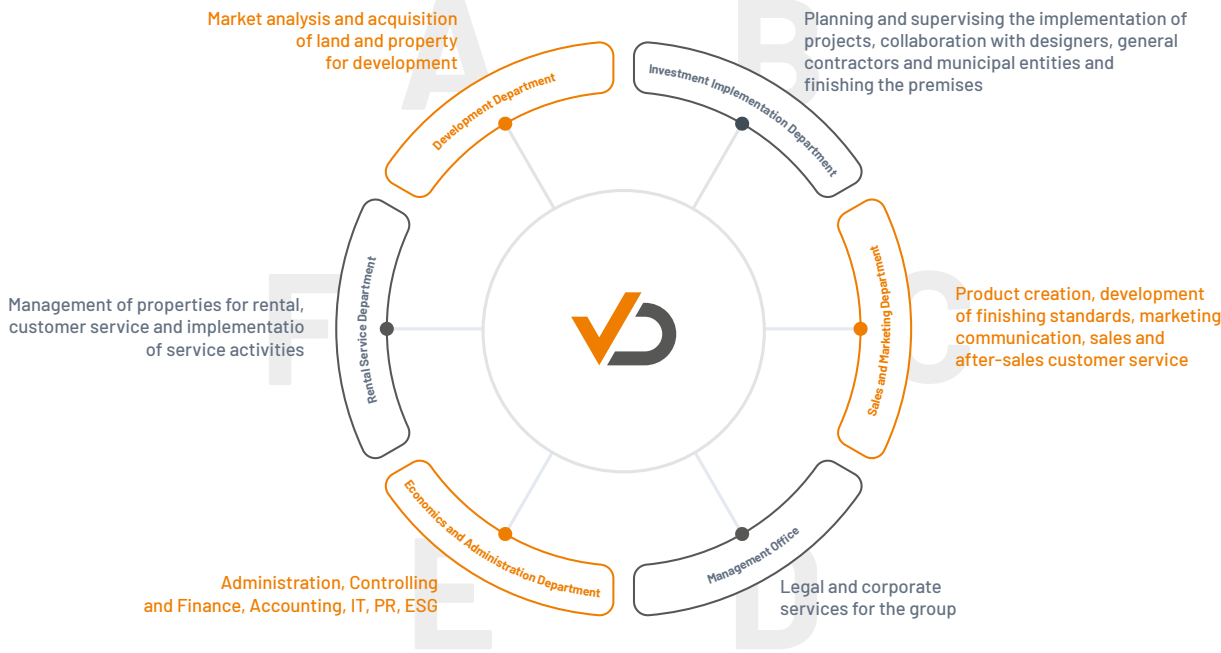
Name	Definition	Examples
 <p>INITIATIVE</p>	<p>We are creative. We create and implement new market concepts, setting trends for the entire real estate industry.</p>	<ul style="list-style-type: none"> • We created from scratch a new product of apartments for rent under the Vantage Rent brand. • We are one of the co-founders of the PRS market in Poland, implementing new quality standards in the rental sector. • We invest in pro-environmental solutions and are open to ESG issues.
 <p>TEAM WORK</p>	<p>We work effectively in different teams. We pursue corporate goals in an atmosphere of mutual respect.</p>	<ul style="list-style-type: none"> • Our teams differ in terms of competences, areas of operation, and often work together across a large geographical distance. Despite this, we successfully implement residential investments in several Polish cities.
 <p>CUSTOMER ORIENTATION</p>	<p>We constantly identify the needs of internal and external customers. We meet them by ensuring high quality products and services.</p>	<ul style="list-style-type: none"> • In our daily work we are guided by the constantly updated standards of execution and finishing of our projects. • We are building our organisation's market position on the basis of the high quality of our products and our level of service. • We work with reliable contractors.
 <p>INDEPENDENCE AND CONFIDENCE</p>	<p>We build our success on the competence of our employees. We rely on them and entrust them to carry out responsible tasks on their own.</p>	<ul style="list-style-type: none"> • We improve the competences of our team by offering its members training, workshops and the possibility to subsidise postgraduate studies.

II. Apartments for everyone

● ● [GRI 2021: 2-6]

The Group’s activities are based on a complex and long-term development process. Our team, together with our business partners and the local authorities of the urban centres in which we operate, successfully com-

pletes residential and public infrastructure projects. **Within the structures of our organisation there are units responsible for:**



We plan, supervise the realisation, and then hand over the apartments to the clients (buyers or tenants) in accordance with the previously adopted schedule and within the assumed budget. When creating projects, we entrust the design work to proven architectural studios (e.g. Maćków Pracownia Projektowa, Majewski Architektura, WXCA, 3XC). The designers work closely with VD Product Managers and Cost Managers to achieve the optimum design in terms of function, quality and aesthetics. The effects of their cooperation are appreciated, among others, by the jury of the „Beautiful Wrocław” competition: in 2021, the IA building, realised in Port Popowice, received an award and the

Dorzecze Legnickiej project received a distinction. We make every effort to ensure that in dense urban development, where Vantage Development’s investments are most often located, the architectural concept of a new building or housing estate fits in as well as possible with the existing surroundings (within the framework of the binding local development plan). Since 2021, we have been building our business model on two complementary pillars of our offer: apartments for rent and apartments for sale. We also supplement our projects with commercial premises and create the necessary accompanying infrastructure.

Apartments for rent (Vantage Rent)

The experience gained during the implementation of investments for sale is now used by our team during the construction of projects for rent. We build apartments in almost the same standard as those offered to clients on sale. We equip the buildings with the necessary infrastructure, supplement them with commercial premises on the ground floor, take care of the development of green areas, create playgrounds, and supplement the space with landscape architecture. Vantage Rent apartments are fully furnished (kitchen and built-in wardrobes, bathroom, mobile furniture) and equipped with energy-efficient household appliances. In the apartments we install water purification filters and containers for waste segregation. For more information on our environmental activities, see pages 34-38 of this report.

In 2021, we began working with the Integracja Foundation to further align our standard of project delivery with the needs of people with disabilities.

In our communication of the rental product, we focus on inclusivity and „being fair”. We emphasise the

advantages of institutional tenancy: the stability provided by the agreement, clear rules, openness to clients regardless of their family status or pets owned. We also prepared marketing materials and formal documents (agreements, regulations) in foreign languages: English and Ukrainian - over 20% of our tenants are foreigners.

One of the stages of the process of renting a Vantage Rent apartment (before signing the agreement) is financial screening, carried out by an external provider: Simpl.rent company. The identity of a future tenant is verified, as well as their income and credit history - everything is done in a safe virtual space. Over 82% of our potential clients decided to take part in the verification in this form. For the company, this is obviously a confirmation of the future tenant's solvency, and for them - valuable information that their financial capabilities match our offer, which also gives them a sense of security.

It should also be emphasised here that rental prices are set individually for each product, and one of the most important factors influencing their level is the



offer of the competition in a given location. We are therefore co-creating a market of apartments available with full tenant service, at market prices, but often in a higher standard than private owners offering this type of premises. We also choose transparent communication with potential clients: we publish information on our website about the amount of rent, maintenance fees or prices for renting a storage unit or parking space. We rent without agents, without hidden fees and without commissions.

We started renting apartments from June 2021 in Wrocław in the investments: Małopanewska 4, Legnicka 33 and then Buforowa 89 – a total of around 360 apartments.

We will introduce more apartments to the Vantage Rent portfolio in 2022, which will allow us to increase our offer to about 1,600 apartments in Wrocław, Poznań and Łódź.

Rental service (Vantage Rent)

Along with the progress of work on the product of apartments for rent, we decided to establish an internal unit dealing with tenant service and management of Vantage Rent projects. After signing the agreement, a Customer Service Representative is assigned to a client, who from that moment provides support until the end of the agreement.

We have opted for full digitisation of the rental process, both from the client side and from financial management or documentation related to the new product. More about the IT projects implemented, also in the context of the environment, can be found on page **37** of the report.

A tenancy agreement is signed with a rent guarantee for a minimum of 12 months with the possibility of extension. Our aim is to popularise the institutional rental service in Poland to such an extent that signing secure, long-term agreements and giving residents a

sense of stability becomes a norm.

Both the product of apartments for rent and the service were highly appreciated by tenants in a survey. As many as 93% of respondents would recommend Vantage Rent's offer to their family and friends, which we consider a sign of great trust.



Apartments for sale (Vantage Development)

The previous „core” of our business, i.e. the sale of apartments, has been gradually replaced by apartment rental from 2020 onwards. By management's decision, we continue to offer clients sales units of around 400 apartments per year (by comparison, for example, in 2019 this was 941 apartments, in 2020: 541, and in 2021: 412).

Investments are designed and executed on the basis of an internal quality standard, which is continuously updated in accordance with current technical guidelines. General contractors are selected by tender, taking into account not only the cost criterion, but also the experience and reliability of our business partners. After successful projects, we often decide to renew cooperation, thus building long-term relationships (e.g. Erbud S.A. or Mostostal Warszawa S.A.). After the keys have been handed over to the new owners, we continue to stay in touch with them and support them during the removal of possible defects. We provide our customers with a 5-year warranty, and the warranty section established for this purpose has been handling the validity of reported defects and coordinating the „client – general contractor” or „client – subcontractor” activities for years. In 2021 alone, 3,123 defects were rectified. In relation to the 4,286 units currently in operation, this gives less than one defect (0.7) per apartment.

In multi-stage projects, we aim to build diverse communities by offering apartments for sale and rent within the same investment. In 2021, we launched such a model in the Buforowa 89 project. Thanks to

such a solution, the offer of apartments for young people, but also for foreigners living in Wrocław, was extended by attractively located apartments.

Business space

We treat commercial premises as a natural complement to our investments. Based on local plans, the needs of customers and neighbouring communities, we create spaces for local business. It is not uncommon for the buyers or tenants of such spaces to be people who already live in our investments. These premises usually house shops and services run by micro-entrepreneurs. These are e.g. bakeries, confectioneries, restaurants, grocery shops, pharmacies, dental and veterinary surgeries, cosmetic and hairdressing services, kindergartens and nurseries.

In the case of multi-stage investments, such as Port Popowice, which is currently under construction, business space has already been created at the first stage of the project and its size is gradually increased

as the construction progresses. Commercial spaces complement the retail and service offer in a given part of the city, and this is particularly important in the case of dynamically developing housing estates. In Jagodno, where we are currently implementing the investment Buforowa 89 (stage II), we are creating commercial premises on the ground floors of the buildings, which are perfectly visible from the main street and accessible to all residents of the neighbourhood. We understand the motivations of modern employees and their need to live according to the principles of work-life balance. That is why, in large-scale projects, we also construct office spaces in the vicinity of residential buildings (e.g. at Promenady Wrocławskie). Currently, the architectural concept of Port Popowice also includes two office buildings. Architectural studio WXCA, which prepared their project, was awarded in 2021 with first place during the International Biennale of Young Architects in Mińsk in the category: *Public, industrial facilities and buildings*.



Our approach to sustainable development

Global ESG goals we support

●● [GRI 2021: 2-22]

The modification of the Vantage Development Group’s development strategy in 2020 introduced fundamental changes to how we view the property development business. The real estate sector in Poland is currently undergoing major changes, and as an entity with a growing scale of operations we feel as a part of this process. We are co-creators of the dynamically developing PRS sector, and this means that a lot depends on our actions in the context of the market standard of product quality and the rental service, the image of the industry or consumer behaviour.

