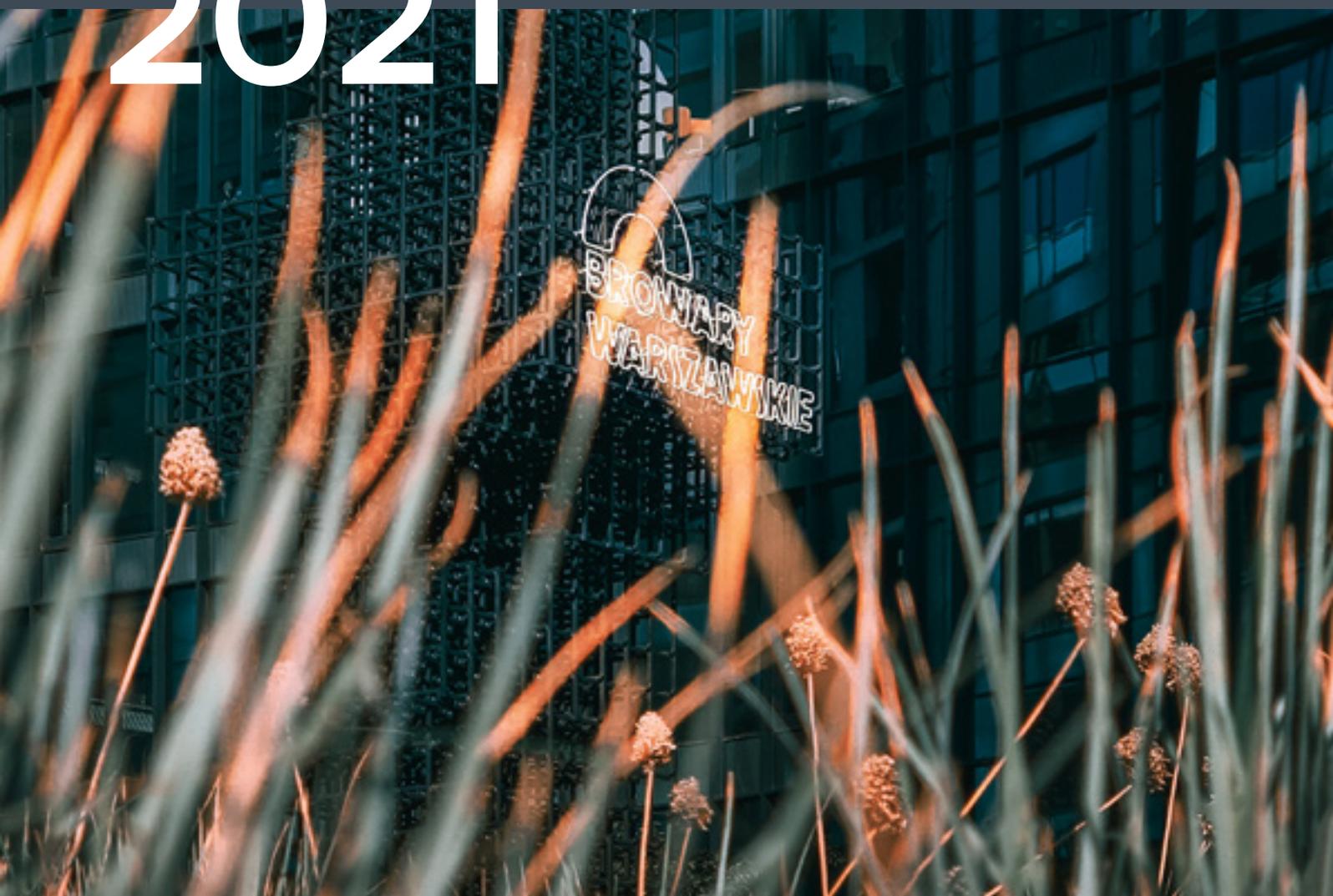


Echo Investment Group Sustainable Development Report

2021



ECHO
investment

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102-14

Message from CEO

Dear Shareholders, Partners and Clients,

At Echo Investment, we build our business on trust, responsibility and transparency. With great satisfaction I present to you the sustainable development report of our group, in which we summarised last year's achievements and results in the areas of environmental, social and corporate governance (ESG). We want to show that we take responsibility for people who work for us, for the cities we co-create and for the environment in which we live in.

We are responsible for people. In 2021, on average, we employed nearly 460 people, we permanently co-operated with about 60 experts and advisers, and on average 1.8 thousand employees of our subcontractors worked on our construction sites each month. As investors, we attach great importance to ensuring that everyone can safely

return home to spend time with their loved ones. The outbreak of the war in Ukraine also required us to take a new look at responsibility for others. That is why we quickly prepared places for refugees in our buildings in Warsaw, Kraków and Łódź and provided material and organisational support for helping centers dealing with their care.

The scale of our operation shows that we have significant impact on the Polish economy, contributing to generating jobs, remuneration and added value. In the report it was calculated using so called Leontief model. Its calculations shows that we contribute to grow of employment in other sectors. One job in Echo Investment generates as many as 11 jobs in the Polish economy, while each zloty of value added generated in our company generates PLN 3.46 of



We do our best to ensure that the projects, apart from the business dimension, also have the city-forming and good urban planning dimensions. To ensure that they improve people's living conditions and support the proper development of cities.

the value added in the entire economy. Such a high ratio results from the fact that our subcontractors and suppliers are almost exclusively Polish companies that employ people in Poland and pay taxes here. The real estate sector directly drives the construction industry, which is the motor of the Polish economy.

Our business is building apartments, office buildings, spaces for retail, services and entertainment. We combine them into multifunctional "destination" projects that create local city centres. Due to the large scale and number of projects, we have a significant impact on the functioning of the largest cities in Poland, in particular the immediate surroundings of our plots. That is why we try to ensure that our projects, in addition to their business aspect, also have the city-forming and suitable urban planning dimension. That they would improve the living conditions of people and support the proper development of the city. Echo Investment's priority „destination" projects are large and multifunctional parts of cities, integrated with the surroundings, green and open to all guests. We develop areas, that previously were closed and sometimes forgotten, to return them to citiesour offer . Such unique skills are the result of many years of experience, high competence and sensitivity of our employees.

We pay more and more attention to environmental issues. We study our impact and consumption of resources, we take more and more optimisation measures related to the selection of materials, purchasing, transport and logistics. We limit tree felling, replacing the cut specimens with new trees. The value of new trees for the urban ecosystem in

2021 was six times higher than the value of trees cut. We have also established long-term co-operation with the Łąka Foundation, with which we have already established seven large urban flower meadows. Every year we are more and more aware of and sensitive to the environment that we influence and use.

In this publication, you will find a description of how we manage our environmental and climate impact. We also present relations with employees and the local community directly related to our construction sites. For us, the report is also a starting point for continuous improvement and raising the bar in our activities related to ESG issues. Due to incomplete year of consolidation and the need to develop common standards, this report does not yet include data from Archicom, which was acquired last year. The company has published its own report, but Echo Investment's sustainable development report for 2022 will already cover the entire group.

I encourage you to read it carefully.

Best regards,
Nicklas Lindberg
CEO



1.

Echo Investment





We are the largest development group in Poland:

— we have been operating on the market for

26 years

— we co-develop

7 largest cities in Poland

— we have **458** employees, and we co-operate on a permanent basis with **59 specialists and consultants**

— we have commissioned **200** projects with a total usable area of over **2 million m²**

— in 2021, we acquired a **controlling stake** in **Archicom**, the Wrocław-based development company

Key numbers

We are aware of our environmental and economic impact:

- we co-operate with **12** economic and industry organisations,
- **one job** in the Echo Group **generates 11 jobs** in the Polish economy,
- **each zloty** of value added generated by our Group **generates PLN 3.46 of value added** in the entire economy,
- we have executed **1,100** construction, construction-related and design **contracts with a total value of PLN 949 million** - all our suppliers are companies from Poland,
- we are recognised by the industry, which is confirmed by **25** awards, distinctions and nominations for our projects and employees.

We invest in employees:

- we conducted **80 training courses** on safety at the construction site, which were attended by a total of **767 employees** - ours and of our subcontractors,
- our employees spent **3,632 hours** upgrading their qualifications through external **training**,
- **29 women** were promoted and assumed greater responsibility in our Group: once again, the number of promoted females is higher than this of promoted males,
- **53%** of all Echo Group **employees are women**.

We co-develop sustainable cities and spaces:

- we create multifunctional „destination” projects - places that attract people, encourage them to spend time in them and inspire them to act,
- We have **8 “destination” projects** under construction and preparation, and their area accounts for 42% of all our investments,
- we have completed the **Warsaw Breweries** project and we have opened the **Anna’s Gardens** - the first public space of the Fuzja project in Łódź.

We respect the environment:

- **we have planted 544 trees** of high natural value, enhancing the local ecosystems,
- **the value of the trees planted** was assessed by a dendrologist **as sixfold the value of trees cut down** last year,
- as much as **96,4%** of **waste** collected from our construction sites **was segregated**,
- together with the Łąka Foundation, we have made **4 urban flower meadows** that have a positive effect on the microclimate, biodiversity and that reduce smog.





[102-10]

Report scope

This Sustainable Development Report refers to the Echo Investment company along with its subsidiaries (referred to in the text as the Echo Group), but without the Archicom development company. In 2021, Echo Investment took over the controlling stake of Archicom, which, however, was not included in this report due to the incomplete year of consolidation and the need to develop a common approach to issues related to sustainable development. For this reason, some data presented in the Sustainable Development Report may differ from the data presented in the consolidated financial statements of Echo Investment.



[102-6] [102-4]

Main Group's data

We are the largest Polish development group with an extensive experience in the main sectors of the real estate market: residential and commercial (retail and service, office and hotel). As a company co-responsible for the development of cities, we engage in projects that fit into the urban fabric and complement it. We co-create modern metropolises by accomplishing city-forming projects which we call „destinations” - places combining work, leisure and interesting forms of spending free time that attract.

In our 26-year history,
we have commissioned

200 project with over
2 million m² of usable
space in total.



