

PRADERA

2020

Looking to the Future



Sustainability Report

Every little helps – and there's more to come!

Chairman's Statement

The Pradera Group remains committed to sustainability and responsible investment is critical to our success. As we recognise pressing issues of climate and social change our priority is to ensure that we implement responsible environmental and social practices on a corporate, fund and asset level in all countries we operate.

Through responsible actions and behaviours, we protect and enhance the environment, build trust among all our stakeholders and operate ethically to the highest standards of corporate governance.

All Pradera Group employees are encouraged to make an effective contribution to protecting the environment by participating in recycling programmes, using natural resources and reducing greenhouse gas emissions. The use of environmentally friendly transport and video conferencing as an alternative to business travel, where possible, are positively encouraged.

As a specialist fund and asset manager we strongly believe that sustainable portfolios have significant commercial benefits. Our local asset and property management teams are heavily focussed on sustainability and energy saving, water conservation and waste management programmes which are deeply embedded in our portfolio strategies.

The Pradera Group is a community orientated company, which has a positive impact on local society through the creation of direct and indirect employment, fundraising for charities and launching recycling awareness programmes in a number of countries. By doing so, we have not only contributed to the local economies but also demonstrated our longstanding commitment to sustainability.

Over the course of 2019 we have signed additional green leases and obtained BREEAM In-Use certification for four properties in Poland and one property in the Czech Republic. This brings the total number of real estate BREEAM certified assets to 10 and we are committed to deliver more.

We are also focused on developing a Mental Health and Wellbeing plan across the Pradera Group as we recognise how important wellness in the workplace is. For this reason, we have appointed Mental Health and Wellbeing Champions and put in place training plans so Champions could offer support to colleagues and promote a healthy workplace.

In addition, the Pradera Group continues to participate in the Global Real Estate Sustainability Benchmark (GRESB) and in 2019 we are pleased to announce that we have improved our results for Pradera European Retail Parks SCSp (PERP) by 35% compared to 2018 and we continue to implement green initiatives to maintain the momentum.

We are pleased to present Pradera's Sustainability Report. This report provides an overview of our initiatives in 2019 as well as an eye to the future objectives for the Pradera Group for 2020 and beyond. Please note that all data in this report is the latest available from GRESB.

26th March 2020



*Colin Campbell
Chairman*

Every little helps – and there's more to come!

Pradera's Objectives

Sustainability is highly valued at the Pradera Group as it is deeply embedded in our decision-making and is fundamental to the way we create long-term value for our stakeholders.

We have again demonstrated that through responsible actions and behaviours the Pradera Group has a passion for environment protection. Over the course of 2019 we made progress on the green certification front, rolled-out LED lighting upgrade programmes, implemented water conservation programmes and achieved higher landfill diversion rates across our portfolio.

We have also further managed to strengthen our links within our communities by fundraising for a number of charities, building environmental awareness and inspiring the younger generation. Our local presence contributes towards direct job creation given that the Pradera Group contracts with daily operators such as cleaning, maintenance, security and property management companies in the local community. This approach helps us to build strong business partnerships, while leaving lasting positive legacies in our communities.

For us, responsible business delivers consistent operational excellence, inspires employee values and builds trust with investors through strong ethical governance, while creating value. We will continue to collaborate with our property managers, tenants and suppliers to deliver sustainable long-term solutions.

Our key objectives for the next 12 months include:

- A continuation of LED lighting upgrade programme to reduce energy usage;
- A roll-out of BREEAM In-Use certification across our property assets;
- A further roll-out of a comprehensive recycling plan to achieve higher landfill diversion rates;
- Ongoing implementation of water conservation programme to reduce water usage;
- A further roll-out of green leases;
- The implementation of Mental Health and Wellbeing Plan across the Pradera Group;
- Propagating green awareness and strengthening the links with our communities through fundraising and charitable events.

The above achievements and planned future objectives, however, would not be possible without the Sustainability Committee and Management Board's involvement and continued engagement of our local asset and property managers, whom we thank for their contribution.