Not only have we become more aware of our impact on the environment, but we have also taken a number of initiatives to measure, describe and further evaluate our impact in the future. We are aware that the construction of an investment and the subsequent operation of a property places a significant burden on the environment. Through our activities as a developer, we transform the existing space, but also create new jobs and establish numerous business contacts. All these processes are carried out in compliance with the applicable legal standards and with consideration of the expectations of our stakeholders.



As a developer, we want to offer modern premises in environmentally friendly buildings that will meet the needs of our clients - whether they want to buy or rent an apartment.

We know that large scale of operations also means large responsibility. In the future, we will manage a portfolio of tens of thousands of apartments, serving several times as many tenants in 5 different markets. Taking into account our business criteria, as well as the needs of our stakeholders, which we have analysed in detail, in the near future we will focus on:





Environment:

- Systematically increasing the share of projects (sales, rentals) in our portfolio with an EP* demand lower at least by 10% than expected by law regulations.
- Increasing new planting to 400 trees by the end of 2022 and improve protection of existing greenery during construction.
- Implementing by the end of 2022 at least 2 solutions in the real estate development or maintenance process that will reduce the consumption of natural resources.
- Continuing to invest in sustainable mobility among internal and external stakeholders through the development of infrastructure in neighborhoods.



Social:

- Involvement of our team members in charitable activities through an employee volunteering programme (minimum 8 initiatives per year).
- Maintaining a high satisfaction rate among tenants (currently at 93%).
- Strengthening the VD team, in line with the values of the organisation, through training programmes and systematic knowledge sharing.



Governance:

- Implementation of at least 2 projects to promote Compliance among the company's stakeholders by the end of 2022.
- Developing and publishing the group's annual ESG reports, in order to present to our stakeholders the progress of the initiatives undertaken by the company.

*EP - indicator of a building's demand on non-renewable primary energy.

Our actions are inspired by the United Nations' Global Sustainable Development Goals, adopted as part of the resolution of 25 September 2015. The plan, which identifies areas in need of profound change and cross-sectoral cooperation, aims to improve conditions for millions of people around the world. Business, alongside national governments and NGO entities, is an important link in implementing these changes by the end of 2030.

The process of identifying the goals we want to support as Vantage Development Group was carried out on several levels. First of all, we analysed our current

impact on the internal and external environment and then proposed a number of actions that would help offset our negative impact (at various levels of the organisation). We compared our proposals with our existing stakeholder ESG strategy and, as part of the materiality study, consulted with representatives of our stakeholders. In the future, these objectives will certainly be reviewed as our company, its organisational structure and offer change. We plan to review them annually and will report on our findings in future ESG reports.

Our contribution to achieving the goals



We have a team in our organisation that consists of 62% women and 38% men. Women perform their duties in all the company's departments, including market analysis, property acquisition, housing product concept development, investment implementation, finance, accounting, legal issues and marketing. They also represent 56% of all directors, section managers and managers in the group.

We provide all employees with equal access to training (within the framework of the Training Policy) and development opportunities in various areas of the company.



As a developer, we have a direct influence on the design and construction of a residential building. We use materials and solutions that improve the energy efficiency of our projects. Taking into account the long-term use of rental properties, we work on improving the implementation process so that our investments meet the expectations of current and future generations in terms of environmental impact.

We are also investing in renewable energy sources, by installing photovoltaic panels on the roofs of buildings. In 2022, the first electric car chargers will also be installed on properties for rent.



For many years, we have been involved in a variety of charitable activities, supporting local entities that provide assistance to disadvantaged people, sick children and animals in need.

We involve our team in joint activities: for example, by organising company events combined with charity actions. In January 2022, we launched the employee volunteer programme „DOBROczynni”, under which we finance initiatives proposed and implemented by the team.



The city is a natural environment for us. For many years we have carried out investments in Wrocław and Warsaw, and now, with the development of a new product, the Group's projects are also being built in Poznań, Łódź, Kraków and Gdańsk.

Our activities leave a permanent mark on urban space in the form of residential buildings, but also road infrastructure, cycle paths, car parks and recreation areas. We take care of their high quality, functionality and accessibility for various social groups.



We know that greenery is an extremely important element of urban ecosystems, which is why we cut down trees sparingly and replant them where possible. We take special care of particularly valuable specimens, such as the lane of oaks in Port Popowice.

We also use replacement planting and implement green recreational areas, if space allows us to do so. This type of activity often takes place in urban areas adjacent to our projects (e.g. the boulevard at Promenady Wrocławskie, the park near Port Popowice).

We also use rainwater retention systems on the premises of our investments, which we then use to water the greenery in the form of drip irrigation. We implement green roofs on selected investments.



Our activities require collaboration with a variety of entities: municipal institutions, local communities and NGOs.

We are happy to participate in such projects, because they allow us to deliver better results that meet the needs of many groups in the society. Examples include infrastructure projects carried out together with municipal companies.

Shared responsibility

●● [GRI 2021: 2-12,2-13,2-14, 2-17, 2-16]

The Group's authorities are directly involved in carrying out sustainability-related activities. The first projects were initiated as early as 2020, but it was only the following months that brought a more structured approach to ESG management. By resolution of the Management Board in July 2021, the function of Management Board's Plenipotentiary for ESG was created, who from then on is in charge of the operational organisation of activities, related to sustainability and the direct reporting of progress to the group's authorities and shareholder representatives. During discussions at Management Board meetings, the current status of activities, information on legal changes and trends in the area of sustainability are presented.

In addition, the Plenipotentiary also became the leader of the interdisciplinary project group of ESG Advisors, which consists of representatives from all six departments of the company. The team includes individuals responsible for administration, investment development, property management, apartment rental, land acquisition, corporate governance and marketing. This allows us to carry out consistent ESG activities in different areas of our organisation and to build a dialogue, centred on sustainable development, among the group's employees and associates. The team meets weekly and its activities have no end date.

ESG Advisors Group is responsible for creating projects concerning sustainable development and then

implementing them within the company's structures, taking into account cooperation from stakeholders. Already in the first months of its activity, the team created 28 initiatives, the implementation of which is planned for the years 2021-2022. Examples of projects are described in the following sections of the report.

ESG communication and team engagement

Sustainability issues are a frequent topic of internal communication within the organisation. Information on key activities is communicated to the entire team by the Management Board Member whose area of responsibility includes ESG topics. Presentations summarizing the various action steps are discussed at shareholder meetings, as well as internally as part of regular executive and managerial meetings.

All employees are encouraged to actively participate in sustainability-related activities. They can submit their ideas directly to the ESG Advisors Group or initiate volunteer projects through the „DOBROczynni” grant programme.

An „ESG” tab has been created on the intranet, where information on the company's commitment and an annual summary of Vantage Development's charitable activities are published. External stakeholders can learn about the Group's activities on the company's website.







III. Compliance

Conducting business in compliance with the law is absolutely fundamental to our day-to-day operational activities. Therefore, the Management Office team continuously monitors changes in the law on a national and international level. By following the regulations, it simultaneously prepares the company in advance for new operating conditions in the context of changing legislation.

Adopted Compliance policies

[GRI 2021: 2-23] ●.....●

By resolution of the Management Board, a set of compliance documentation was adopted in Q1 2021, which applies throughout the group. The following summary contains descriptions of the individual policies and codes:

 <p>Business Partner Code of Conduct</p>	<p>the document describes principles which should be followed by companies cooperating with Vantage Development. It contains provisions concerning ethical conduct, observance of health and safety regulations, anti-monopoly regulations, and prevention of corruption.</p>
 <p>Anti-Corruption Policy</p>	<p>this document is based on national and EU laws. The policy defines the rules binding in the organisation related, among others, to accepting and giving gifts, conflict of interest or offering donations by the company.</p>
 <p>Procurement Policy</p>	<p>the document describes what the company follows when selecting its contractors, defines the requirements that are placed on potential business partners and what aspects are key for the company when selecting them, ensuring due diligence in business contacts.</p>
 <p>Anti-Discrimination Policy</p>	<p>in this document the company commits itself 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. By implementing the provisions of this Policy, the organisation allows concluding contracts also for non-Polish-speaking clients - client service, documents function in several language versions.</p>

In order to ensure full knowledge of the declarations contained in the adopted Policies, in Q4 2021 we organised mandatory training for the team on the company's compliance system, taking into account the internal regulations currently in force and the whistleblowing system. We proposed 8 training dates in a hybrid mode - some people participated in person, some remotely. 128 people took part in the training.

The scope of the training included information on the scope of legal regulations to which the organisation is subject, a reminder of internal Compliance Policies, indicating the role of a whistleblower in the organisation and discussing the methods of reporting irregularities and violations of law.

After the training, team members completed a mandatory knowledge test: 97% of participants answered the questions correctly.

One of the elements of onboarding in the company is also training on the principles of personal data protection, processed in the organisation. The training is intended for all new people who join the organization. In 2022, it is also planned to add training on the compliance system and documentation in the organisation to the onboarding plan.

Remediation of negative impacts

[GRI 2021: 2-16, 2-25, 2-26] ●.....●

In 2021, the Management Board appointed a Compliance Officer in the organisation and passed a resolution adopting a „Procedure for reporting irregularities“, which enables internal and external stakeholders to report any violations of laws and internal regulations, and provides protection against retaliation.

The procedure allows the reporting of irregularities, actual or potential, related to:

- infringements of applicable legislation;
- breaches of internal regulations (Policies, Procedures and Regulations).

In Q1 2021, a contract was concluded with an external company to provide a system for reporting irregularities available through the **Vantage Development website**.

Members of the Management Board became the system operators, and the Compliance Officer became the coordinator. The entire team was informed about the implementation of this solution by e-mail, and detailed information on how to report irregularities along with instructions on how to use the system was posted on the intranet. A tab was added to the organisation's website, through which it is possible to report irregularities anonymously by counterparties, clients and other stakeholders of the organisation.

The organisation has established several channels for reporting irregularities - including a dedicated email address compliance@vantage-sa.pl, and it is also possible to report actual or potential violations directly to a supervisor, the HR team or the Compliance Officer.

All reports, regardless of the channel they are submitted through, are forwarded to the Compliance Officer.

If a report concerning irregularities is received, the Compliance Officer takes the following action:

- acknowledges receipt of the report and notify the Management Board or the Supervisory Board of its receipt,
- carries out an investigation and, if necessary, order an internal or external audit concerning the infringement,
- draws up and presents a report to the Management Board or Supervisory Board with a recommendation for further action,
- provides the notifying person, at the end of the procedure, with general information on the action taken.

The Management Board or Supervisory Board, following the report presented by the Compliance Officer, takes action to remove the effects of the infringement, but above all takes preventing action against the occurrence of such infringements in the future. Such actions may include, among other things, ordering a review and update of the applicable Procedures, issuing appropriate instructions to employees or taking disciplinary measures against them as provided for in the Labour Law, terminating a civil contract with a co-worker, pursuing claims under civil law, filing a notice to a public administration body or law enforcement authorities.