Our history

- 1996** Echo Investment starts its activities in the developer housing sector in Kielce and makes its debut on the Warsaw Stock Exchange. The founder of the company is Michał Sołowow, an entrepreneur from Kielce,
-
- 1997** we start new development projects in the office sector and establish strategic co-operation with Accor, for which we will build 16 hotels throughout the country in the coming years,
-
- 1999** we venture for a new business segment - shopping malls. To date, the Group has built 33 shopping malls and commercial-entertainment centres in 25 Polish cities,
-
- 2004** we finish the development of the Polish Olympic Committee seat in Warsaw,
-
- 2009** we sign a loan agreement worth EUR 100 million for the extension of Echo Shopping Mall in Kielce. This is the first major financing agreement in the Polish real estate sector after the outbreak of the global crisis, which convinced other companies and banks of the stability of this sector,
-
- 2011** the extended Echo Shopping Mall in Kielce receives the prestigious MAPIC Awards for the best extended shopping mall in Europe,
-
- 2012** we celebrate the hundredth project in our history. It is the Aquarius Business House (an office building) in Wrocław,
-
- 2013** we start the largest project of Echo Investment - the Q22 skyscraper in Warsaw. The first tenants will move in three years later,
-
- 2015** a consortium of PIMCO, Oaktree and Griffin Real Estate funds takes over a majority stake in Echo Investment,
-
- 2016** Nicklas Lindberg becomes the CEO. The Echo Investment Group adopts a new strategy, according to which it will focus on development activities in Poland with the intention to build large, urban projects, to maintain the leading position in all segments in which it operates and to pay regular dividends,
-
- 2017** we become a part of the top ten residential developers in Poland, having sold over 1.4 thousand of apartments,
-
- 2018** together with a financial partner, we start the construction of Resi4Rent - the first private apartment rental company in Poland, which is today the leader of this dynamically developing market,
-
- 2019** Echo Investment's controlling stake is acquired by the Hungarian real estate company Wing,
-
- 2020** we finish the development of Browary Warszawskie (The Warsaw Breweries) - the first multifunctional, city-forming „destination” project,
-
- 2021** in order to increase its share in the residential real estate market, Echo Investment acquires a controlling stake in Archicom, the Wrocław based developer,
-
- 2022** we put the 200th investment into operation.



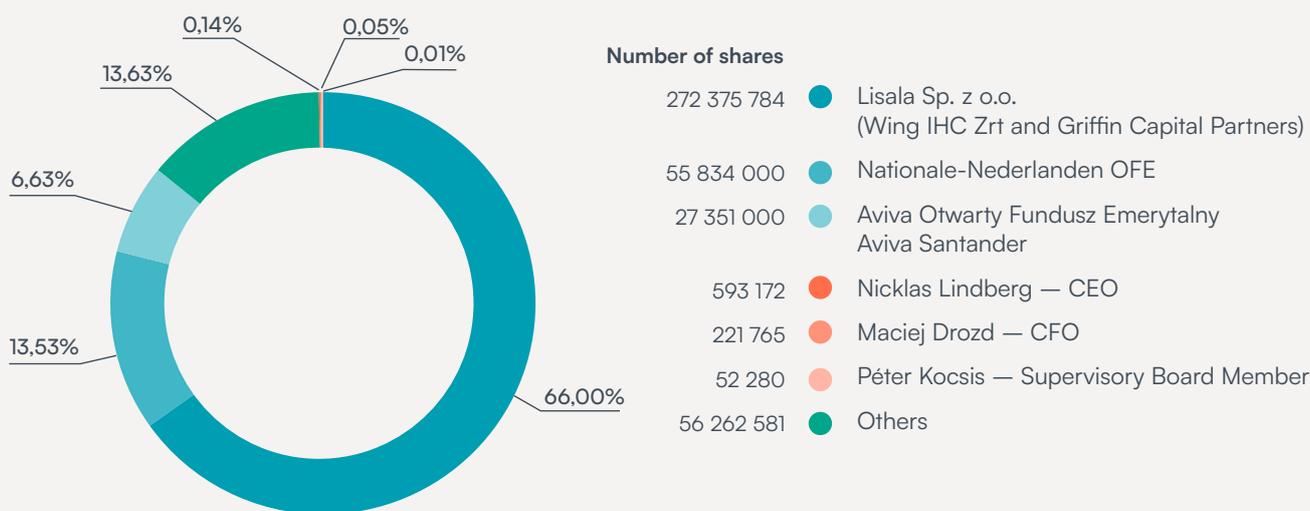
Responsible management

The Echo Investment Group is managed by a five-person Management Board chaired by Nicklas Lindberg, the CEO, responsible for the company’s strategy and development. Until April 2021, there were 7 members of the Management Board.

The main seat of Echo Investment SA is located in Kielce. We have been listed on the Warsaw Stock Exchange since 1996. Echo Investment’s shares are a part of the Warsaw Stock Exchange WIG Index, the sWIG80 sub-index and the industry index - WIG-Nieruchomości (Real Estates). Since 2019, our main shareholder has been the Hungarian Wing IHC Zrt and Griffin Capital Partners.

Our majority shareholder — the Wing company - is a leading developer and investor in Hungary with a significant position in the regional real estate market. Since its inception in 1999, the company has developed

a portfolio of buildings in Hungary with a total area of 1.2 million m2. Wing operates in all market segments including office, industrial, retail, hotel and residential. The company’s latest achievements include: the new headquarters of Magyar Telekom and T-Systems - the most modern and largest office building in the country, the headquarters of Ericsson Siemens evosoft in Budapest, BB Hotel Budapest City and the Kassák Residence, Metropolitan Garden and Park West residential projects. By taking control of Echo Investment, Wing also plays a key role in the real estate market in Central and Eastern Europe.



Strategy and financial results

Since 2016, we have been implementing our Profitable Growth Strategy, which allowed us to accelerate capital turnover and generate higher growth rates. We regularly pay dividends to the company's shareholders.

Our business strategy is based on five pillars:



Poland

It is the strongest country and a real estate market in Central and Eastern Europe. Echo Investment, as an entity operating here for over two decades, knows very well its potential, realities and principles of operation. The company conducts development projects in seven major cities: Warsaw, Tricity, Wrocław, Poznań, Katowice, Kraków and Łódź.



Development activities

The company focuses on development activities: the purchase of plots of land, obtaining administrative permits, project preparation, obtaining financing, construction, rental and sale of finished investments. The main source of Echo Investment's profits is the sale of apartments and the increase in the value of the commercial real estates under construction.



The leading position

Echo Investment is the largest developer company operating in Poland in terms of the number and area of accomplished projects. The company is active in the main real estate sectors: residential, rental apartments and commercial - office and retail. The Profitable Growth Strategy assumes that Echo Investment will be one of the leading developers in each of these sectors separately. A large scale of operations will allow for the optimum use of resources.



Strategic co-operation with reliable partners

Echo Investment values long-term business relationships with reliable partners that create synergy for both parties. Co-operation facilitates increasing the scale of operations, accelerates the completion of investments and reduces risks. Echo Investment assumes entering into joint projects with partners that require greater financial involvement, provision of services (development, planning, rental, accounting, etc.), priority in the purchase of ready-made assets on market terms, and others. All significant agreements between Echo Investment and its partners are discussed and approved by the Supervisory Board.



Large scale, city-forming projects

Many years of Echo Investment's experience in three real estate sectors give it a competitive advantage, consisting in the ability to implement large, multi-functional and city-forming projects. As a result, the Company can buy larger plots of land, the unit price of which is lower, and the competition on the part of buyers much smaller. Combining functions allows for flexible planning and faster accomplishment of investments.

[102-7]

The scale of Echo Investment's operations

458 — this is how many full-time employees we had at the end of 2021.

59 — this is the number of consultants and specialists we co-operated with permanently on the basis of contracts other than employment contracts.

2 — that's how many main offices we have. They are located in Kielce and Warsaw. In addition, we also work in offices at construction sites and in apartment sales offices.

23 — this is the number of projects we conducted in 2021.

Consolidated financial data of the Echo Investment Group (in PLN thousand)

For the period of 1.01.2021-31.12.2021

Sales revenue	1,031,101
Operational profit	188,642
Gross profit (loss)	131,872
Net cash flows from operating activities	(57,641)
Net cash flows from investing activities	408,527
Net cash flows from financing activities	(368,791)
Total net cash flow	(17,905)

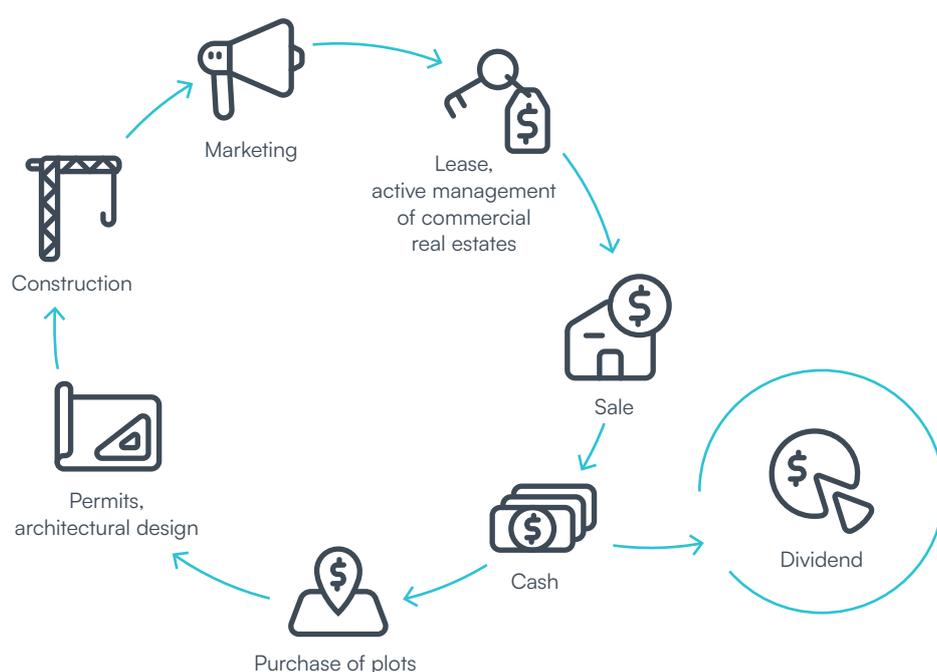
As at 31.12.2021

Total assets	5,551,086
Long-term liabilities	1,929,326
Short-term liabilities	1,973,245
Equity attributable to shareholders of the parent company	1,580,580
The number of shares	412,690,582
Book value per share	3,83

Echo Investment Group's business model

Echo Investment Group is the organiser of the entire investment process of the real estate project. We find and buy attractive plots of land, obtain appropriate permits, create an architectural design and manage construction. Yet during the development phase, we conduct marketing

activities, we sell - in the case of apartments - and rent - in the case of commercial real estates. Following the development, we also manage office buildings and shopping malls in order to achieve maximum value and then we sell them. We allocate the profits generated this way to the regular payment of dividends and further investments.





Our offer

[102-2]

We build well-designed city parts.

We combine our unique experience in various real estate segments - residential and commercial - in multi-functional city-forming projects called „destinations“. These are places that are good for living, working and spending free time. More about „destinations“ can be found in the *“Our contribution to the economy and sustainable development of cities”* chapter.