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Pradera European Retail Parks SCSp (PERP*) Environmental Impact

Energy consumption savings
-7,726 MWh

Equivalent of
634 Homes

Source: 2019 GRESB PERP Results

We have achieved a 7,726 MWh energy use reduction on a like-for-like basis in 2018, which translates to the equivalent of average energy usage at 634 homes.

The energy efficiency score includes the installation of LED lights and the traveller motion detectors at three Polish retail parks. The obsolete lighting equipment was replaced with LED-type lighting in the car parks of Homepark Targówek in Warsaw and Homepark Franowo in Poznań, while the traveller motion detectors were installed at Homepark Targówek in Warsaw to optimise energy consumption.



Water use reduction
-8,011 m³

Equivalent of
3 Olympic Swimming Pools

Source: 2019 GRESB PERP Results

Across our PERP portfolio we have achieved an 8,011 m³ reduction in water consumption on a like-for-like basis in 2018, which translates to the equivalent of three Olympic sized Swimming Pools.

The water efficiency initiatives include the installation of needle and faucet aerators on taps at lavatories in common areas, which set time restrictions on water flows at three Polish assets: Homepark Janki and Homepark Targówek in Warsaw as well as Homepark Rawa in Katowice.



*Pradera European Retail Park SCSp (PERP) is Pradera Managed Fund.

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Waste diversion rates

26% recycled

26% incinerated

Source: 2019 GRESB PERP Results

Waste segregation is a high priority for the Pradera Group and for this reason we have managed to reduce an overall waste directed to landfill by 52% on a like-for-like basis in 2018, with 26% being recycled and a further 26% being incinerated.

The most prominent initiative was launched at Homepark Targówek in Warsaw and involved the creation of bigger and specially designated eco-friendly recycling areas for paper and cardboard, as well as plastic bottles and bags.



GHG emissions reduction
-121 tonnes CO2

Equivalent of:
26 Cars

Source: 2019 GRESB PERP Results

Across our PERP portfolio we have achieved a reduction of 121 tonnes of carbon dioxide on a like-for-like basis in 2018, which translates to the equivalent emission from 26 cars.

This resulted from promotion of alternative means of transport through a creation of bicycle parking areas at Homepark Janki and Homepark Targówek in Warsaw and a reduction in frequency of waste collection due to the installation of bigger recyclable containers.



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Cevahir Shopping Centre in Istanbul, Turkey Environmental Impact

Sustainability is a core business capability for Pradera’s Turkish property and asset management team at Cevahir Shopping Centre in Istanbul. They have a passion for environment protection and work hard to implement energy efficiency, water conservation and waste management programmes at the Centre.

Sustainable Energy and Water Conservation Initiatives

The Cevahir Shopping Centre is now fully certified with Energy Performance Certificate (EPC). With an overall energy rating of “C” there are two areas rated “A”, cooling and ventilation systems.

Energy Usage Area	Annual Energy Consumption			% change	Energy Performance
	Initial Usage (kW/annum)	Current Usage (kW/annum)	Usage per Area (kW/sqm)		
Heating System	312,469,290	312,469,290	1,454	-	C
Cooling System	890,744	377,434	1.76	57%	A
Ventilation System	143,561	60,831	0.28	57%	A
Lighting System	10,568,223	4,478,060	20.85	57%	C

Source: Pradera Management Turkey, 2019

The annual usage of cooling, ventilation and lighting systems has been reduced by 57% each at the Cevahir Shopping Centre, largely due to the following initiatives:

LED lights have been installed at the Shopping Centre and car park entrances, which have contributed to a reduction in the overall energy consumption.

Air Handling Unit (AHU) connectors and pipelines on the roof of the Cevahir Shopping Centre were upgraded to increase energy efficiency of the AHU.



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Drift eliminators of the existing cooling towers were modernised to reduce escape of water droplets in the discharge airstream of the cooling towers.



40 heating valves were modernised and protection boxes were added to all heating valves to increase energy efficiency.



Three chiller circulation pumps were upgraded with a panel, expansion tank, valves and connectors to enable a higher efficiency of the chiller circulation pump system.



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In addition, four noise insulation panels in the cooling towers were replaced at the Shopping Centre to prevent noise pollution.