Compliance with laws and regulations

[GRI 2021: 2-27] ●●

During the reported period (01.01.2021-31.12.2021), the organisation was not found by external institutions and authorities to have any material non-compliance with laws. No fines were paid and no non-monetary

sanctions were imposed on the organisation. In 2021, one anonymous report, sent by a person from outside the organisation, was received through the application for the reporting of irregularities and legal violations. It was reviewed and analysed in detail by the Compliance Officer, who, after investigation, found it to be unfounded.

The whistleblower was sent information about the actions taken and the results of the investigation.

Our stakeholders

●● [GRI 2021: 2-29]

We are aware that the success of any organisation largely depends on how it builds and supports its relationships with its stakeholders. We confidently undertake activities aimed at building dialogue with individuals, groups and institutions that are within our sphere of influence.

Our most intensive communication is with stakeholders directly involved in our day-to-day operations (the VD team, sales clients, tenants and counterparties), but we do not stop there. We focus on lasting relationships with local communities and NGOs, with whom we have worked for many years. We ensure that communication is two-way and we are open to any suggestions from our stakeholders.

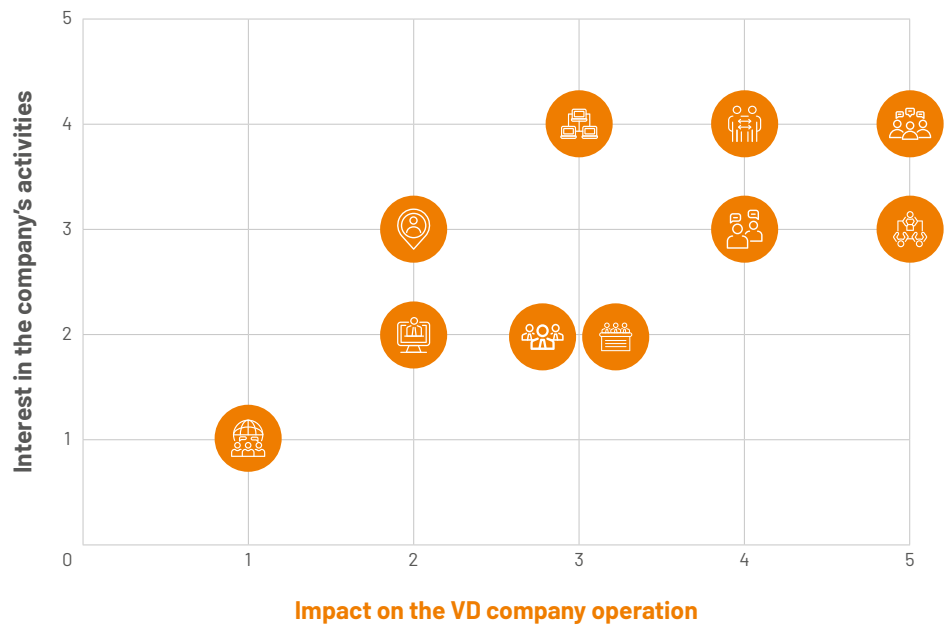
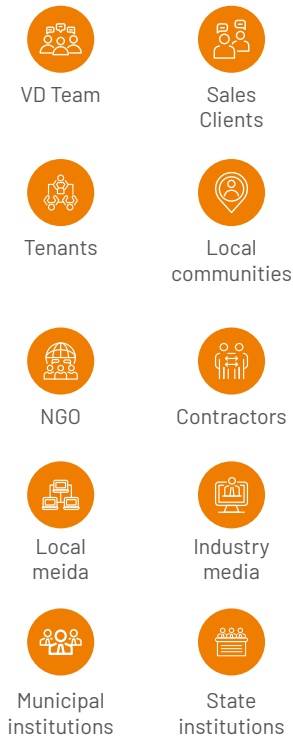
Stakeholders - who they are and why they are important to us ?

In 2021, we conducted a comprehensive stakeholder review for the first time. During reporting team me-

etings we identified the groups most important to us, categorised them and described them in terms of:

- type of relationship;
- channels and frequency of communication;
- key issues for stakeholders;
- the opportunities and risks associated with them;
- our response to their needs.

We then assessed the level of interest of the selected groups in the organization’s activities and their real impact on the organisation. Finally, we obtained a detailed map that allowed us to better understand the socio-economic context of our activities.



VD team

Tier I stakeholders

Form of engagement: dialogue

VD team members are our most important stakeholders. Without their involvement, knowledge and experience, it would not be possible for the company to function. Therefore, we try to respond to their needs by building a friendly working environment for them. We regularly benchmark our salaries to ensure that our employees enjoy satisfactory financial conditions. We provide them with access to private medical care, a Multisport card, preferential terms of group insurance, co-financing of training, post-graduate studies and English language learning. Additionally, the company shares its profits with them under an incentive system based on an annual bonus which depends on the operating result achieved by Vantage Development. Distinguishing employees are additionally rewarded during the annual company gala.

We are in constant communication with our staff. We

use email, an extensive intranet with opportunities to comment and interact with other team members, newsletters, face-to-face and online meetings. When we initiated the process of changing the business strategy, we held meetings for all employees to present the action plan for the coming years in a factual and concrete manner. In January 2022, for the first time, we also held a chat with the Management Board, where everyone could anonymously ask questions of the organisation's leaders. After each such meeting, internal training or event, we ask participants for feedback - usually in the form of an anonymous questionnaire, so that they can freely express their opinions. We always plan our next activities with their suggestions in mind.

We involve team members (to varying degrees) in key processes related to the future of the organisation,



e.g. operationalising a new strategy, identifying the group’s values - read more about this on page 9 - or choosing the location of our new headquarters. We involve them in charity and sustainability activities. We regularly communicate in this area and create

opportunities for employees to pursue important (also for them) social goals. The effectiveness of all activities in relation to our key stakeholders is evidenced, among other things, by the very low level of turnover in the organisation.

More information about our team



Employment structure*:

●.....● [GRI 2021: 2-7]

	Women	Men	Total
Team members	106	64	170
Employment contract:	83	17	100
fixed-term contracts	13	6	19
part-time employment	0	0	0
indefinite-term contract	70	11	81
part-time employment	1	0	1
Other contracts	23	47	70

Employment structure by location*:

●● [GRI 2021: 2-7]

	Wrocław	Poznań	Gdańsk	Łódź	Kraków	Total
Team members	143	22	2	3	0	170
Employment contract	93	6	0	1	0	100
fixed-term contracts	14	4	0	1	0	19
part-time employment	0	0	0	0	0	0
indefinite-term contract	79	2	0	0	0	81
part-time employment	1	0	0	0	0	1
Other contracts	50	16	2	2	0	70

*The data presented in the tables above were collected by the Group's HR section on the basis of ongoing statements related to employment at the company. The information presented corresponds to the situation as at 31.12.2021.

It is worth mentioning that in the last two years we have experienced a dynamic change in the number of staff - comparing data from the end of 2020 and 2021, there has been an increase of 19%. By developing lo-

cal activities, we have created completely new teams in Poznań, Łódź and Gdańsk. We offer our team members stable employment conditions, in the vast majority of cases offering permanent cooperation.

Sales Clients

Tier I stakeholders

Form of engagement: communication

Contact with clients is our everyday business. We know that buying an apartment is often a decision for life. It is also not without financial risk in a situation where the purchase is additionally supported by a mortgage loan. The amount of a monthly instalment is related, among other things, to the level of interest rates, which in 2021 were raised several times. This is why, we provide our clients with special care and support, and our advisors are happy to answer any questions on their part to ensure they are comfortable

with the final purchase decision.

Clients are welcome to visit our sales and rental showroom located in Port Popowice, Wrocław, where during the ongoing pandemic we introduced a number of solutions to increase their safety. Periodically, during the largest increases in the incidence of Covid-19, the showroom was temporarily closed and those interested in purchasing an apartment were offered only virtual contact in the form of telephone conversations or video conferences.



In most cases, the purchase of an apartment takes place while construction work is still in progress. Therefore, clients cannot enter the apartment and see it before signing the contract. At this point it is crucial to communicate in a reliable and transparent way, to present the apartment, the investment in detail, the apartment floor plans and our further plans related to the investment. In the case of Port Popowice, we also have a virtual 3D mock-up to better illustrate how the future stages of the project and the available apartments will look like (including the view from the windows).

Once a contract is signed, each client is assigned a service advisor who is their main point of contact with the company. They are also given access to the Electronic Client Service Office (EBOK), which can be accessed via a browser and a mobile application. Whenever possible, and only when we can ensure the

absolute safety of our clients, we invite them to the site of the project to show it to them while it is still in a building shell state. We strictly adhere to the rules regarding dress code (solid footwear, helmet, vest) and appropriate behaviour on the construction site, and our employees always accompany the clients on their visits.

Already at the stage of apartment acceptance, clients have the opportunity to report defects, which we are obliged to remove within 14 days. If clients submit comments after accepting the apartment, this period is extended to 30 days. The assessment of the validity of defects and their subsequent removal is carried out by the service and guarantee sections in cooperation with the general contractor and other subcontractors. The warranty period for the apartment and the building is 5 years.



Tenants

Tier I stakeholders

Form of involvement: consultation

Tenants are a relatively new stakeholder group for us. The rental of Vantage Rent apartments started in mid-2021 and within a few months our team of advisors handled about 3,000 enquiries from potential clients. The number of tenants is constantly growing, due to the offer of rental units we are supplementing. Ultimately, the Vantage Rent portfolio will include tens of thousands units, which means that our tenants will be a group of several thousand people.

Clients who decided to rent Vantage Rent apartments are mainly young people: 50% of them are younger than 30 years old. More than 20% of them are foreigners, where the dominant group are Belarusians (42.3%) and Ukrainians (26.9%). Due to the structure of the Vantage Rent offer, they choose mainly 1-bedroom apartments. We also offer the possibility of



renting a storage room or a parking space, in accordance with the principle that we want to offer tenants the same amenities as sales clients.

We are committed to building diverse communities in individual developments. We encourage inclusivity in our communications: Everyone is welcome at our place. Unlike private landlords who often refuse to sign contracts with families with children (or pets), we rent units to anyone who wants them. The only condition is to pass the financial screening, which is carried out online on our behalf by the Simpl.rent company.

Contractors



Tier I stakeholders

Form of engagement: partnership

The development process is a complex undertaking which requires the involvement of various entities from many sectors. From the moment the investment is designed, a tender is organised, the General Contractor is selected, and finally the keys to the apartments are handed over to the new owners or tenants, we are accompanied by hundreds of companies supporting us with products or services. In this group, the most important contractors are certainly the companies providing general contracting services. With some of them we decide on long-term partnerships and the implementation of complex multi-stage investments. The best example here is the company ERBUD S.A., which built for us several stages of Promenady Wrocławskie, and with which we are currently working on the territory of Port Popowice.

However, it is worth emphasising that in accordance with our Procurement Policy and Business Partner Code, we have introduced detailed criteria for the contractor selection process. Thus, we take care of the transparency of our communication and the transparency of the agreements we conclude. In the process of investment implementation, our team (Project Manager, administrator, construction, sanitary and elec-

trical inspectors, site engineers) plays a supervisory role over the General Contractor and is present on site throughout the contract.