— Apartments



— Apartments for rent (Resi4Rent)



— Offices
— Flexible CitySpace serviced offices



— Shopping and entertainment centres
— Commercial and service premises



— Services



Segment of apartments for sale

At Echo Investment Group, we do not want to follow trends - we want to be trend-setters. We treat the leading position among residential developers as a responsible commitment to setting the best standards and patterns in the industry. We know how the importance of local communities in the modern world grows, especially after experiencing a pandemic. More and more time is spent in the apartment and its immediate vicinity - it is not only a place to rest, but also to work, to study and to deal with many everyday chores. That is why we see our investments as part of a larger whole - an urban ecosystem with specific advantages and needs. We try to enrich the local offer by creating open and multifunctional spaces full of greenery. We comprehensively care for the well-being of residents by introducing amenities that increase the comfort of living in apartments, facilitate the use of the city's advantages thanks to the convenient location within a walking distance or a short bike ride, and promote environmentally friendly attitudes.

The apartments we offer are purchased primarily by individuals - for their own needs or as an investment for rent.

Apartment numbers for 2021*:

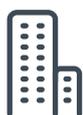
1,680 - this is how many apartments we sold in 2021,

1,622 - this is how many apartments we have handed over to clients,

9,000 - this is the number of apartments under construction and in preparation.

* data excluding Archicom.





Resi4Rent - apartments for rent

Echo Investment owns 30% of shares in Resi4Rent - the largest private company offering apartments for rent. For this reason, we have a 30% share in the costs, revenues and profits of this company, but we also provide investment management services for it. The company's offer currently includes over 2.3 thousand of comfortable premises for rent or living in convenient locations in Gdańsk, Łódź, Poznań, Warsaw and Wrocław. In 2022, the Resi4Rent offer will increase by nearly 700 apartments in Warsaw and Krakow. Currently, Echo Investment is developing six projects for Resi4Rent, which will include over 1.8 thousand apartments. Ultimately, by the end of 2024, Resi4Rent will have 10,000 premises.

Resi4Rent
Numbers for 2021:

2,300 — this is a number of apartments being rented out by Resi4Rent.

834 — this is how many premises in Warsaw and Gdańsk were completed by Echo Investment and Resi4Rent included in its offer in 2021.

1,800 — this is the number of apartments for rent in Warsaw, Kraków and Wrocław that are currently under construction.

3,000 — as many apartments for rent will be built on plots that Resi4Rent purchased only in 2021.





Offices

For our designers, an office is more than a desk. It is a space for taking up challenges, for co-operation and for achieving success. In order for employees to want to spend time in it, they must like it and see the benefits of being there. When we design our office buildings, we pay special attention to choosing technologies that ensure the comfort and safety of users, and we arrange the space in such a way as to support efficiency and concentration. It is important to ensure the comfort of access and use of the building, as well as to meet the most important everyday needs of employees.

Our clients in the office sector are primarily companies that rent office space for their own needs, and entities that buy ready-made and rented buildings (e.g. large international funds specialising in real estates).

Our offices:



Natural materials



Energy-efficient lightning



Tilt windows



Smoke and temperature sensors



Noise protection



Optimum daylight access



Energy-efficient AC and ventilation systems



A-class office space





Office
Numbers for 2021:

**EUR 292,3
million**

— this is the total value of the office buildings sold last year: the Villa Offices, the Malthouse Offices and the historic Manufacturer's Villa in the Warsaw Breweries complex as well as Moje Miejsce I in Warsaw.

**EUR 56,4
million**

— this is the value of the preliminary contract for the sale of office buildings in the Fuzja complex in Łódź.

**102,6
thous. m²**

— this is the amount of lease space in five office buildings under construction as at the end of 2021.



Echo Pure Office

Taking into account the experience of the COVID-19 pandemic, in 2021 we implemented a pilot project called „healthy office buildings”. It includes such solutions as reducing the use of finishing materials that are difficult to disinfect, the use of tilt windows in buildings, the introduction of safe fittings in toilets and the use of contactless opening systems as often as possible. The solutions became the basis for the development of the new Echo Pure Office standard. These are increased sanitary rules in office buildings and the provision of clean and healthy air thanks to specialised systems.

WORTH KNOWING

Appropriate air purification systems are able to both improve the well-being of people staying in given spaces and limit the transmission of pathogenic agents, or even neutralise them. Ventilation ducts and air conditioning play a key role in this process - that is why we focused on their appropriate protection. We guarantee clean and healthy air thanks to the RCI ActivePure technology. The disinfection system uses free oxygen and water molecules in the air which are entrained by the honeycomb matrix. Oxidants are generated that eliminate biological bacterial and viral contamination, including the SARS-CoV-2 virus, bacteria, fungi, allergens, and smog particles. Research confirmed by the US Food and Drug Administration shows a reduction of 96.4-99.9% of airborne pathogens and contaminants within 30 minutes of starting the device.

We have introduced RCI ActivePure technology to new office buildings. It is a solution in a ventilation system that eliminates microorganisms present in the air.



— After the pandemic, ensuring the healthiest and safest possible working environment in office buildings is one of the most important technical parameters that potential tenants and buyers of buildings pay attention to. We maintain increased sanitary regime, we monitor air quality and provide systems that help companies decide to return to their offices. As a result of several months of analyses, we introduced the RCI ActivePure technology to new office buildings, i.e. a solution in the ventilation system that eliminates airborne microorganisms. The tenants of React I in Łódź as well as MidPoint71 and West 4 Business Hub in Wrocław will be the first to use it. In addition, in the West 4 Business Hub building, the highest safety standards, a good environment for work and social interaction, in the face of post-pandemic challenges, have been confirmed by the international WELL Health and Safety certificate. This is our first office building subject to this certification. In retrospect and judging by results, we can see that partners from various business fields trust our actions and choose our buildings very consciously — **Rafal Mazurczak, Member of the Management Board responsible for commercial projects of Echo Investment**, says.





CitySpace

More and more companies need flexible office solutions — an extra space for short-term projects, a rapidly enlarged space for suddenly growing business, additional conference rooms or a separate office for start-ups. Such services are offered by CitySpace, allowing entrepreneurs to concentrate on operational activities. CitySpace is our operator of flexible office spaces, providing flexible serviced offices, co-working spaces, a virtual seat for companies and elegant meeting rooms also in the Work On-Demand formula, i.e. without a contract and unnecessary formalities thanks to the CitySpaceApp mobile application. Locations of CitySpace offices are very convenient - they are easy to reach by public transport, by bike or by car.

In 2021, we successfully implemented a new, unique product to our portfolio - the provision of office space management services for the client's office space.

CitySpace
Numbers for 2021:

3,000

— this is the number of desks currently available at the flexible CitySpace operator.

21 thous. m²

— this is the area of its 11 offices all over Poland.

4.7 thous. m²

— this is the total space of two new CitySpace offices in Face2Face building in Katowice and West 4 Business Hub I in Wrocław.





Commercial and entertainment centres

Modern shopping malls should be more than just a cluster of stores. The inhabitants of modern cities expect much more - entertainment, an attractive way to spend time, a place where you can see products bought online and talk to specialists about them. We respond to these needs with a strategic and broad view of every aspect of the project being implemented, especially when it comes to management and selection of tenants. We pride ourselves on being one of the most respected, award winning and reliable companies in the industry.

In the spring of 2021, after the lifting of pandemic restrictions, we focused on marketing and the support of our Libero and Młociny shopping malls, as well as on a quick return to normal operations. Thanks to a swift response to changing purchasing trends, both projects record an increase in footfall compared to the pre-pandemic 2019, and more importantly - their tenants also record a significant increase in turnover.



Service premises

One of the best ways to make the city live and provide basic services to its residents is to ensure that ground floors of the buildings host commercial spaces. That is why a significant part of our office and residential buildings has space on the ground floor for small shops, crafts and services. Service premises are usually rented to individual entrepreneurs and commercial or service networks. Premises in buildings with apartments are also offered for purchase to investors (usually individual) as a long-term capital investment.



Services

Echo Investment offers, among others, substitute investment, construction and preparation services, rental services and legal services. The client of our services is primarily Resi4Rent, as well as other entities. Services are a small part of the group's business.

Governance

[102-18]

Echo Investment Group's governance is regulated by:

- the company's Articles of Association,
- Supervisory Board Regulations,
- Management Board Regulations,
- Audit Committee Regulations,
- Code of Conduct,
- other detailed regulations and procedures.

All basic documents are public and available on the echo.com.pl website in the *Strategy and corporate governance* tab.

The authorities of Echo Investment SA, which is the parent company of the Group, are:

General Meeting

- the competence of the General Meeting include, i.a. the appointment, dismissal and suspension of members of the Supervisory Board, the adopting of resolutions on dividend payment or on amendments to basic corporate documents.

Supervisory Board and its committees

- the realm of competence of the Supervisory Board and its committees includes, i.a.:
 - › evaluation of the financial statements of the Company and the Group,
 - › evaluation of the Management Board's report,
 - › appointment, dismissal and suspension of the Management Board or its individual members,
 - › monitoring of the most important processes (including reporting, control),
 - › on-going assessment of activities in the aspect of purchase and sale of assets, financing plans, implementation of the asset sale strategy and implementation of investment plans based on the approved annual budget.

Management Board

- manages all current affairs of the Company, subject to the limitations resulting from the provisions of the Commercial Companies Code and the Articles of Association.

Detailed description of competence, tasks and organisation of the General Meeting, Supervisory Board and Management Board of Echo Investment SA is comprised in the company's Articles of Association.

Ethics and values

[103-1, 103-2, 103-3 Aspect: Human rights] [102-16]

Business success in the medium and long term is only possible if the actions are based on the day-to-day ethics of all employees of the organisation. In the Echo Investment Group, we have proved for 26 years of functioning in a competitive market that we act ethically. Our ethical standards are set out in the Code of Conduct, which clearly indicates what values are the foundation of our business, what conduct we expect on our part, how we treat our partners and other stakeholders. The Code also defines the procedure to be followed in difficult situations, such as a conflict of interest, suspected irregularities, a corruption proposal or co-operation with partners of a bad reputation.

Our values:

- efficiency,
- competence,
- honesty,
- trust,
- respect and responsibility.



Selected areas regulated by the Code of Conduct:

- adherence to the Universal Declaration of Human Rights,
- no use of forced, slave or any other bonded labour,
- non-discrimination of any kind,
- counteracting corruption,
- avoiding conflicts of interest,
- ban to accept and offer gifts and hospitality in connection with professional duties,
- honest marketing and PR.