Waste Management Programme

Waste segregation and diversion are a key priority for the Turkish property and asset management team at the Cevahir Shopping Centre. For this reason, rubbish segregation points for paper, plastic, glass, metal and battery collection have been designated inside and outside the Centre.

Also, food debris is collected at the Food & Beverages (F&B) area on a regular basis and delivered to Göktürk Hayvanları Koruma Derneği, an animal rights foundation, which further distributes it to stray dog shelters.



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BREEAM In-Use Certification

The Pradera Group works intensively on obtaining green certification. Currently, 10 assets in Poland and the Czech Republic have BREEAM In-Use certificates and there are plans to achieve additional certification in other countries.



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BREEAM In-Use Certification

Three out of 10 BREEAM In-Use certified assets are ranked **Excellent** for Asset Performance and Building Management, while the other seven assets are ranked **Very Good** for Asset Performance with two assets being ranked **Excellent** for Building Management.



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Community Engagement Projects

Electric Equipment & Plastic Recycling

The Pradera Group is passionate about promoting recycling in local communities. For this reason, we have organised two recycling workshops in Poland in which we promoted electric equipment recycling at Homepark Targówek in Warsaw and plastic recycling at all the Polish retail parks. In those events, we raised awareness and drew attention to importance of recycling.



**'Shed some kilowatts' event
Homepark Targówek Warsaw, Poland**

The 'Shed some kilowatts' recycling event was organised at Homepark Targówek and promoted collection of electric equipment at designated places. By bringing old and unwanted electric equipment each participant has contributed to a fundraising activity for an orphanage called 'Our home'.



**'Don't be plastic' event at
All Homepark centres in Poland**

The 'Don't be plastic' event was organised at all Homepark schemes in Poland. It was an educational campaign about plastic waste aimed at drawing attention to the dangers of using plastic packaging. The purpose of the event was to give tips on how to reduce the use of plastic by encouraging customers to use canvas or compostable bags, reusable cups and distinguish between good and bad plastic.



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Fundraising activity for children's charities

Having a positive impact on society and engaging with the community is another key objective for the Pradera Group. As we aspire to improve children's welfare we have initiated two projects in the Czech Republic and Turkey and contributed to children in need charities.



'Homepark Connects' event
Homepark Zličín in Prague, Czech Republic

A Christmas Card writing and posting event was organised at the Homepark Zličín retail park in Prague as part of the 'Homepark Connects' initiative. The purpose of the event was to raise funds for an 'Endangered Children' charity. Each Christmas card written and posted generated about €1, which was donated to the Charity. There were many attractions and the cards were made from recycled materials.



'Back to School' event
Cevahir Shopping Centre in Istanbul, Turkey

A Card designing event addressed to an unknown friend at a school in need was organised at the Cevahir Shopping Centre in Istanbul. The purpose of the event was to raise funds for disadvantaged schools throughout Turkey. Each designed card was posted with donations to a designated school in need. The event was supported by Turkish celebrities.

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Animal shelter building & fundraising activity

The Pradera Group continues to raise awareness of animal welfare. For this reason, we have initiated an animal shelter building programme in Turkey and a fundraising activity for mountain rescue dogs in Poland.



**'Kids Helping Animals' event
Cevahir Shopping Centre in Istanbul, Turkey**

The 'Kids helping animals' workshop was organised at the Cevahir Shopping Centre in Istanbul. The workshop was organised in co-operation with the Haçiko Association, an animal charity, and had an educational character with an aim to raise awareness among children about homeless pets. Over 1,471 children took part in a shelter making and painting workshop and over 200 mini-cat shelters and 50 dog houses were distributed all over Istanbul.



**'Friendship connects – together for animals' event
Homepark Targówek in Warsaw, Poland**

The 'Friendship connects – together for animals' event was organised in co-operation with a Maxi Zoo pet shop at Homepark Targówek in Warsaw. The purpose of the event was to raise money for mountain rescue dogs, which are used to save lives in wild and remote places. The funds raised were used for modernisation of the mountain training centre in southern Poland and the purchase of new equipment for rescue dogs.

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