Another important group of our contractors are architectural studios, which create designs of our investments. As we do not have an internal team of architects, a cooperation with external entities is very important to us. The person directly responsible for coordinating with them is the Design Standards Manager, who ensures that the proposed designs not only meet the assumptions of the local plan, but also comply with our internal quality standards. We usually invite a dozen or so studios to the process, and then, in a process of multi-stage consultations and finally a competition, we select the best design. Companies with which we are happy to cooperate include Majewski Architektura, Macków Pracownia Projektowa, Group - Arch or WXCA.

The frequency of contacts with our contractors depends largely on the nature of our business relationship and the stage of investment implementation (or apartment finishing) we are currently at.

Local communities



Tier II stakeholders

Form of engagement: communication

Our residential projects permanently transform the space in which they are built. Because the projects are built in highly urbanised areas, almost from the outset we find ourselves in contact with local communities - our neighbours. Sometimes these groups are informal, but we observe that within a few years they usually transform into associations. Local com-

munity leaders are very important to us in the context of building relationships with housing communities or cooperatives which are located in the vicinity of the construction site. We stay in touch with them by e-mail or telephone, and it is not uncommon for our representatives to meet them in person or virtually to discuss issues of mutual importance.

We are interested in the life of local communities and support them in various initiatives - picnics/neighbourhood meetings, implementation of EU projects or promotion of projects in voting for Wrocław Civic

Budget. We cooperate, among others, with the Active Senior Foundation, Moje Popo Association and the Heart of Szczepin Association.

NGO

Tier II stakeholders

Form of engagement: partnership

We are convinced that only constant cooperation with selected non-governmental organisations allows us to achieve measurable effects. For many years we have supported, among others, the Wrocław Hospice for Children Foundation, "To the Rescue of Children with Cancer" Foundation [Na ratunek dzieciom z chorobą nowotworową] or the EKOstraż Association. We sponsor charity events, and in 2021, for the first time, we also got involved in a charity auction organised by the ERBUD Foundation.

The NGOs we support are contacted by e-mail, telephone and face-to-face or online meetings. The frequency of communication depends mainly on the organisations' current needs, although it should be added that there are cyclical events/actions that we support regularly, e.g. the annual Concert of Hope or the Company Run. We make every effort to ensure that the NGOs cooperating with us feel comfortable

contacting us: we are always open to communication and can simply be counted on.

Our cooperation with non-governmental organisations involves not only charity work, but also supporting local entrepreneurship through membership in the Western Chamber of Commerce [ZIG] and the Polish Association of Property Developers [PZFD]. In the case of the former, we regularly support the organisation of the Lower Silesian Griffin [Dolnośląskie Gryfy] competition, an initiative rewarding the most innovative companies from Lower Silesia. Membership in the PZFD, on the other hand, allows us to conduct activities focused on building a positive image of the industry, consulting legal changes in the real estate sector or implementing activities involving local communities.



Local media

Tier II stakeholders

Form of engagement: communication

Local journalists have a keen interest in our activities because they have a real impact on the shape of the city in which we operate. Communication is initiated by the Group or by the media themselves. Together we also carry out various projects for readers (sponsored informative articles or competitions to engage readers) as well as promotional campaigns. Communication is based on e-mail or telephone con-

tact, in exceptional cases we also organise events with the participation of journalists, e.g. press conferences or Press Day, where we present the show apartments of Vantage Rent in Wrocław to them. There is also a press office on our website and a contact to the spokesman of the Group is available on the webpage.



Industry media



Tier II stakeholders

Form of engagement: communication

We cooperate with trade media (real estate market, as well as economic news) mainly by informing them about the company's next steps in the context of developing the portfolio of apartments for rent and sales units. We prepare reliable materials for them, conta-

ining the most important facts about our current operations, and we answer journalists' questions in the form of interviews or commentaries.

Communication takes place by telephone or email.

Municipal institutions



Tier II stakeholders

Form of engagement: partnership

In the case of our company's kind of activity, frequent contact with municipal institutions and companies is required not only by law but also by good business practice. The most important is, of course, the approval of the construction project and granting permission for its implementation. However, this is not the end of the process, as we also agree with various

municipal institutions on the construction of roads or cycle paths, sewage and electrical networks, as well as the development of land belonging to the city.

Communication takes place formally, through various administrative processes, and its frequency depends on the stage of implementation of the investment in question.

State institutions



Tier II stakeholders

Form of engagement: communication

We contact state institutions in two forms. On the one hand, as an employer or tax payer, we send formal documents related to our business activity to such entities as Social Insurance Institution [ZUS] or Tax Office. On the other hand, if there are any ambiguities or factual questions regarding the data or information presented, we are obliged to provide explanations to

the relevant authorities without delay.

Communication with the institutions takes place through telephone calls, e-mail communication, postal mail, but also direct meetings with officials and the inspection of documents. These take place irregularly depending on the needs of the institutions themselves.

IV. Material topics

●.....● [GRI 2021:3-1]

The process of selecting relevant topics began with the establishment of a reporting group within the Vantage Development team. People from the organization were selected to participate in discussions and consultations on topics, and at the same time to be involved in the process of collecting data for the sustainability report. The Management Board's Pleni-potentiary for ESG was responsible for organizing the work.

The group's first task was to identify the organization's stakeholders and thoroughly analyse their needs and expectations from the company. More about the process itself can be found on the following page **22** of this publication.

This analysis could not be conducted without a reference to the various areas of the organization's activity. By inviting people responsible for rental, sales, IT, property management, HR, communication, administration and Compliance to join the project team, it was possible to create a complete picture of the company's impact on the internal and external environment.

Both processes formed the basis for identifying topics relevant to the organization. After creating a long list of them, we proceeded to synthesize some of the issues and create specific descriptions of them. The reporting team was then able to prioritize the topics by rating them on an anonymous questionnaire on a scale from 1 to 5 (where 1 means least important and 5 means very important). In the next step, the results of

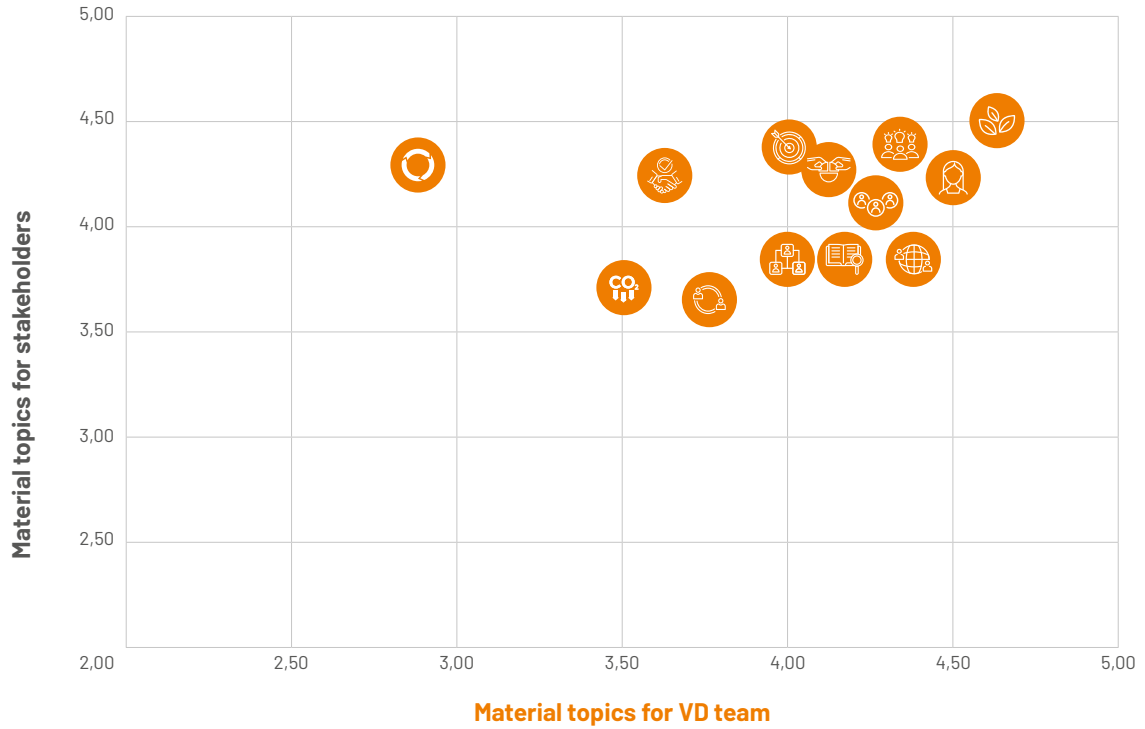
the analysis and the prioritization process were consulted with the Management Board and approved for further use in the next stage of the materiality investigation.

Stakeholder consultation

For external stakeholders, exactly the same questionnaire was prepared as for the reporting group. As they did not participate in the process of topic selection, a detailed description of each issue was additionally created as a pdf file. Invitations to the anonymous survey (together with the above mentioned attachment) were sent to the representatives of: tenants, customers (sales), business partners (general contractors, architects), NGOs cooperating with the company, representatives of the local media and municipal institutions.

At this stage, representatives of two groups (business partners and NGOs) asked for additional consultations on material topics before completing the questionnaire. The information was provided to them by e-mail and in an online meeting. In the end, a return rate of 75% was achieved.

After overlaying the results of the reporting group (and at the same time employee representatives) and external stakeholders, a materiality matrix was created, which was used to prepare the 2021 ESG report outline.



-  Impact on the environment
-  Digitization of processes
-  Reduction of CO₂ emissions
-  Building long-term relations with tenants
-  Building a strong team based on competencies
-  Circular economy
-  Organizational culture supporting the business strategy
-  Conducting business in accordance with the law
-  Being "a good neighbour" - infrastructure and social commitment
-  Co-creating the PRS market in Poland
-  Building economic value in a sustainable manner
-  Equal opportunity company - position of women
-  Creating high-quality products and service to meet the needs of diverse groups

List of material topics

● [GRI 2021: 3-2]

We analysed the resulting materiality matrix and the company's ESG goals, and then selected 8 topics, which we described in detail in our first non-financial report. The materiality process will be repeated annually to ensure that the information presented in subsequent publications will best reflect current stakeholder expectations, ESG trends and be consistent with the organization's next stages of development.

AREA	MATERIAL TOPICS	ESG GOALS
Environment	<ol style="list-style-type: none"> 1. Impact on the environment. 2. Digitisation of processes and implementation of new technological solutions. 	  
Social	<ol style="list-style-type: none"> 3. Building a strong team based on competencies. 4. Equal opportunity company - position of women. 5. Being "a good neighbour" - building publicly accessible infrastructure and community relations. 6. Creating high-quality products and service to meet the needs of diverse groups. 	   
Governance	<ol style="list-style-type: none"> 7. Conducting business in accordance with the law. 8. Organizational culture supporting the business strategy. 	

Impact on the environment.

We are aware that through our activities we directly or indirectly affect the environment. The issues of climate change and degradation of nature are extremely important to us, which is why the Group strives to limit its negative impact by, for example, measures to increase the energy efficiency of implemented buildings or compensate for CO₂ emissions.

Digitisation of processes and implementation of new technological solutions.