Anti-corruption activities

[103-1, 103-2, 103-3 Aspect: Anti-corruption and public policy] [415-1]

There is no consent to any form of corruption in the Echo Investment Group. Our company carries out development projects that depend on obtaining decisions from local governments and other public institutions. Each investment requires obtaining numerous approvals and permits from local authorities and other offices. We strictly adhere to the principle that all activities should be carried out in full transparency and by appropriately authorised persons. Before engaging in co-operation with individuals or entities that would co-operate with public authorities on our behalf (such as architects, designers or consultants), we carefully check their reputation, analyse business activities and relationships for potential risk. We never engage in any political or politics-related activities, and our contacts with representatives of local and state authorities and officials are purely official. We also do not provide - directly or indirectly - any financial or material support for political goals and organisations.

[205-3]

We have implemented the Anti-corruption Code, which applies to every employee, throughout the Group. In 2021, we did not register a single case of corruption or even a suspicion of corruption.

Selected aspects regulated by the Anti-corruption Code:

- definitions of public figures or their relatives,
- contacts of employees with public figures,
- precautionary measures in co-operation with public figures,
- donations and sponsorship.

We expect all our business partners to comply with the principles resulting from the generally applicable anti-corruption laws. When preparing drafts of significant contracts concluded by the Group companies, we make sure that they contain appropriate anti-corruption clauses.

The correct implementation of the adopted codes, regulations and other internal rules - including the Code of Conduct and the Anti-Corruption Code - is supervised by the Ethics Committee, which is an advisory body to the Management Board. The Committee recommends and checks the correct implementation of procedures, and in 2021 it was composed of:

- Maciej Drozd, Vice-president in charge of the finances,
- Rafał Zboch, Legal Department Director,
- Emil Górecki, Communications Manager.

[205-2]

Training on counteracting corruption



Communication of the anti-corruption policies and procedures in the organisation



*applies to significant contractors, primarily those providing construction, design and consulting services.



Risk management system

[102-11]

Risk management is an integral part of the Profitable Growth Strategy. Our procedures include:

- risk identification,
- risk assessment,
- risk management,
- risk monitoring.

The Management Board of Echo Investment SA, in co-operation with the Supervisory Board and the Audit Committee, is responsible for the overall risk management. The Management Board, with the support of directors and managers administering individual departments, supervises the risk management process by creating, implementing and analysing systems and control procedures corresponding to the identified risks. The process is supported by the Internal Audit Department, which assesses the functioning of the risk management and internal control system as well as the effectiveness of the control procedures in place that address significant risk factors.

The risk management methods and competitive advantages of Echo Investment are described in detail in the *Management Report on the activities of Echo Investment SA and its capital group in 2021*, in the *How we manage risk* chapter.

The Board of Echo Investment SA, in collaboration with the Supervisory Board and the Audit Committee, is responsible for comprehensive risk management.



Key risks in the break-down to categories*:

strategic and business risks:

- land bank risk,
- the risk of failure to achieve the assumed level of apartment sales,
- the risk of failure to achieve the assumed level of renting office and commercial space,
- risk related to the sale of office and commercial projects,
- the risk related to co-operation with contractors and subcontractors,
- the risk of changes in estimates in the development projects,
- the risk of accidents at work and other hazards,
- risk related to the purchase transaction of the Archicom Group and the merger of entities;

financial risks:

- the risk of changes in interest rates,
- currency risk,
- the risk of liquidity loss by the Company or companies from the Group;

legal and regulatory risks:

- risk related to administrative procedures,
- risks related to the introduction of new regulations and changes to existing regulations,
- the risk of a complex and volatile tax system;

macroeconomic risks:

- the risk of unfavourable changes on the real estate market,
- the risk of unfavourable changes in economic indicators;

IT risks:

- cyber security,
- system stability;

risk related to the war in Ukraine.

*Status as of 2022





[103-1, 103-2, 103-3 Aspect: Purchasing Practices and Supplier Environmental Assessment] [308-1]

Relations with business partners

We have been on the market for over 26 years. We establish lasting relationships with business partners based on clear and understandable principles of co-operation. The scale of operations, the value of orders as well as the number and quality of investments are the confirmation of our credibility, attractiveness and a guarantee of safe co-operation for a huge number of small, medium and large enterprises, which often determines their success on the market. Our ambition is to maintain high standards of co-operation. The Code of Conduct supports us in attaining this goal, as it defines the values of our company and ethical standards that are required in relations not only with employees, shareholders, administration or local communities, but also with business partners. We do not co-operate with entities that break the law or have committed acts of corruption. We verify all sig-

nificant subcontractors and suppliers in terms of litigation, solvency, compliance with our environmental standards, as well as reputation.

[102-9]

We work with a large number of contractors. These are architects with whom we plan our investments, contractors, lawyers, advisers and specialists in specific fields related to construction. We also work with entities that sell real estates, brokers, intermediaries and many other groups of entities. Contractors with whom we maintain long-term relationships and with whom we have contracts of significant value for the construction of our investments are a particularly important group for us.



[204-1]

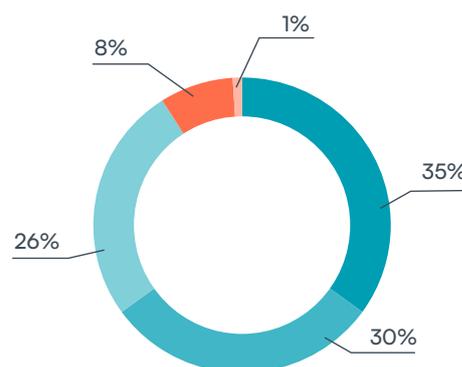
In 2021, we signed 1,009 contracts and annexes with 248 companies from the construction industry for a total value of PLN 902 million (PLN 65 million more than in 2020). The list of our contractors is stable, and their number is constant - all suppliers of construction and construction-related works are companies from Poland. The scope of our activity is also design - last year we signed 91 contracts for design works for a total value of PLN 47 million.

Workers from other countries are often hired on construction sites, among others from Ukraine, Belarus or Kazakhstan. Our contractors and subcontractors value their reliability and work culture, so together with them we make every effort to ensure that these specialists are treated fairly on our construction sites, regardless of their

level of knowledge of the Polish language or the realities of the labour market in Poland. We monitor and react to any legal and ethical abuse against such persons on an on-going basis. In agreements with contractors, we include clauses that ensure to our company the possibility of accessing certain documents regarding the employment of foreigners - these are mainly work permits, authorisations and completed vocational training certificates. Our construction site supervisors also pay attention to signs of unequal treatment of employees - primarily in the area of occupational health and safety. We also require that on our construction sites foreign workers are provided with interpreters on a permanent basis, and all written information regarding the rules of functioning on the construction site, safety rules, etc., is also translated into Ukrainian, or, if necessary, into Russian.

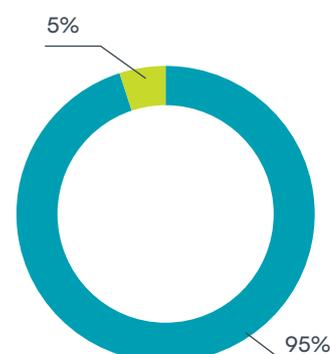
Type of investment	Value of construction and design contracts by type of investment, in PLN million
● Offices	331
● Apartments	287
● Resi4Rent - apartments for rent	245
● Other (concerning multifunctional projects or provided services)	77
● Commercial real estates	9
Total	949

Construction and design contracts by type of investment



Contractor (scope of works)	The value of signed construction and design contracts by the scope of works, in PLN million	
	in PLN million	in percents
● Design companies	47	5
● Construction and construction-related companies, including:	902	95
Construction companies (general construction services)	569	60
Specialist finishing companies (carpentry, fit-out, greenery, landscaping)	209	22
Specialist construction companies (installations, earthworks, demolitions)	114	12
Construction companies (road construction)	10	1
Total	949	100

Construction and design contracts by the scope of works



Our stakeholders



We engage in dialogue with stakeholders at every stage of our projects.

In our daily work, we care for high standards of operation, responsibility towards local communities and the nature, as well as relations with the environment. We conduct dialogue with stakeholders at every stage of the implementation of our investments. When planning new projects, each time we verify the map of our partners, i.e. all key groups in our environment that exercise impact on us and which are impacted by our activities.

[102-42]

In 2020, for the purposes of the first sustainable development report, we analysed our relations with internal and external stakeholders. On its basis, we selected the groups with which we communicate directly, considering them the most important for operational activities. In 2021, we verified the list and the forms of dialogue undertaken with each of these groups as well as the methods of their engagement.

[102-40] [102-43]

Selected stakeholders' groups Communication channels

Employees	ongoing communication via internal communication channels (regular meetings with the management board, intranet, weekly newsletter, e-mails, posters, meetings with managers, etc.),
Owners, shareholders, investment funds	information about the company's condition, finances and implemented plans through periodic reports, current reports, press releases, regular meetings with analysts and shareholder representatives, presentations,
Local communities of the investment's area	project websites, press releases, public consultations, meetings with local communities,
Customers	phone calls, face-to-face meetings in sales offices, communication using the CRM contract management system,
Subcontractors, suppliers and other contractors	informing about standards and applicable principles of co-operation, ongoing communication during co-operation, exchange of design and implementation standards, meetings,
Media	company's website (special subpage) and other electronic channels, social media, interviews, press releases, company's press officer, on-going relations with journalists,
Industry organisations	co-operation on industry initiatives, information exchange, co-operation on social projects, co-operation within organisations and industry or company's ventures.



2.

Our contribution to economy and sustainable development of cities

8
GODNA PRACA
I WZROST
EKONOMICZNY



9
PRZEMYSŁ,
INNOWACYJNOŚĆ,
INFRASTRUKTURA



11
ZRÓWNOWAŻONE
MIASTA
I SPOŁECZNOŚCI





— Building in accordance with the principles of sustainable development manifests itself in the care for the environment and the care for architecture, i.e. aesthetic and functional values of places for work, life and entertainment. It shows as well in respect for tradition. Construction standards, which include the idea of sustainable development, ecological transport, functionality and accessibility, energy-saving solutions, natural and non-toxic materials and reducing the carbon footprint, allow to maintain the urban synergy between the green and friendly nature of the city and the new investments. We should strive for a holistic perception of space, rather than focusing only on its individual fragments. That is why at Echo we design large, city-forming investments, the so-called „Destination”. They have various functions, thanks to which they complement the urban tissue in a way that positively affects the environment. The „destination” projects are appreciated by customers, users and owners. In many ways, we are pioneers, which triggers challenges not only for us but also for the local administration. We set trends that are followed by more and more companies, and we are very happy about this. The possibility of co-operation with informed partners makes it much easier to shape a space which incentivise people to get involved in various activities, to be active and to have an ecological lifestyle. We also notice that every year developers are becoming more aware of the importance of co-operation with city authorities for the development of public space. More and more often we notice partnership relations, thanks to which new public roads, beautifully landscaped green areas and even educational institutions are created. Each such initiative improves the quality of the immediate surroundings of a given investment, which is of particular importance for its functional embedding in the urban tissue — **Maciej Drozd, CFO of Echo Investment**, says.