The company focuses on modern technology and digitalisation (and thus also process automation). This allows for faster customer service and contact with contractors, as well as reducing paper consumption (waste) whenever possible. In the last 2 years, while the coronavirus pandemic was ongoing, the processes related to digitisation accelerated further, making the organization even more open to new IT solutions.

Building a strong team based on competencies.

We build our success on a strong and motivated team. The organization offers its members stable employment conditions, security and development opportunities (e.g. by financing training, English language and postgraduate studies).



Equal opportunity company - position of women.

Women make up 62% of the Vantage Development team. They also constitute the majority of the company's managers and executives and influence all the areas of the organization's activity - investment execution, administration, sales and rental, corporate governance, finances, and human resources management. The company supports their development and enables both vertical and horizontal promotion.



Being "a good neighbour" - building publicly accessible infrastructure and community relations.

The nature of the Group's activities involves a significant impact on space and immediate external surroundings. On the one hand, it involves the construction of buildings and accompanying infrastructure (playgrounds, roads, pavements, cycle paths, recreation areas). On the other, the organization's social involvement, cooperation with local NGOs and support for charitable initiatives.



Creating high quality products and service to meet the needs of diverse groups.

Our customers (sales and rental) are very diverse. Their gender, age, origin (22% of Vantage Rent tenants are foreigners) and needs differ. The group's task is to create such products and services that will meet their expectations. Diversified structure of the offer and various locations of the projects allow to build diverse communities of the investments' residents.



Conducting business in accordance with the law.

The company operates in accordance with applicable Polish and international laws. Compliance with regulations is supported by the Compliance Policy adopted by the Management Board and the organization, and promoted among the group's stakeholders. The company also has a procedure and a system for anonymous reporting of irregularities.



Organizational culture supporting the business strategy.

The whole team was involved in the process of selecting values supporting the transformation of the organizational culture of Vantage Development. This choice will be of significant importance in the context of activities addressed to the team, but also regarding the business objectives which the group will achieve over the next few years.

Environment

●.....● [GRI 2021: 3-3]

Impact on the environment

Projects commissioned by the group are designed and then implemented in accordance with current legislation. We monitor changes in regulations, particularly those relating to technical guidelines for different types of buildings, which are becoming increasingly demanding in terms of maximum demand for non-renewable primary energy (EP), as intended by the legislator. We adapt our projects to the current state of the law, and during the implementation of investments we act in accordance with the environmental decisions issued by the relevant authorities.

As part of our Environmental Policy, introduced in March 2021, we have committed ourselves not only to comply with legislation, but also to increase the energy efficiency of our buildings, to use natural resources wisely, to avoid excessive waste and wastewater, and to care for biodiversity by protecting wildlife.

We have also created a set of „Environmental Guidelines for General Contractors“ as appendices to contracts with our business partners, which clearly define the group's expectations with regard to the environmental organization of construction sites.

Our stakeholders can report any irregularities they observe during project implementation and building operation using an anonymous whistleblowing system. All messages are directed to the Compliance Officer, who reports directly to the Management Board and Supervisory Board. A link to the system is available to all stakeholders on [our website](#).

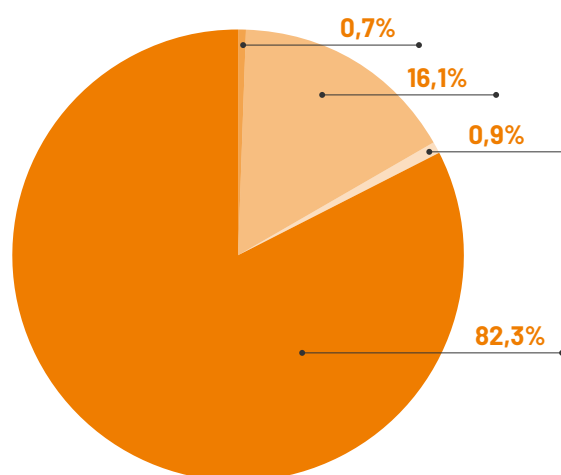
Environmental issues are mainly the responsibility of the Management Board of Vantage Development.

Energy efficiency of buildings

Residential buildings are responsible for around 28% of global CO₂ emissions - not only during the construction

phase, but above all during decades of operation of a building.

Share of the carbon footprint in each phase of the building life cycle (% kg CO₂e)



- A1-A3 Production phase
- A4-A5 Construction phase
- B1-B7 Operation phase
- C1-C4 End-of-life phase

Source: Bezoń P. Mizerny J. Jak potężny jest ślad węglowy budownictwa? [How big the carbon footprint of construction is?], SWECO, 2019 (<http://blogs.sweco.pl/2019/09/26/jak-poteczny-jest-slady-weglowy-budownictwa/>)

As a company that sells flats and, from 2021, also rents them out on a long-term basis, we are aware of the negative environmental impact that this generates. Over the life cycle, it is the consumption of utilities (for residential units and common areas), water and waste production that contribute most to the carbon footprint of our portfolio.



[GRI 302-5] ●.....●

With this in mind, already in 2020 we have adopted a number of solutions that allow for the creation and construction of more environmentally friendly buildings. In investments for rent we use as standard:

- Photovoltaic panels, supplying common areas with green energy (in 2021, production was 6,188 kWh for the period VIII-XII).
- Energy efficient LED lighting with motion sensors in common areas.
- Anti-smog pavements, with scientifically proven performance.
- Storage tanks (and on selected projects also drip irrigation systems for greenery), green roofs.
- Electric chargers for cars (first to be installed in 2022).
- High quality insulation materials to reduce thermal bridges and limit heat loss.
- We use durable furniture and energy-efficient, environmentally friendly home appliances in our rental apartments.
- We also install water purification filters in the premises so that our tenants can resign from buying bottled water altogether.

We cooperate with external experts in the field of building energy efficiency, who train our team and perform detailed analyses of projects in terms of feasible environmental solutions. The key aspect is to

implement ideas that allow to reduce the buildings' demand for EP index for a given project type (values vary depending on whether the investment is exclusively residential or additionally enriched with service functions).

The analysis of our future rental housing portfolio allows us to assume with high probability that VD projects developed in the coming years will have an EP ratio on average 10% lower than the maximum demand indicated by the legislator.

We continue to strive to improve our projects even further, so in 2022 we plan to start working with local universities of technology to expand our green building standard for rent.

Our impact on the environment

From 2021 onwards, we monitor our energy, fuel and water consumption, as well as waste production levels. The modification of our business model has meant that we now view our buildings differently. From a short-term perspective (completion of the development process with the transfer of ownership to the premises), we have moved to a long-term view of longtime building operation and property management. Below we present data from a fragment of our activity, which corresponds to several months of Vantage Rent flats' operation on the market.

[GRI 302-1, 302-2, 302-3] ●.....●

Direct and indirect values			Total
Fuel*	Diesel	869 GJ	370 GJ
	Petrol	512 GJ	
Electricity**	MWh	144,87	676,09 MWh
Thermal energy**	MWh	531,22	

*fuel consumption for Vantage Development's fleet of company cars in 2021.

energy consumption by tenants of Vantage Rent in the period VI-XII (Małopanewska 4), VII-XII (Legnicka 33) and IX-XII (Bucforowa 89), the average value of energy consumption of the building is **0.043 MWh (43 kWh/sqm) for the reported months. Due to the fact that the buildings were settled in the middle of the year, this value may increase.

[GRI 303-1] ●●●●●●●●●●

Water is one of the most precious resources on our planet. Therefore, we take active measures related to its rational management. At our headquarters, we have completely resigned from water in plastic bottles in favour of purification filters on taps. Gas water is offered to employees and our contractors exclusively in glass bottles, which are then recycled.

In Vantage Rent apartments we also made sure that tenants could drink water directly from the tap (by equipping the premises with filters). We monitor water consumption in the area of the rental investments. In 2021, **5,866 m³** of water was consumed in residential units and common parts of the buildings.

We construct rainwater storage tanks on the premises of investments for sale and rent. On selected projects with a large green area, we additionally prepare drip irrigation systems, thus saving water for watering the vegetation. One of the ways we use to support small retention is also the implementation of flower meadows, creating a friendly microclimate for insects.

[GRI 306-1, 306-3] ●●●●●●●●●●

In the process of construction and operation of residential buildings or with additional service areas, construction and municipal waste is generated, which is partially recycled. In addition, waste may be generated in the investment area, related to the activities of business tenants. At the moment, all white goods that furnish the premises for rent are new and covered by the manufacturer's warranty. In the future, the company will have to deal with the issue of electro-waste, which will be created in the buildings for rent.

In 2021, the company indirectly generated 1,663 m³ of waste in buildings with Vantage Rent apartments:

- 604.8 m³ mixed waste,
- 412 m³ waste constituting packaging (plastic,

- glass),
- 412 m³ paper,
- 26.4 m³ bio waste.

Tenants are provided with waste segregation containers in their flats, which they are not only contractually obliged to, but also encouraged and educated to do in the brand's marketing materials. Suitably labeled containers for segregation have been prepared in the waste rooms and garbage enclosures. Waste is collected from the investment site from 1 to 3 times a week.

In the VD office we separate waste and carry out educational activities aimed at employees to raise their awareness in the area of recycling.

CO₂ emissions

Last year, we undertook for the first time to count the group's carbon footprint. To do so, we collected data related to our activities that directly or indirectly affect emissions. We took into account the fuels burned during business trips, the consumption of utilities by our tenants (the data covers the buildings' operation in 2021), and we also worked with one of our largest business partner that provide general contractor services to us in Wrocław to estimate the data for a few projects. Those calculations were verified by an external assurance provider.

Total CO₂ emissions in 2021

[GRI 305-1, 305-2, 305 - 3] ●●●●●●●●●●



Total carbon dioxide emissions from Vantage Development CG's operations amounted to **1250 tonnes CO₂**:

186 tonnes of CO₂

are direct emissions resulting from the use of the company car fleet, electricity and heating consumption in HQ and local offices - scope 1*,



Before this happens, however, prospective tenants are asked to undergo online financial screening on the Simpl.rent app. The service checks their identity, financial capabilities, and payment and credit history. It is an effective solution that allows to keep the data of future Vantage Rent customers safe. The company has no access to this data and only receives information about a positive or negative outcome of the process. Simpl.rent screening is conducted in three languages (Polish, English and Ukrainian). Thanks to this service both the tenant and the organization receive assurance that the offer of Vantage Rent is matched to the customer's financial possibilities. In 2021, 82% of potential tenants decided to undergo Simpl.rent verification before signing an agreement.

Rental management

At the time the property is handed over to the tenant, the VR team uses an electronic form on a tablet which, once signed, is sent automatically to the client's EBOK account (less paper documentation). During the term of the agreement, tenants can use the service to manage their tenancy. The platform contains information about the agreement, they may download invoices, view documents and instructions prepared by the Vantage Rent team and contact their advisor.

The platform also allows for making quick Blue Media payments, used on average by about 60% of tenants. In the first customer satisfaction survey, EBOK was appreciated by tenants, receiving an average rating of 4.3 (on a scale of 1-5). Respondents were asked to share their opinions on using the service so that it could be improved in the future.

Internally, the team associated with the rental product uses a common workflow system, which makes the work more efficient (to the benefit of the environment). Tenant service, accounting, legal team, maintenance and guarantee, finance, property management - all are involved in the process. Because the information is available in one system, it makes it much easier to process data on a daily basis.

In the next few years, Vantage Rent's portfolio in Poland is going to grow dynamically, and effective service of tens of thousands of tenants in 5 different local markets will be the biggest challenge for the organization. Improvement of current tools and implementation of new IT systems is the only way to achieve this goal. In a survey, the brand's tenants clearly indicated that they are mainly interested in online communication, which corresponds perfectly to the organization's ESG strategy.



Social

Building a strong team based on competencies

●●●●●●●●●● [GRI 2021: 3-3]

Activities in the field of personnel policy are carried out in our company by the HR/PR section, whose manager reports directly to the Member of the Management Board. The team's daily duties include:

- initiation and implementation of recruitment processes, taking into account the provisions of the Anti-Discrimination Policy in force in the organization;
- building a strong team thanks to a system of employee recommendations, which allows for the recruitment of people with proven competencies, thus reducing the risk of turnover;
- shaping the competence development policy in the organization, through diagnosing the team's training needs, proposing optimal development actions and controlling their effectiveness,
- advising the Management Board, Directors and Managers on issues related to the development of their teams and resolving difficult, sensitive and conflictual situations that may affect work performance;
- optimizing HR processes through the implementation (in conjunction with the IT section and external suppliers) of systems enabling efficient management of employee issues,
- implementation and updating of the benefits offer,
- in addition, the section leader is responsible for the organization's remuneration policy by carrying out regular reviews of the remuneration market, ongoing analysis of remuneration and adjustment of rates in accordance with current market conditions and company policy.

The company has several documents which organize the rules that apply to all members of the Vantage Development team:

Remuneration Regulations

the document regulates the principles of employee remuneration, including overtime, payment of discretionary bonuses and prizes, access to the catalogue of benefits and the amount of grades for individual positions

Work Regulations

the document, which sets out the basic obligations of the employee and the employer, the order, organization and size of working time, the method of justifying absences and granting holidays and exemptions from work

Regulations of the Recommendation Contest

the document describing the rules of the recommendation system, in which members of the Vantage Development team may recommend candidates to ongoing recruitment processes, for which they receive financial rewards (if the recommendation is successful)

Anti-Discrimination Policy

in this document the company commits itself 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

Training Policy

the document sets out the principles for the implementation of the training process in the organization, the rules for financing training and postgraduate studies, as well as English language learning in the organization.

All the above documents are publicly available on the intranet.



[GRI 401-1] ●●●●●●●●●●

New members of Vantage Development are informed about the principles of functioning of the company, its programmes and initiatives, during adaptation days. The first 2 days of presence in the company are filled with meetings with representatives of the Management Board, HR, communication, IT and administration. In 2021, **47 people (28 women, 19 men)** joined the company. The turnover rate in the organization was **7%**. The Vantage Development team is encouraged to actively engage in various HR processes and activities within the company. Future supervisors are consulted when establishing employee profiles in recruitment processes, they also take part in interviews with candidates. In 2019, the first Engagement and Communication Survey was held, during which the team was able to share their opinions on the working conditions, benefits offered and policies, which apply in the company. In 2021, the employees took an active part in choosing the values of Vantage Development - more on **9**. The team was also involved in choosing the integration venue, awards the Employee of the Year award as part of the annual vote, and actively participates in the Group's Kindness Day celebrations. Since 2022, the company has also had an employee volunteer programme.

Employee development

[GRI 404-1] ●●●●●●●●●●

The Vantage Development team consists of true specialists, experts in their field, thanks to which the company can dynamically develop and adapt to changing operating conditions. An example of this is the modification of the business strategy in 2020 and the development of a completely new product from scratch.

Employee development is such an important topic that there is full openness on the part of the organization to the training needs of the team. They can be reported directly to the supervisor or the HR/PR section manager. The budget for expenditure focused on the development of new competencies is planned flexibly and funding is allocated according to current needs, without rigid division of the budget into departments or sections.

After the end of a given calendar year, the HR/PR section prepares a summary of the implementation of training activities for the Management Board. In 2021, expenditure on the development of the Vantage Development team amounted to: PLN 358,500.

The average number of training hours per team member was: 11.

Total number of training hours	Women	Men
1 900,5 h	1 462 h (77%)	438,5 h (23%)

Directors	Section Managers	Managers	Specialists
156 h (8,2%)	213 h (11,2%)	829,5 h (43,6%)	702 h (37%)

Employees are also given the initiative in choosing the topics that are undertaken during public training events. In April 2021, the HR/PR team presented them with a list of topics that could be discussed during a series of 2 webinars with external experts. By decision of the employees, two online meetings were held that best suited their needs at that moment:

- Personal development as a basis for professional development (and success).

- Mental resilience - how to deal with stress?

In August there was also a meeting with Szymon Kudła - a coach and trainer. His power speech "How to find sources of real energy?" was supposed to motivate the VD team, which after a period of intensive work crowned with launching apartments for rent on the market, needed additional support.

[GRI 404-2] ●.....●

Starting from 2020, an English language learning programme has been implemented in the organization. Supervisors are required to report to HR people who use this foreign language in their daily work. Lessons taught by external teachers (including native speakers) take place once a week, at different levels, within working hours and are 100% funded by the company.

At the end of 2021, **52** people (82% women, 18% men) participated in English language learning classes.

Periodically, tests are conducted to check the language competences of the employees, which at the same time provide information on the effectiveness of the activities. Course participants are also asked to assess the work of the teacher themselves - their commitment, the relevance of the topics covered in lessons, their frequency and overall satisfaction with the classes. These results influence the decision to extend cooperation with a given language school or teacher.

Case study



Vantage Skills Academy

In October 2021, the HR/PR section prepared the first edition of the Vantage Skills Academy. Each week, open training sessions conducted by company employees for other VD team members were held during working hours. Recruitment of internal trainers took place on a voluntary basis as early as September.

Training topics covered a variety of areas depending on the trainers' interests:



- Excel training at 2 levels of difficulty (basic and advanced),
- presentation and public speaking skills,
- presentation of the construction process for workers without technical knowledge,
- providing knowledge of the company's internal cost accounting system.

Each training lasted a maximum of 2 hours and included a theoretical and practical part. Due to the ongoing pandemic, in order to ensure the comfort of work for the trainers and participants of the initiative, training courses were held in a hybrid formula: stationary at the company's headquarters, and using the Teams application and video conferencing system. A total of **64** people took part in the event and the number of training hours was **12**.

After each training session, participants received an anonymous questionnaire in which they could express their opinion on the content of the training, as well as the trainer themselves.

100% participants positively evaluated the topics of the training carried out,

100% participants appreciated the preparation of the trainers and the way they conducted the classes.

Safety and promotion of healthy lifestyle

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

The organization cooperates with an external company, Asekor, which, on its behalf, conducts initial and periodic occupational health and safety training for members of the Vantage Development team. The HR/PR section is responsible for referring an employee to the classes. In 2021, 64 people took part in the initial training and 30 employees in the periodic training. 1 accident at work was recorded.

Summer with health

The company promotes a healthy lifestyle among VD staff by including elements of physical activity, e.g. as part of team-building trips. In addition, since 2020, the „Summer with Health“ project has been implemented during summer holidays (July-August). In 2021, the theme of the initiative was „Heart under control“. Internal communication (mainly on the intranet) featured posts related to cardiovascular disease prevention. Employees could take part in a webinar with a cardiologist (during working hours), who presented the most common causes of heart problems, talked about the adverse effects of a sedentary lifestyle and the use of stimulants on the cardiovascular system. He also described daily healthy habits that will reduce the risk of disease.

Physical activity is one of the recommended ways to take care of health in general, which is why the employees were invited to a holiday competition with the Activy app. Using it, they monitored their progress and collected points, which the most committed could exchange for sports prizes.

Benefits for the VD team

[GRI 401-2] ●.....●

Building satisfaction of the VD team is based on attractive remuneration, periodically valorised in relation to the market and the employee's own development. However, the company does not stop there, offering also a catalogue of benefits which can be used by the employees and their family members. These include:

- **private medical care** – a VIP level package of medical services, which in 2021 was used for 92 individual packages, 24 family packages, 22 partnership packages, 6 senior packages and 1 with an adult child,
- **group insurance with preferential conditions** – last year 74 employees and 11 accompanying people opted for it,
- **attractive offer of sports card use** – at the end of 2021, 52 employees and 16 people from outside the company chose it,
- **company events** – in 2021 the budget allocated for this purpose amounted to PLN 258 178. It included integration trips for departments and individual sections, the annual Vantage Development CG Company Gala, online webinars and a company-wide Integration Day. These events foster team integration at various levels (sections, departments), which has a positive impact on the atmosphere of cooperation.

The HR/PR section periodically reviews the employee benefits available on the market and supplements the offer, depending on the current needs of the team. An example of this is „fruit Mondays“, which were suspended during the pandemic period when most of the team was working from home office. Instead of being delivered to the office, the fruit was delivered to the J. Gromkowski Regional Specialist Hospital in Wrocław.

The form of employee events was also modified, during the periodic restrictions on social contact due to the pandemic. In 2021, the Company Gala was held in the form of an interactive online event, during which the employees could safely, as from their own homes, participate in the attractions prepared by the HR/PR section.

Equal opportunity company - position of women

[GRI 2021: 3-3, GRI 405-1] ●.....●

Vantage Development promotes diversity among its employees, emphasising in internal communication that different employee characteristics, competencies and characters make the team strong and enable it to effectively perform its activities. Particularly noteworthy is the fact that despite the fact that the group operates in the real estate industry, which is strongly linked to con-



struction, women account for as much as **62.4%** of the VD team (men for **37.6%**). They are present at all levels and departments of the company - they are responsible for finance, legal issues, marketing and communication, investor supervision at construction sites, costs of investment implementation, service and guarantee and customer service. In the group of managers and section leaders, ladies account for **56%**, and among directors and the management board for nearly **30%**.

The promotion of equality and diversity in the workforce is supported by the Anti-Discrimination Policy, adopted by the company's Management Board in March 2021, which is based on the following four 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 company's team members are mainly young people (average age is 36). This is reflected in the age structure of the top management, but also of all Vantage Development employees:

The top management group is dominated by people between 30 and 50 years of age:

Age	
Under 30 years of age	0%
30-50 years	75%
Over 50 years of age	25%

The situation is similar across the VD team. The difference is that 21.8% of employees are in the under 30 age group. These are mainly trainees, assistants, customer advisors and specialists.

Age	
Under 30 years of age	21,8%
30-50 years	72,4%
Over 50 years of age	5,8%

All employees of the group, regardless of gender, age, religion, nationality or sexual identity can count on equal treatment, including in the aspect of professional development and promotion opportunities within the company's structures. The data presented in the above fragment of the report, concerning employee development or positions held by them, clearly show that the position of women in Vantage Development is strong.

Parents at work

[GRI 401-3] ●●

The pandemic period that began in 2020 significantly affected the organization of work in the company. It became commonplace to work from home and to conduct activities and communicate between teams using the Teams app. Periodically, the employees were able to make greater use of stationary places in the office, while maintaining safety rules (adequate distance between workplaces, use of disinfectants and masks during meetings).