[103-1, 103-2, 103-3 Aspect: Economic performance and indirect economic impact]

Our contribution to economy

The input-output model (Leontief model) was used to analyse the impact of the company's activity on the economy. It shows the impact of our activities in three categories:

- value added generated in the economy,
- employment and new jobs created,
- remuneration paid.

The Echo Investment Group exercises a significant impact on the Polish economy. Through our activities, we have a direct impact on employment, creation of added value and income, but we also indirectly contribute to the development of related entities and the economy as a whole 1. By paying taxes and fees in the country, we support the development of infrastructure and public services. In Poland, we employ 517 people (458 persons on the basis

of employment contracts, 59 people who provide work for us on the basis of other sort of contracts), but thanks to our activities, we also ensure jobs at our suppliers, clients and other business entities - in total, in 2021 these were 5,192 jobs.



[203-2]

Our position on the market has a positive effect on the development of both the national as well as regional economies. We make sure that our activity brings the greatest value added. We generate not only a visible, direct impact by employing staff, but we also indirectly contribute to the development of many related entities, first of all from construction industry and retail trade. All this means that the Echo Investment Group has not only a direct, but also indirect and induced impact on the Polish economy.

We also support the financing of many local initiatives, such as the construction of roads, pavements, parks, squares, educational institutions and other places that meet local needs.

Our business has a significant impact on the labour market. We have not only a direct impact in the development industry, triggered by the employment of workers in our companies. Our influence also has an indirect aspect, mainly thanks to co-operation with subcontractors, suppliers of materials and services, as well as throughout the entire supply chain. The indirect and induced impact enables us to support job creation also in other sectors of the economy.

Our activity exercises impact on the functioning of other industries. The most visible is the direct effect of the Echo Group's operation in the construction industry for which we are a large customer. The indirect effect affects also: industrial processing, wholesale and retail trade, the service industry providing administration and support services, transport, warehouse management, forestry and others.



Our impact:

5,192



— the total number of jobs maintained thanks to the Echo Group's operations in 2021.

PLN 252 million



— the total value of remuneration paid to employees in the Polish economy in 2021, as a result of the Echo Group's operations, taking into account indirect and induced impacts.

PLN 946 million



— value added generated thanks to the activities of the Echo Group in the entire economy.

PLN 50 million

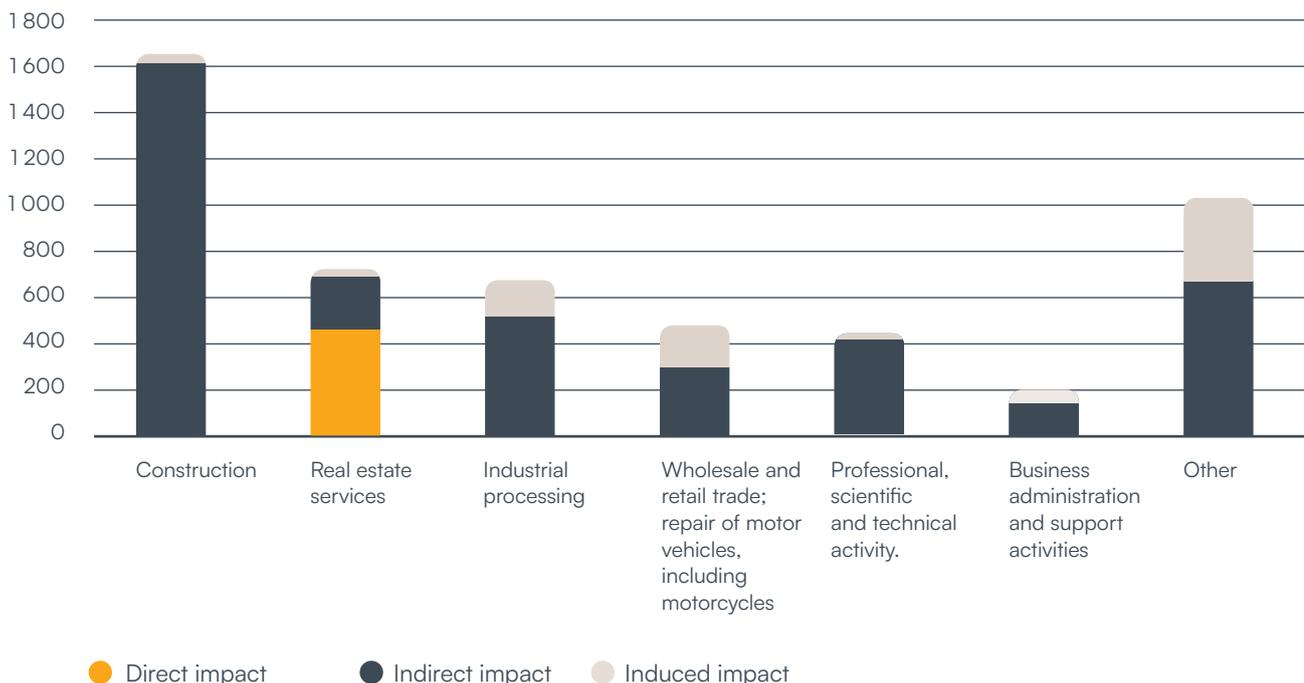


— the amount of income tax paid in Poland in 2021 by the Echo Group.

One job in Echo Group means **11** jobs in the entire economy.



The number of jobs maintained in individual industries thanks to the activities of the Echo Group in 2021





Our impact
on maintaining jobs:

Direct:
in 2021, the Echo
Group companies
employed
458
persons.

Indirect:
our activities
contributed to the
maintenance of
3,877
jobs in companies
from various
industries in our
supply chain.

Induced:
thanks to
the Echo Group
companies
in Poland,
857
jobs have been
maintained across
the country.

Total **5,192**



Our impact on wages paid in the economy



The total value of remuneration paid to our employees in 2021 was PLN 45.066 million. Indirectly, through our activities, we influence the maintenance of jobs among our subcontractors and suppliers, as well as other related entities in the economy, which in turn indirectly triggers the generation of additional remuneration in the amount of PLN 172.247 million.

However, our influence does not end there; wages paid to our employees and the staff of companies we work with increase household consumption, which provides new jobs and induced-generated wages. The sum of remuneration calculated this way is PLN 34.734 million.

Our impact:

Direct impact:

PLN 45 million

Indirect impact:

PLN 172 million

Induced impact:

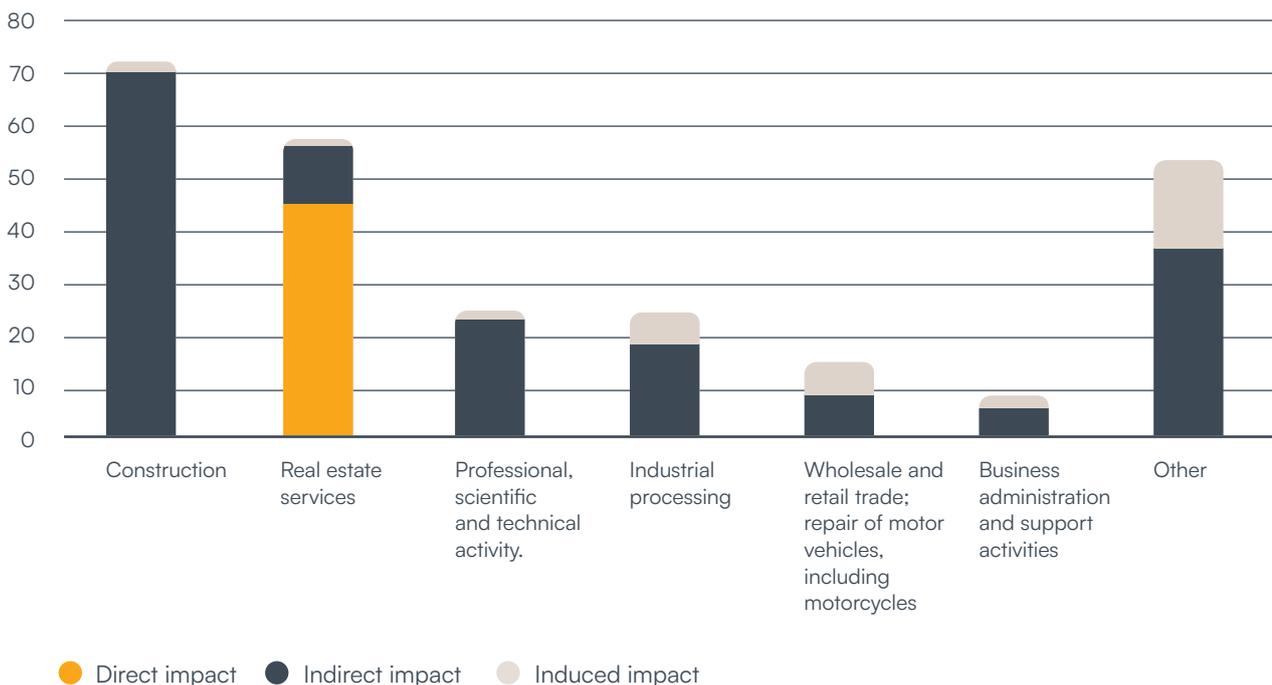
PLN 35 million

Total

PLN 252 million

Each Polish zloty allocated for net salaries in the Echo Group is almost PLN 5 (more precisely PLN 4.59) of income generated in other sectors of the economy.

Remuneration generated in individual industries thanks to the activities of the Echo Group in 2021 (in PLN thousand)



Our impact on the added value generated in the economy



In total, the activities of the Echo Group companies generate value added for the economy in the amount of PLN 212 million, PLN 624 million as a result of indirect impact and PLN 110 million as the induced impact.

The value added generated in the economy thanks to the activities of the Echo Group in 2021:

Direct impact:

PLN 212 million

Indirect impact:

PLN 624 million

Induced impact:

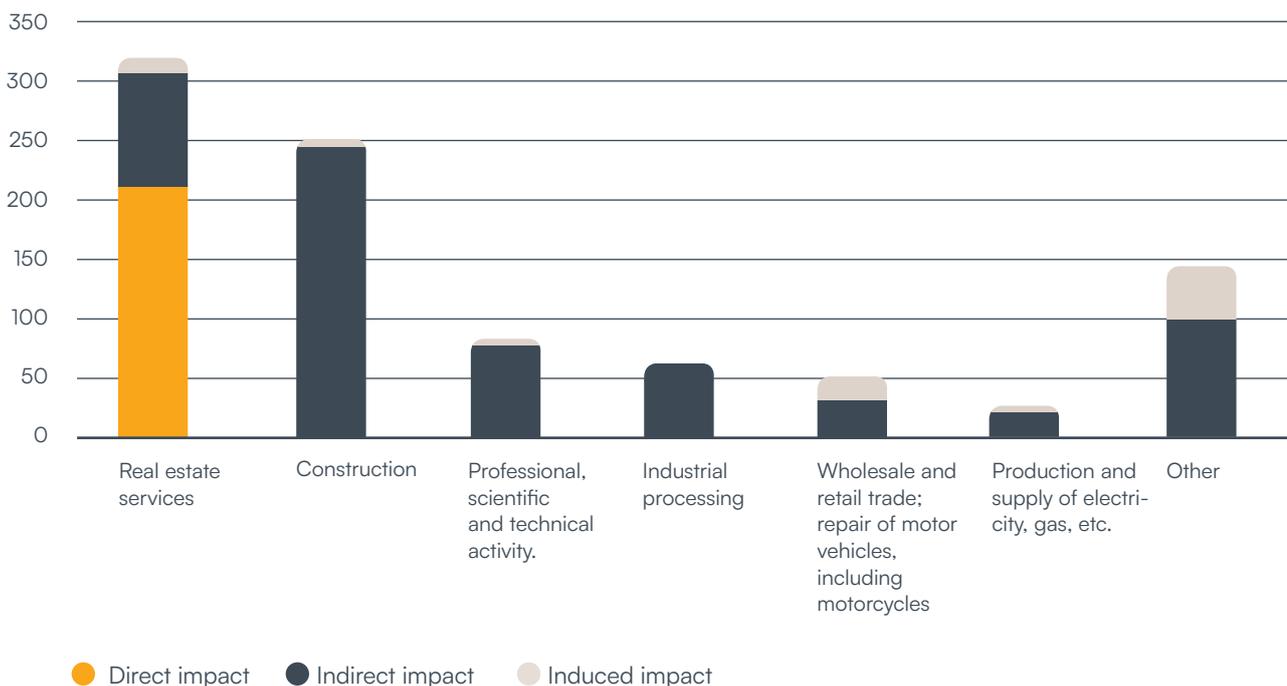
PLN 110 million

Total

PLN 946 million

Each Polish zloty of value added generated by the Echo Group equals 3.46 of the value added generated in the entire economy.

Value added generated in individual industries thanks to the activities of the Echo Group in 2021 (in PLN million)





Our contribution to good urban planning and city-forming

We co-develop modern cities. Our multi-functional "destination" projects are urban in scale and affect the functioning of significant parts of cities. We re-develop and open spaces for residents, we expand the infrastructure also beyond our investments and arrange unique interiors.



We are expanding the infrastructure, responding to the real needs of cities and their inhabitants

The buildings we implement often introduce significant changes to the functioning of its neighborhood - new users with their needs, different traffic patterns or new ways of moving. Therefore, each project is also an opportunity to introduce improvements, better quality of public space and adapt it to new conditions and needs. Each of our new buildings is also an investment in local infrastructure: roads, pavements, paths, green areas, and even educational and sports facilities.

Examples of our contribution to infrastructure in 2021:

- renovation and reconstruction of ul. Ordonia in Warsaw, as part of the **Osiedle Stacja Wola** estate,
- a new bicycle path and pavement in the vicinity of **Galeria Młociny in Warsaw**,
- construction of a roundabout (in cooperation with other developers) and entry to the **Bonarka Living** estate in Kraków.



The Warsaw Breweries project

In 2021, we completed work on the Warsaw Breweries project. An almost empty plot of land in the Warsaw's Wola district, with an area of 4.4 ha, has become a full-fledged, living part of the city, with three modern office buildings, five residential buildings and four historical buildings: the Brewhouse, the cellars of the Lagerhouse, the Manufacturer's Villa and the Laboratory. The place where the most famous beer in the country was brewed years ago was previously degraded, closed and destroyed. Thanks to us, a well-designed urban space was created here, in which historical and modern architecture, private and public spaces, greenery and buildings create a harmonious whole.

The success of the Warsaw Breweries is confirmed by numerous awards and distinctions that Echo Investment received for this project in 2021.

Furthermore, the revitalization of the Warsaw Breweries was a success, completed in 2021. The buildings of this project were linked by an attractive public space consisting of, among others, five city squares. While the largest is Rynek Warzelni (**the Malthouse Square**), which is greened in one-third of its area with an urban birch forest, with a fountain, a "pipeline" which is a corten functional-artistic installation that wraps around the square, and the Haberbusch and Schiele woonerf, which refers to the beer production. The pipeline is used to present outdoor exhibitions, hang benches or provide some atmospheric lighting. The Maltouse Square is also a place of local events, open-air cinema, illumination shows or cheering together. The neighboring square - Działziniec Laboratorium (**the Laboratory Courtyard**) - is covered with flower meadows, birches and shrubs. The greenest place is Ogród Centralny (**the Central Garden**), located above Leżakownia (the Storage Cellars). There are about 60 trees and shrubs, including wild cherry trees, swamp oaks, and solitary shrubs. The whole is complemented by a flower meadow with a mix of perennials and ornamental grasses. Below the Central Garden there is Plac Dolny (**the Lower Square**), which takes visitors to the historic cradles turned into a food hall.

In the summer, deckchairs, umbrellas and bar tables can be found under a large, spreading plane tree. You can also stop by Plac Śniadaniowy (**the Breakfast Square**) located on the premises of the Warsaw Breweries.



— Our assumption was that the most important things in the Warsaw Breweries will take place between buildings: on squares, yards, in restaurants and in the streets. That is why we put so much effort into the public space, which invites people to stay in it, as well as sets the standards for good design of a human-friendly city. We feel jointly responsible for how Warsaw is developing and what challenges are facing the co-creators of social spaces - **Michał Żelski, Regional Director of the Commercial Department at Echo Investment**, says.

SARP Award of 2021

- The Brewhouse Apartments
 - a multi-family residential building,
- The Warsaw Breweries
 - a public space,
- Grand Prix — the Warsaw Breweries;

CIJ Awards Poland 2021

- Best Residential Project,
- Best Retail Project,
- Best Architecture,
- Grand Prix CIJ Awards;

EuropaProperty CEE Investment Awards 2021

- Best Mixed-Use Development;

EuropaProperty CEE Retail Awards & Marketplace

- Best Mixed-Use Development;

Art in Architecture Festival 2021

- Golden Leonardo da Vinci Award in the office category for the Echo Investment office in the Warsaw Breweries;



Food Business Forum 2021

— for the culinary event of the year - for the opening of the Breweries' Food Hall.

Nominations:

MIPIM Awards 2021

— nomination (as the only project from Poland) in the Best Mixed-Use Development category;

The „Stolek i noga od stołka” contest 2021

— nomination in the Stool category for a model investment;

Polityka Magazine’s Architectural Award 2021

Architectural Awards of the Mayor of Warsaw 2021



— The Warsaw Breweries is the embodiment of our idea of creating „destinations” — large scale, city-forming projects that fit into the needs of cities and complement them. They are a perfect example of Echo Investment’s approach to responsible planning and building well-thought-out city quarters. When we started working on the Warsaw Breweries six years ago, announcing it as the first „destination” project, it was an innovative concept on the Polish market, because it assumed the creation of a real, multi-functional city to live, reside and visit. Today, looking at the finished investment, we are proud that this assumption came true and turned out to be a huge success. We believe in city-forming projects - the Łódź edition of „destination”, or Fuzja, is ahead of us. We are also working on the concept of the project at the Towarowa Street in Warsaw or areas of former Tesco hypermarkets - **Nicklas Lindberg, Echo Investment CEO**, says.





Plus we created a creative playground to stimulate the imagination of the youngest. In total, almost two thousand square meters of the Fuzja's area were landscaped last year.

Throughout the summer, in the Anna's Gardens, free events were organised for the neighbourhood, in co-operation with local cultural centres, such as TME Polówka or the Poleski Art Centre: summer cinema - Polówka Summer Film Festival, breakfast fair, yoga classes, meetings of dog lovers and their pets with the creators of the Dog station podcast, bicycle service or a book exchange. Every holiday weekend, family games and fun were organised, including mini-chess tournaments. An intergenerational dance event and a classical music concert were also held. The slogan of all events was "Fuzja with Summer". From July to September 2021, this place was visited by several thousands of people.



— The opening of the Anna's Gardens inaugurated the Fuzja's return to the city and was a turning point for this project. It is the first public area in this investment that attracted visitors. We must remember that we are dealing with a historical area that requires a lot of attention and precision due to the work taking place in the vicinity of monuments. Huge interest in the project was shown by the inhabitants of Łódź, tourists, but also local media, who were delighted with the redevelopment and changes that took place in the previously closed and forgotten post-industrial space. However, our greatest success in 2021 is the building of a new local community of the Fuzja to write a new chapter in the history of this place - **Marcelina Panak, Project Coordinator at Echo Investment**, says.



Mokotów Project an investment that changes the district

The planned settlement at ul. Wołoska in Warsaw is a model housing project, implementing the ideas of the Warsaw Social District. Breaking the office monoculture of Służewiec district has been postulated by town planners and architects for many years, and it is consistent with all city policies. As part of the so-called Special Housing Act, we have prepared a project to replace the oldest office buildings in the heart of the Industrial Służewiec district (in the vicinity of Wołoska, Konstruktorska and Domaniewska Streets) with modern residential buildings. Alongside them, we will build a **primary school for 450 children** at our own expense, which we will hand over to the city, we will move a high-voltage line underground along the Wołoska Street, we will create a **park** and we will invest in **two additional green areas in the area as well as in road infrastructure**. The housing estate's design makes it open and more accessible for pedestrians and cyclists.





— The nature of the oldest part of the office, mono-functional district will change and it will become a space that offers the most essential amenities for residents within a walking distance. Among the well-designed office buildings that already provide workplaces, there will be attractive residential buildings surrounded by greenery and providing access to everyday services - including an elementary school, which we will build and hand over to the city. We have also taken great care when designing and we will develop carefully 3 ha of green area - a park along the Wołoska Street, as well as two squares adjacent to the park at the Suwak Street. We will rebuild the intersection of the Konstruktorska and the Wołoska streets, which will significantly improve safety in this area. The entire project is being developed under the Special Housing Act. It was subject to extensive social consultations and a demanding formal procedure, thanks to which it responds to the real needs of the city, is accepted by the local community and meets its expectations - **Małgorzata Turek, Member of the Echo Investment Management Board**, says.