Home office has become very popular among VD team members. Many of them indicate that hybrid working, allowing them to perform tasks from home and from the office, is the best way for them to combine work and family responsibilities. The company allows them to use such a solution, in different dimensions, depending on the pandemic situation.

The ability to manage one's time freely and to choose where to work is particularly attractive to employees who have children.

Parents, employed on a contract of employment benefit from maternity leave and combining it with parental leave. Below are details of VD team members who received these benefits in 2021.

Case study



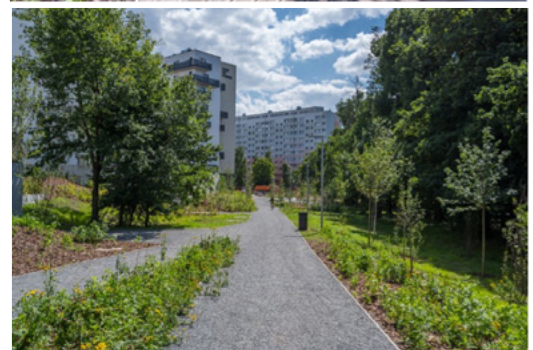
Development of the Zachodni Park [West Park] area

Since 2018, we have been developing a mixed-use residential project on the site of the former Port Popowice, in the vicinity of Zachodni Park. After the completion of the construction of the second stage of Port Popowice, we decided to develop the park area, directly adjacent to our project.

The activities were carried out in close cooperation with the Wrocław Urban Greenery Management. New paths were marked out in the park, lighting was prepared and elements of small architecture were placed. The park vegetation was supplemented with new planting. A wooden bridge was also prepared, connecting the Popowice Port with the Zachodni Park, the implementation of which made it possible to avoid cutting down existing trees. Thanks to the paths realised on the slope, the area is accessible for the disabled and parents with prams.



Zachodni Park is an urban area, accessible to all residents of Wrocław. The development of its fragment by the company made it more accessible and recreationally attractive not only in the eyes of Port Popowice residents, but also by our neighbours. The role of urban greenery cannot be overestimated, and from the point of view of climate change, taking care of its well-being is a priority for us.



ting the construction of the company's first project at 64 Tuwima Street was connected with ceremonial laying of the cornerstone. The event was attended by representatives of the city authorities, local journalists, architects responsible for the project, the general contractor and representatives of Vantage Development.

Charity work

As part of its charitable initiatives, the company focuses on building lasting relationships with selected NGOs. For many years we have been supporting the Wrocław Hospice for Children Foundation through financial donations, support of events or purchase of Christmas cards with the logo of the organization. In our office and on the premises of the Buforowa 89 investment we also run a permanent collection of plastic, the profit from recycling of which is transferred to the foundation's account. In January 2021, together with the ProCuro Foundation, we opened a renovated common room for the pupils under the care of School and Education Centre in Dobroszyce. We implemented the action with our long-term partner, the Erbud company. Children gained access to a refreshed space and new toys, materials and educational games.

Every year we also support the „To the Rescue of Children with Cancer” Foundation, which organizes a charity concert for the „Cape of Hope” Oncology Clinic, which operates in Wrocław. The event includes a concert with the participation of professional artists and employees from the event's sponsors, including Vantage Development.

Commitment of the VD team

In the run-up to Christmas 2021, the management board decided to cancel all company events, including the Christmas meeting, due to the pandemic situation. However, to maintain festive atmosphere, the team was encouraged to come together to support various charities. The different departments were combined into 3 groups and then given the initiative for community engagement. Support for the initiative coordinators was provided by the HR/PR section, which helped define the purpose and how to help the selected organizations.

Our team supported local NGOs from Wrocław and the surrounding area:

- A collection of clothes for wards of St. Brother Albert's Aid Society was carried out,
- Gifts were purchased for senior citizens living in Nursing Homes,
- In-kind assistance (including food, collars, leashes, bowls, quilts) was given to the Animal Care Society,
- Art materials were collected and purchased for the wards of the Care and Treatment Centre in Jaszko-tle,
- A financial collection for the treatment, rehabilitation and specialised equipment for little Miłosz was held.

From January 2022, we also offer our team members the opportunity to carry out their own company-funded charitable initiatives as part of our employee volunteering programme „DOBROczynni”.



Negative impact on the local communities

[GRI 413-2] ••

The company's activity is connected with permanent transformation of the space on which Vantage Development investments are built. This may cause opposition of local communities at various levels. Often „no man's land”, so far available to everyone, is fenced off and transformed into a construction site for several months. It is also connected with an increased intensity of using local roads and increased noise level, as well as limited access to parking spaces. Although Vantage Development's projects are carried out by our general contractors quickly and efficiently, we realize that they may be periodically burdensome for our neighbours. Preparing the site before construction also involves felling trees, which we try to do sparingly, but in some situations it is unavoidable, which also affects the perception of the projects by local communities. Whenever possible, trees are replanted, we also use replacement

tizens, so we quickly decided to facilitate their contact with us and we introduced Ukrainian language in our rental materials.

In line with the concept, communication between our employees and tenants takes place without language barriers. From the moment a tenant expresses an interest in our offer until the ongoing support during the term of the rental, they can communicate freely with VD advisors and have unhindered access to rental materials. We have introduced a number of measures to ensure smooth functioning of tenants in Vantage Rent apartments and to provide them with an easy access to information. Our intention is to make every tenant, regardless of their origin and native language, feel at home with us. We want the language of communication to bring us closer together and create a friendly atmosphere in our relations.

In the VD teams dedicated to the product for sale and the product for rent, we have customer advisors who are fluent in English, enabling contact with anyone interested in buying or renting a flat. VD employees improve their language skills during English courses, the costs of which are covered by the employer.

Since June 2021, the website <https://vantagerent.pl/> has been functioning in Polish, English and Ukrainian. Customers can easily search for the flat they are interested in and read the details of the offer in the language of their choice. Marketing brochures presenting the product of apartments for rent in Polish, English and Ukrainian are also available in showrooms. We made the first language brochures available to our tenants in September 2021. Posts on Facebook informing about current investments and events of Vantage Rent have been published in 2 languages, Polish and English, since 19 August 2021.

If the client decides on the VR apartment, the advisor sends them a bilingual version of the agreement, in which the text of the agreement in Polish and in English or Ukrainian, respectively, is set out in two columns.

The financial screening process is dedicated for our tenants also in 3 language versions. The provider of this service, Simp.rent, at the request of Vantage Develop-

ment translated the platform into Ukrainian in August 2021 (the English version had already been functioning earlier). A client receives a link to screening in the language used during the whole process, i.e. Polish, English or Ukrainian, respectively. The user can obviously change the language in the menu at any time.

Once the tenant has gone through the process of signing the rental, they can still count on service in the language of their choice. For our clients, we prepare the Tenant Toolkit - i.e. instructions for the use of an apartment, equipment and common areas - in three language versions, so that everyone can quickly find information about common parts or equipment in the property.

Throughout the rental period in a VR flat, a tenant has access to eBOK. On this platform, the customer pays bills, can report defects or contact a Vantage advisor. As part of our ESG activities in 2021, we decided that the eBOK for our tenants should also function in several languages in order to meet the goal of serving the tenant from start to finish in a dedicated language. In the last quarter of 2021, we conducted a number of analyses with the software provider. Finally, we received a confirmation of the technical feasibility of translating the eBOK and immediately commissioned the supplier to introduce language versions. The project is scheduled for completion in June 2022.

Our goal for the coming years is to constantly monitor the linguistic needs of our customers. We assume the possibility of expanding the group of languages for tenant service. When making a decision, we will be guided by statistics on the number of foreigners and verification of dominant mother languages of our clients. Communication without barriers is a priority for us and we believe that it is a way to build long-term relationships with our stakeholders.

Governance

Conducting business in compliance with the law

●●●●●●●●●● [GRI 201: 3-3]

It is a priority for the group’s management to conduct its business in compliance with current legal regulations. To this end, the Management Office and the legal section operating within it regularly review changing regulations and then prepare the organization in advance to operate in new conditions.

In March 2021, the Management Board adopted a number of Compliance policies, details of which are set out on page 19 of this publication. The VD team was trained on the provisions of the documents and the knowledge level of employees was checked using a mandatory test. Compliance information was also implemented into the induction process for new VD team members from January 2022 onwards.

The Group also takes care to promote ethical management among its contractors. The most important group among the company’s business partners are general contractors that carry out multi-million contracts, including the implementation of VD investments. Starting from 2021 obligatory provisions relating to the

Vantage Development, Anti-Corruption Policy and the Business Partner Code were introduced into contracts with companies operating as general contractors. In case of both documents they oblige contractors to, among other things, observe human rights, anti-monopoly regulations or undertake actions counteracting corruption. Their contents can be found on the website dedicated to **Compliance in the group.**

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

In the reported period there were no:

- confirmed incidents of corruption,
- legal actions pending or completed regarding anti-competitive behavior or violations of anti-trust and monopoly legislations,
- significant fines and non-monetary sanctions with environmental laws and/or regulations,
- incidents of discrimination.

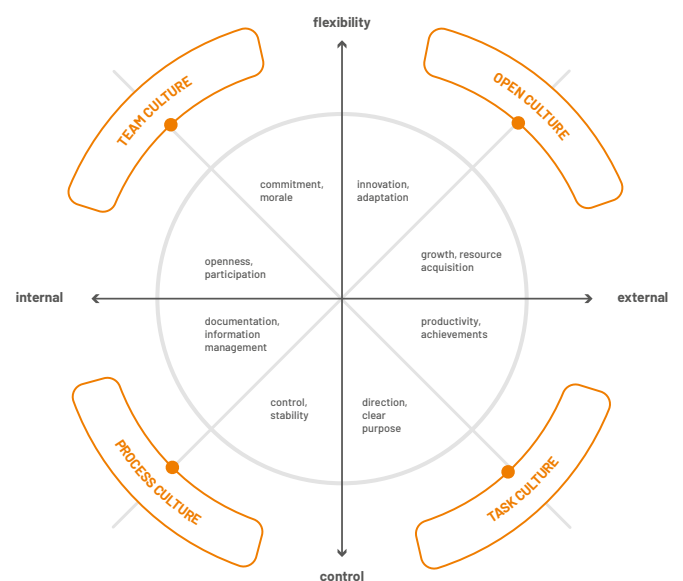
Organizational culture supporting the business strategy.

●●●●●●●●●● [GRI 201: 3-3]

The diagnosis of the organizational culture of Vantage Development was an element of the „Our DNA“ project, the aim of which was to select the company’s values - more about it on page 9.