The most important investment accompanying the construction of the housing estate is the construction of a **public primary school for 450 children**, which goes far beyond the requirements of the Special Housing Act. It will be the first public school in Poland built for local government by a private investor. The school is designed by the renowned WWAA architectural studio under the supervision of Natalia Paszkowska - co-author of Warsaw standards for educational institutions.

The investment is created in the regime of the so-called Special Housing Act and it is the first such significant project in Warsaw. The local urban development plan (MPZP) adopted in 2012 provides only for office development in this place, but since its adoption, its assumptions have become obsolete. The mono-functionality of a given place is a great obstacle for living in a metropolis — as it limits, for instance, the life of a given part of the city to specific times of the day and days of the week, it triggers the accumulation of traffic at fixed hours or the lack of impulses for the development of social infrastructure. Changing the local urban development plan is possible, but such processes take many years, and changes in Służewiec district were needed now. The special act mode allowed for a significant acceleration of the repair of the urban tissue. The whole process was very transparent, as the project gained the support of the Mokotów District, the local community and, as a result, the consent of the Warsaw Council only following extensive consultations.





We conduct public dialogue

We build relationships with stakeholders based on transparent communication, openness and mutual respect. We take into account every opinion that is presented to us both during face-to-face meetings, as well as via e-mails or phone calls. The implementation of development projects often affects the daily functioning of the neighbourhood. Therefore, in such situations, we conduct a dialogue with our neighbours or we hold extensive public consultations. A perfect example of our approach are the activities undertaken in 2021 regarding the housing project in Warsaw's Służewiec district. In addition to the obligations arising from legal provisions (publication of materials and answers in the Public Information Bulletin of the City Hall), we also carried out the following activities:

- two public project presentations for the City Council,
- presentation of the project for journalists,

- public consultations on the green development project in co-operation with the Better Służewiec association,
- we made available the project website with full information about the investment,
- we invite stakeholders to ask individual questions by e-mail and we answer them.

We invited a large group of stakeholders (residents, neighbours, owners of nearby office buildings or areas, institutions) to co-operate and we developed several solutions to improve the project, which will benefit not only the residents of the housing estate, but the entire city. As a result of these activities, the final concept of the investment was created. We are convinced that the consultation process had a positive impact on relations with the neighbours of the new investment and allowed to avoid misunderstandings and social tensions.





Our contribution to good architecture

We co-create significant parts of cities, which is why the selection of architects with whom we work is key to understanding the area and developing a good project. A profession of an architect requires a comprehensive knowledge of many aspects and a good understanding of other people's needs. Knowledge, talent and skills - these are the most important features of a good architect that we pay attention to. They should be accompanied by patience and ongoing commitment.

The unique characteristics of architects we work are:

- understanding our needs at every stage of the investment process,
- architectural achievements,
- recognition in the industry, confirmed by awards,
- good history of working with us on previous projects,
- openness and large scale, urban thinking,
- effectiveness and creativity,
- the ability to efficiently manage a project team.

Stacja Wola housing estate in Warsaw



— When creating a new place to live, we look further than just at our own plot - also at the advantages and needs of the neighbourhood. We supplement the offer not only with apartments, but also service and commercial premises, offices, and even educational institutions, green areas or new infrastructure, so that everything that is most needed is within a 15- minute walk or a bike ride. We focus on peace and privacy, which is why we design spacious balconies or private gardens, and we also provide as much space between the buildings as possible to ensure green spaces fit for rest. We often propose solutions that invite residents to spend time together, such as community gardens, green squares, bicycle stations or shared terraces - **Agnieszka Kozdęba, Architects Director of the Residential Department in Echo Investment,** says.



The Anna's Gardens, the Fuzja project in Łódź



- When we designed the Anna's Gardens, our goal was to create a contemporary interpretation of a new, urban courtyard, where the greenery will coexist with the surroundings in a natural way. We got rid of the classic floor of the square, creating instead a surface that allows nature to break through, which is permeable and allows water to flow into the retention reservoirs. Our experience shows that such spaces are today a clear social need, to which we respond with our project - **Przemek Łukasik from Pracownia Medusa Group,** says.



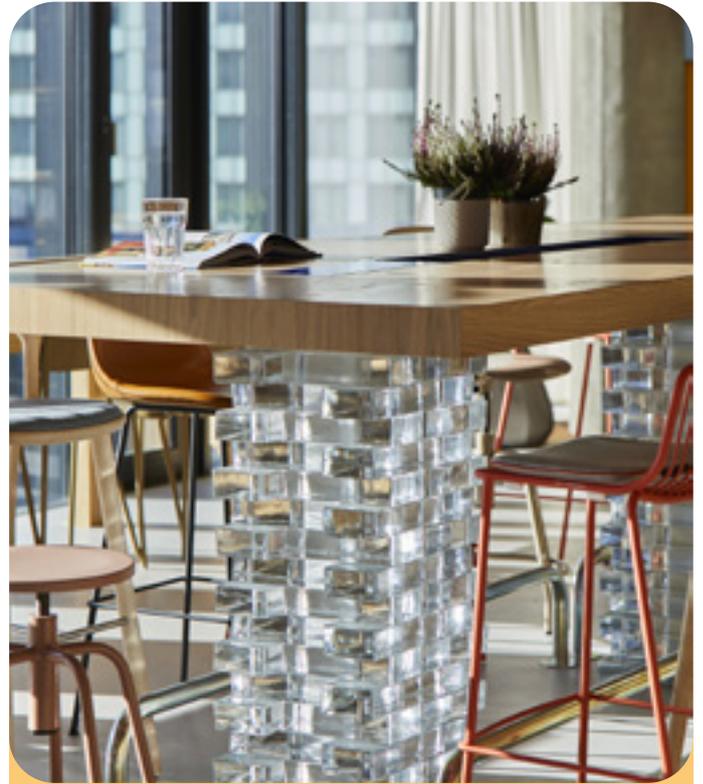
Mokotów Project
- housing estate tailored to a sustainable city



- Our goal was to design the urban fabric that would improve the quality of the entire space in Służewiec district. In urban planning, we moved away from the modernist city planning, separating the apartment from work, and recreational areas from shops and services. That is why we want to add new functions to the predominantly office space of the area. We also took care of the social infrastructure. Adding a residential function to the district means that resident will have different needs, including easy and safe access to the school - **Wojciech Kotecki, architect and co-owner of the BBGK studio** responsible for the Mokotów Project, says.



Echo Investment's new office in the Villa Offices,
the Warsaw Breweries project



- In our work we always talk a lot to investors, we comply with their needs, we follow their suggestions and we meet their expectations. We often involve entire companies or large groups of employees, inviting them to participate in workshops to know the opinions of everyone working in a given company - from the president to the receptionist. Each of these people has their own point of view, experiences, needs and observations. In the case of the Echo Investment office in the Warsaw Breweries, we particularly wanted to create a high-quality space. After all, creating such places is the investor's mission and we wanted to emphasise it - **Piotr Kalinowski, CEO and creative director of MIXD**, the architectural studio responsible for the project of Echo Investment's new Warsaw office, says.



3.

Stable employment

5 RÓWNOSC PŁCI



10 MNIEJ NIERÓWNOŚCI





— We understand safety not only in a traditional way as compliance with health and safety regulations, but also as a positive impact on the well-being of employees. That is why we provide them with development opportunities, finance training, take measures to prevent occupational and civilisation diseases, and provide activities that reduce stress and promote better well-being. We build a workplace with a culture of diversity and co-operation, where everyone feels respected, appreciated and has the opportunity to develop their skills. We operate in one of the most demanding labour markets and conduct complex investments throughout Poland, which is why the proper functioning of our teams is particularly important. We see value in the diversity of gender, age, personality, education, interests and the way we communicate. It allows for better exchange of thoughts, openness to change, creativity and making better decisions. In the longer term, such way of constructing teams exercises a positive impact on commitment, motivation and efficiency of employees, gives the company a driving force and allows it to succeed” **Anna Stachewicz, Human Resource Development Manager at Echo Investment,** says.

”





[103-1, 103-2, 103-3 Aspect: Diversity and equal treatment, anti-discrimination] [103-1, 103-2, 103-3 Aspect: Employment]

Employment structure and diversity management

Over the years of operation, Echo Investment has gained a lot of experience from the main segments of the real estate market and has completed development projects in several dozen cities in Poland. It is an asset of high value for the future of the group, which is developed and reinforced by a strong and stable team of managers, specialists and experts in many fields that we have in the company.

We have 458 employees (as at 31 December 2021) whose experience, knowledge, way of working and individual point of view are the strength of the Echo Group and the foundation of our success. Our team building policy is focused on the competence of candidates and their talents, regardless of age, gender, nationality, level of fitness, social status, religion, sexual orientation or views. Differences boost creativity, openness to change and help make better decisions. The diverse team of the Echo Investment Group

means that the company has the ability to understand diverse needs of customers and it is the source of our competitive advantage. As a result, we create increasingly better places where satisfied residents, tenants, employees and users can build robust communities.

[406-1]

From a formal point of view, the diversity in our company is regulated by the Code of Conduct. According to its provisions, we do not allow any sort of discrimination. We provide equal rights and opportunities for everyone, regardless of race, colour, gender, nationality, religion, ethnicity or other characteristics. The principle of equal treatment in employment is also regulated in Appendix 2 to the Work Regulations of Echo Investment SA. In 2021, we did not register a single case of discrimination.



Percentage of people in management bodies (Management Board and Supervisory Board) in the following aspects of diversity

Sex	Management Board	Supervisory Board
Women	20	12,5
Men	80	87,5

Age	Management Board	Supervisory Board
Up to 30 years	0	0
30-50 years	40	37,5
Above 50 years	60	62,5

Stable structures require stable foundations, which is why we build relationships with our employees for years. Our employees include people who have been working with us since the company's inception, and the average length of service in the Echo Group is seven years. This is a very good result in an industry as competitive as ours.

[102-8]

Number of employees and number of employment contracts in the break-down to type and duration of employment

Number of employees	458
Women	243
Men	215
Employment contracts	458
Definite-term contract	95
Women	57
Men	38
Indefinite-term contract	363
Women	186
Men	177
Part-time employment	4
Women	1
Men	3
Other job type	8
Women	5
Men	3



[102-41]

The Echo Group co-operates on a permanent basis with 59 people hired on the basis of contracts other than employment contracts. This mainly applies to qualified professionals and experts who provide consulting services (e.g. lawyers). However, the formal relationship does not change the way they are treated - all those who work for us, regardless of the type of contract, have similar rights, obligations or access to benefits. Our employees are not covered by collective labour agreements.