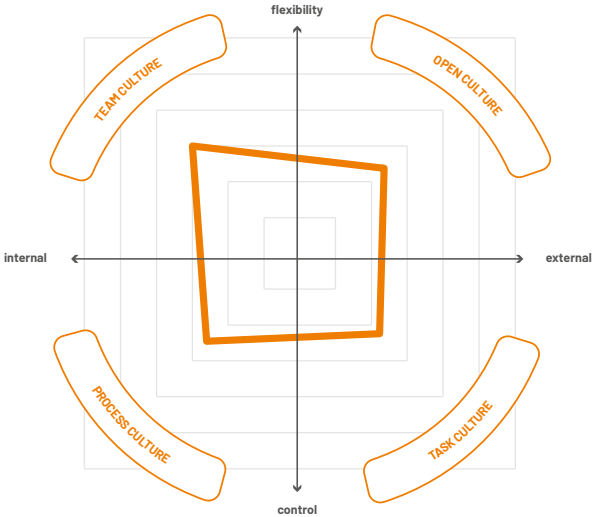
The survey, in the form of a questionnaire, took place online in September 2021 and made it possible to determine the current situation in the company, and in subsequent steps to also indicate the desired group culture. Solution was a partner in the project from the beginning and worked closely with the HR/PR section, the Management Board and the company’s directors.

The diagnosis was carried out using a standardised questionnaire form based on the competing values model (flexibility-control, internal-external orientation). Re-



spondents were asked to indicate to what extent, in their opinion, the company operates according to a certain pattern of functioning in various theses presented. The questionnaire was completed by **83%** of the Vantage Development team, which allowed us to consider its results as very representative.

The results turned out to be quite surprising for the group of respondents. The picture of our organizational culture varied depending on the department and the objectives which are set for the employees in their daily work, for example: in the Investment Implementation Department the task-oriented culture prevailed, in the Economic and Administration Department - team-oriented. Collectively, however, we have found that our organization has a very balanced culture, with a slight leaning towards „team-oriented“. This is a logical consequence of the business model we have followed for many years. The development process is never prepa-



red or executed within a single group of employees. It is a multi-stage, complex procedure that requires the involvement of many teams with different competencies, knowledge and experience. Without a strong team, the planning, execution and subsequent customer service, would not be possible.

But is this what the company culture should look like in the future?

Taking into account the Group’s business strategy, in the coming years, by decision of those taking part in the strategy workshop (Management Board, directors, representatives of all departments), there will be decisive changes in its functioning towards an open culture. These are to be supported by values chosen jointly by the VD team:



Initiative



Cooperation



Customer orientation



Independence and trust

As the future leader of the institutional rental sector in Poland, we want to co-create new market standards, products which nobody currently offers, and services which will respond to the needs of a changing society and clients. That is why, in our team we want to support the initiatives of our employees, put emphasis on their independence and give them trust which is necessary to implement creative ideas effectively.

In the coming months, projects and actions will be introduced in the structure of the organization, aimed at strengthening our employees and transforming the company culture. The 2022 ESG report will include a detailed summary of the project and the changes implemented in the Group.

V. GRI content index 2021

GRI Standard 2021	Disclosure	Page no.	Omission
GRI 2: General Disclosures	2-1 Organization details	5,6,7	
	2-2 Entities included in the organization's sustainability report	56	
	2-3 Reporting period, frequency and contact point	57	
	2-4 Restatement of information		Not applicable. This is the first ESG report, published by Vantage Development Capital Group.
	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	5, 11, 12, 13, 14	
	2-7 Employees	24, 25	
	2-8 Workers, who are not employees		Not applicable. All team members are employed by entities from Vantage Development CG.
	2-9 Governance structure	8	
	2-10 Nomination and selection of the highest governance body	8	
	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	18	
	2-13 Delegation of responsibility for managing impacts	18	
	2-14 Role of the highest governance body in sustainability reporting	18	
	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	18, 20	
	2-17 Collective knowledge of the highest governance body	18	
	2-18 Evaluation of performance of the highest performance body	8	
	2-19 Remuneration policies	8	
	2-20 Process to determine remuneration	8	
	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	15	
	2-23 Policy commitments	19	
	2-24 Embedding policy commitments	20	
	2-25 Processes to remediate negative impacts	21	
	2-26 Mechanisms for seeking advice and raising concerns	21	
	2-27 Compliance with laws and regulations	22	
	2-28 Membership associations	5	
	2-29 Approach to stakeholder engagement	22-29	
	2-30 Collective bargaining agreements		Not applicable. There were no collective bargaining agreements during the reported period.

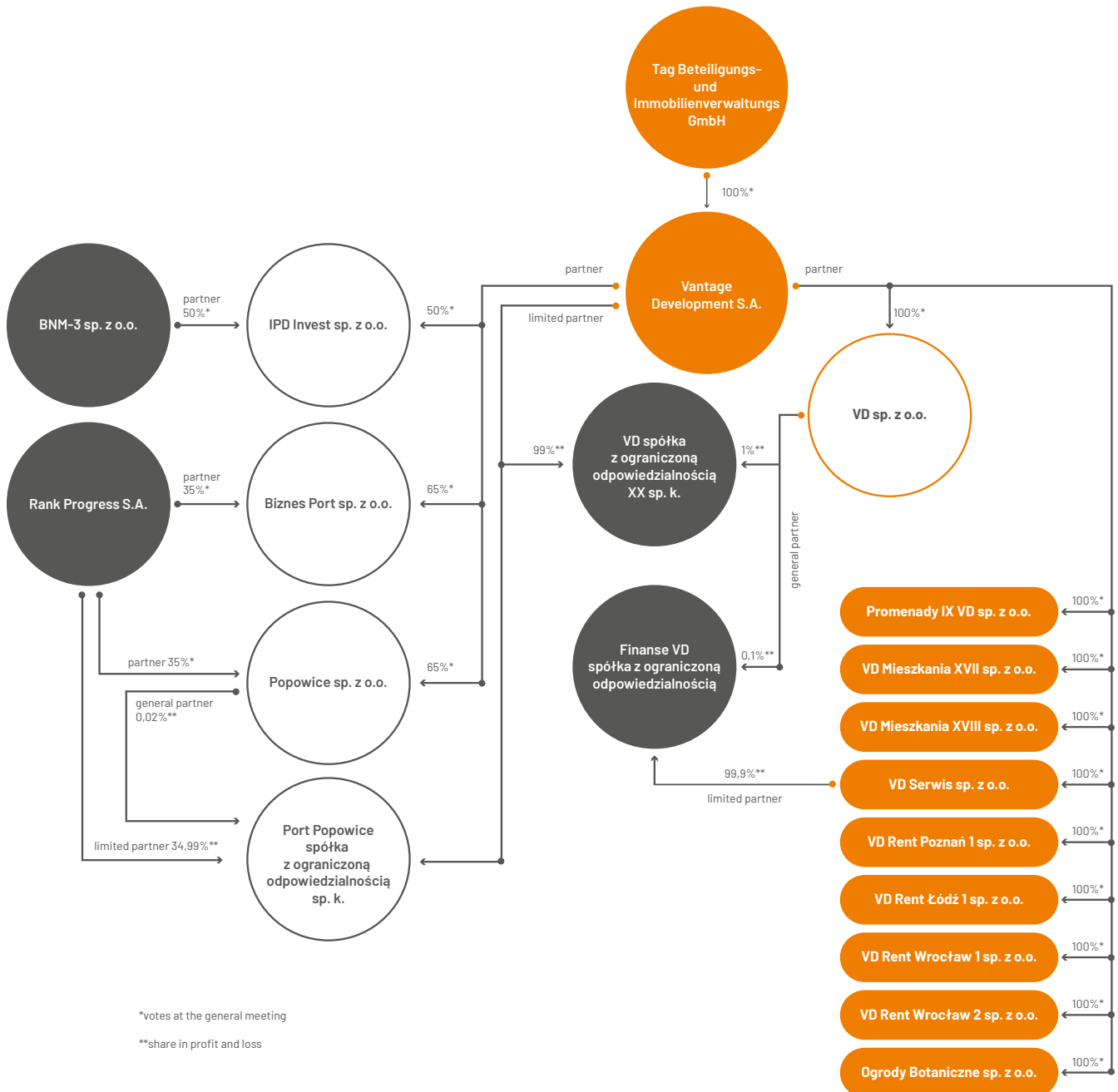
Impact on the environment.			
GRI 3: Material topics 2021	3-3 Management of material topics	34	
GRI 302	302-1 Energy consumption within the organization	35	
	302-2 Energy consumption outside the organization	35	
	302-3 Energy intensity	35	
	302-4 Reduction of energy consumption	35	
GRI 303	303-1 Interactions with water as a shared resource	36	
GRI 305	305-1 Direct (scope 1) GHG emissions	36	
	305-2 Energy indirect (scope 2) GHG emissions	37	
	305-3 Other indirect (scope 3) GHG emissions	37	
GRI 306	306-1 Waste generation and significant waste-related impacts	36	
	306-3 Waste generated	36	
Digitisation of processes and implementation of new technological solutions.			
GRI Standard 2021	3-3 Management of material topics	37	
Own measure	Process and IT tools incorporated in tenant service	37, 38	
Building a strong team based on competencies.			
GRI Standard 2021	3-3 Management of material topics	39	
GRI 401	401-1 New employee hires and employee turnover	40	
	401-2 Benefits	43	
	401-3 Parental leave	44, 45	
GRI 403	403-1 Occupational health and safety management system	43	
	403-5 Worker training on Occupational health and safety	43	
	403-6 Promotion of worker health	43	
	403-9 Work related injuries	43	
GRI 404	404-1 Average hours of training per year per employee	40	
	404-2 Programs for upgrading employee skills	41, 42	
Equal opportunity company - position of women.			
GRI Standard 2021	3-3 Management of material topics	43	
GRI 405	405-1 Diversity of governance bodies and employees	44	
Being a , good neighbor' - building publicly accessible infrastructure and community relations.			
GRI Standard 2021	3-3 Management of material topics	45	

GRI 413	413-1 Operations with local community engagement, impact assessments and development programs	47, 48	
	413-2 Operations with significant actual and potential negative impacts on local communities	48	
Creating high quality products and service to meet the needs of diverse groups.			
GRI 3: Material topics 2021	3-3 Management of material topics	49	
Own measure	Percentage of foreigners among VR tenants.	26	
Own measure	Measures to make communication with foreign tenants easier.	49, 50	
Conducting business in accordance with the law.			
GRI 3: Material topics 2021	3-3 Management of material topics	51	
GRI 205	205-1 Operations assessed for risks related to corruption	22, 51	
GRI 206	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	51	
GRI 307	307-1 Non-compliance with environmental laws and regulations	51	
GRI 406	406-1 Incidents of discrimination and corrective actions taken	51	
Organizational culture supporting the business strategy.			
GRI 3: Material topics 2021	3-3 Management of material topics	51	
Own measure	Vantage Development values	9, 52	
Own measure	Transformation of the organizational culture	52	

VI. Structure of the capital group as at 31.12.2021

●●●●●●●● [GRI 2021: 2-2]

The Vantage Development CG consists of 16 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.



VII. 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 2021 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/>

VIII. Contact

●● [GRI 2021: 2-3, 2-5]

The ESG Report of the Vantage Development Capital Group was prepared for the period 01.01-31.12.2021, unless otherwise indicated (some activities continued in 2022) according to the GRI 2021 Core standard.

This is the group's first 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 21 April 2022 on our [sustainability website](#).

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

Katarzyna Szydłowska-Biskup

Communication and ESG Manager

Management Board's Plenipotentiary for ESG

Email: k.szydlovska-biskup@vantage-sa.pl

Tel.: (+48) 510 015 290



Vantage Development S.A.

44 Dąbrowskiego Street
50-457 Wrocław