Employees turnover

[401-1]

Total number of new employees hired by the organisation during the reporting period, in the break-down to

Sex	
Women	33
Men	24
Total:	57

Age	
Up to 30 years	25
30-50 years	24
Above 50 years	8
Total	57

The rate of new employees hired in the organisation in the reporting period, in the break-down to *

Sex	
Women	0,07
Men	0,05

Age	
Up to 30 years	0,05
30-50 years	0,05
Above 50 years	0,02

* Rate calculated according to the formula: number of employees of the particular group / number of total employees





Total number of employees who left the organisation during the reporting period, in the break-down to:

Sex

Women	33
Men	21
Total	54

Wiek

Up to 30 years	15
30-50 years	37
Above 50 years	2

Employee turnover* in the reporting period, in the break-down to:

Sex

Women	0,07
Men	0,05

Wiek

Up to 30 years	0,03
30-50 years	0,08
Above 50 years	0,004

* Rate calculated according to the formula: number of employees who left the organisation in particular group / total number of employees

[401-3]

We help combine professional and parental responsibilities and we try to facilitate the return to work after a long break caused by caring for a child. In 2021, 33 women in the organisation took parental leave.

Employees who returned to work after parental leave in 2021

Women	17
Men	1
Total	18

Total number of employees who returned to work after parental leave in 2021 and were still employed 12 months after returning to work

Women	14
Men	1
Total	15

Return to work rate *

Women	0,85
Men	1

* Return to work rate = (total number of employees who returned to work after parental leave / total number of employees who should return to work after parental leave)

Retention rate of employees who took parental leave *

Women	0,7
Men	1

* Employee retention rate = (number of employees employed in the organisation 12 months after return from parental leave / total number of employees who returned after parental leave in the reporting period)





Remuneration

The principles of ensuring competitive salaries in relation to job offers in other companies are specified in the Echo Investment's Remuneration Policy. According to it, employees are remunerated in a manner that takes into account the importance of the position held, as well as skills and competence. The adopted payroll policy allows us to build a team of loyal and motivated employees.

The remuneration of each employee results from his/her role in the organisation and the assessment of his/her individual performance. We believe that job evaluation is the basis for fair remuneration: positions with greater responsibility - are better remunerated. Employees' salaries do not in any way depend on the gender, age, nationality or length of service of the employed person.

Salaries are set individually for each employee within the agreed salary range. The salary ranges are determined on the basis of market data received from specialist companies and amount to 80-120% of the median salary in the market. The salary consists of a fixed component and a bonus that each employee has a chance to receive. In 2021, bonuses related to sales were paid on a monthly and quarterly basis, while other departments received an annual bonus depending on the achievement of individual goals and the overall annual result of the organisation.

Echo's standards

We make sure that the database of positions is up-to-date and we evaluate on an on-going basis new or changed roles as well as consistency with the standards in the real estate industry. We facilitate to employees to move internally between teams and departments, giving space for development in new roles and increasing responsibility, not only through vertical promotions. We are convinced that such a solution ensures high motivation, retention of talents and long-term development of the organisation, as well as supports the exchange of knowledge and building cross-functional co-operation.

The amount of remuneration depends not only on the formal place in the structure of the Echo Group, but also to a large extent on the number and importance of duties, competence, experience, degree of responsibility and development potential. When evaluating individual positions, we use the so-called Kornferry Hay's method, which takes into account:

- skills — that is, the qualifications and knowledge required for a given position,
- creative initiative — i.a. in terms of problem solving, analysis, creating new solutions,
- responsibility — considered in three areas: freedom of action, financial responsibility in a given position, influence of position on the company's financial results.

Each position in the company has a valuation and a salary range determined on the basis of the above factors. We make sure that individual salaries within a given salary range are differentiated only on the basis of competence and quality of work, and not according to gender, nationality or other personal criteria. The process of job evaluation and salary calibration started at the Echo Group in 2017. As a result, it was possible to significantly reduce

167.3%

— this is the ratio of the average remuneration in Echo Investment (excluding the management board) in relation to the national average in the enterprise sector.

the differences in salaries for positions of similar value to the company. This process has also reduced the pay gap between men and women who hold similarly high-profile positions.

Currently, in the group of directors, the ratio of remuneration of women to that of men occupying a similarly high-profile position is 92-95%, in the group of managers - 94-101%, and among other employees - 86-99%. The goal of Echo Investment's personnel policy is to equalize the level of remuneration of men and women working in positions of the same value.

The differences between the average total salary of women and men in the company result from the employment structure and the labour market. A significant part of the employees are engineers who, due to their high responsibility, are highly paid on the market. Taking into account the characteristics of the labour market and technical education in Poland, the overwhelming part of engineers are men. For this reason, the issue of equal remuneration in the Echo Investment Group should be analysed based on the job evaluation described above.

Average remuneration in the Echo Group in 2020-2021 in PLN

	2020	2021
Total (monthly, excluding management board)	9,256	9,855
Women	7,076	7,616
Men	11,579	12,130





[401-2]

In addition to an attractive salary, we also offer employees a non-wage benefit system. These include:

- life and health insurance,
- private medical care,
- internal and external specialist training,
- ergonomic workplace,
- retirement benefits,
- bonus system,
- co-financing for a sports card,
- a fixed budget to be used for recreation and culture,
- social and random benefits from the Company's Social Benefits Fund,
- the possibility of purchasing products with a discount from our contractors,
- team-building events.

We also care about the mental and emotional well-being of our employees. During the pandemic, we organised, i.a. training to improve mental resilience and mental strength. Our employees can also count on psychological care in the Luxmed clinic network.



[103-1, 103-2, 103-3 Aspect: Health and safety]

Health-care and safety of our employees and subcontractors

[403-1] [403-10]

We do not accept any compromises when it comes to the safety of our employees. The vast majority of Echo Investment Group employees work in offices. All of them are covered by the safety system defined by the provisions of the OHS law and the internal Safety Policy. Due to the nature of work, no cases of occupational diseases were recorded among our employees.

When we think about safety at work, we also feel responsible for all employees on our construction sites, even though most of them are employed by our subcontractors. The risk of injuries or accidents on construction sites is much greater than among office workers. We have implemented the highest safety standards on our construction sites - ISO 14001, OHSAS 18001 and ISO 45001. ISO

14001 and ISO 45001 certificates are audited every year by an external audit company Dekra. Health and safety KPIs are included in the annual performance goals of the management board, directors and employees on construction sites.



[403-8]

Employees of the Echo Investment Group and other companies covered by Echo Investment’s work safety management system

Percentage of Echo Investment employees subject to a system that has been audited or certified by an external entity	100%
Percentage of workers who are not Echo Investment employees, but whose work and workplace is controlled by Echo Investment and subject to a system that has been audited or certified by a third party	100%

[403-7] [403-3]

The Environmental, Health&Safety Department (EHS) is responsible for the occupational safety management system in the entire organisation. The goal of the Team’s work is to promote responsible attitudes, set standards and goals for construction sites, reduce the number of accidents and minimise possible risks that may cause an accident in the future.

Tasks of the EHS Team:

- construction site inspections,
- control of the required documents, certificates and permits,
- implementing standards,
- performance monitoring,
- EHS training,
- accident and incident reporting,
- meetings with employee representatives.

The EHS Team also conducts educational activities, promoting safety and pro-environmental attitudes. One the basis conclusions from the year that comes to an end, current needs as well as observations and comments from audits, the team develops a training programme for the coming year. The training programme in 2021 was focused on building a culture and awareness of safety at work through training for the construction supervision staff of the investor and contractors as well as a specialist training held directly at construction sites (working at heights, Lifting Operations on Site, Hot Works Training on Site). These trainings are continued under the 2022 programme. In the event an incident or incident occurs on any construction site, after the investigation into the causes of the event, a report is prepared with conclusions and recommendations for all construction sites. The task of the managers of each construction site is then to check a given issue, to implement the conclusions and to inform about the actions taken by the EHS Team.

The EHS Team also develops a range of educational materials that are distributed at construction sites. These include a set of good practices or quarterly newsletters on occu-

pational safety, which are sent to employees on construction sites - also to subcontractors.

Once every three months we hold meetings of the Health and Safety Committee, which focus on issues related to the employees of the Echo Investment group. The meetings are attended by, i.a. employee representatives, representatives of the EHS Team, HR specialists and an occupational medicine doctor.

Echo’s standards

[403-4]

The best ambassadors of safe work on construction sites are the employees themselves. It is their responsibility and concern to observe health and safety rules that are of key importance in this aspect. Therefore, we encourage all employees on construction sites to report their observations of potentially dangerous events or places.

Our system of preventing and monitoring accidents at construction sites is based on collecting as many observations from employees as possible and on the appropriate response to reported information. We motivate employees to be mindful of safety issues and, since 2019, every month on our construction sites, we reward people who have distinguished themselves, among others in the health and safety aspect, by presenting a responsible attitude, by making a new proposal or by introducing an improvement. In 2021, the awards were given to over 200 employees of our subcontractors. The motivating element is also a system of yellow and red cards for people who do not comply with the health and safety rules at the construction site. Receiving a red card for a serious violation or ignoring previous comments will result in the removal of the worker from the construction site.

Every worker on the construction site has the right to refuse to perform tasks that, according to him, may result in an accident, injury or deteriorate his health.



Good practice

In 2021, we drew up a brochure which is a collection of the best practices collected over two years on Echo Investment's construction sites. The aim of the publication is to raise awareness in the field of health and safety and environment protection among employees on construction sites, as well as among supervising staff. The publication includes photos and short comments on good and - for comparison - bad practices, i.a. regarding:

- Lifting Operations on Site,
- chemicals,
- tree protection,
- waste management,
- traffic management,
- excavations.

[403-2]

Supervising and co-ordinating workers are always present on all our construction sites — these are construction directors, engineers and health and safety co-ordinators. We require at least 1 supervisor per 10 employees. Every person working on our construction sites - including employees of subcontracting companies - is obliged to report every accident, incidents causing injuries, as well as potentially hazardous situations. The information is transferred to the health and safety services of our company and then used for preventive and educational purposes at all other construction sites. We also require that in the case of employing foreigners who do not speak Polish, an interpreter (usually a supervisor) is always present at the construction site.

Our construction sites are regularly inspected in the aspect of their compliance with health and safety and environment protection rules. Every week we conduct peer reviews on each construction site, focusing on health and safety issues. They are attended by representatives of construction supervision on the part of Echo Investment,

Supervision visits at the statistical construction site*

An average construction site of Echo in 2021 involves:

78
employees
(investor + contractor)

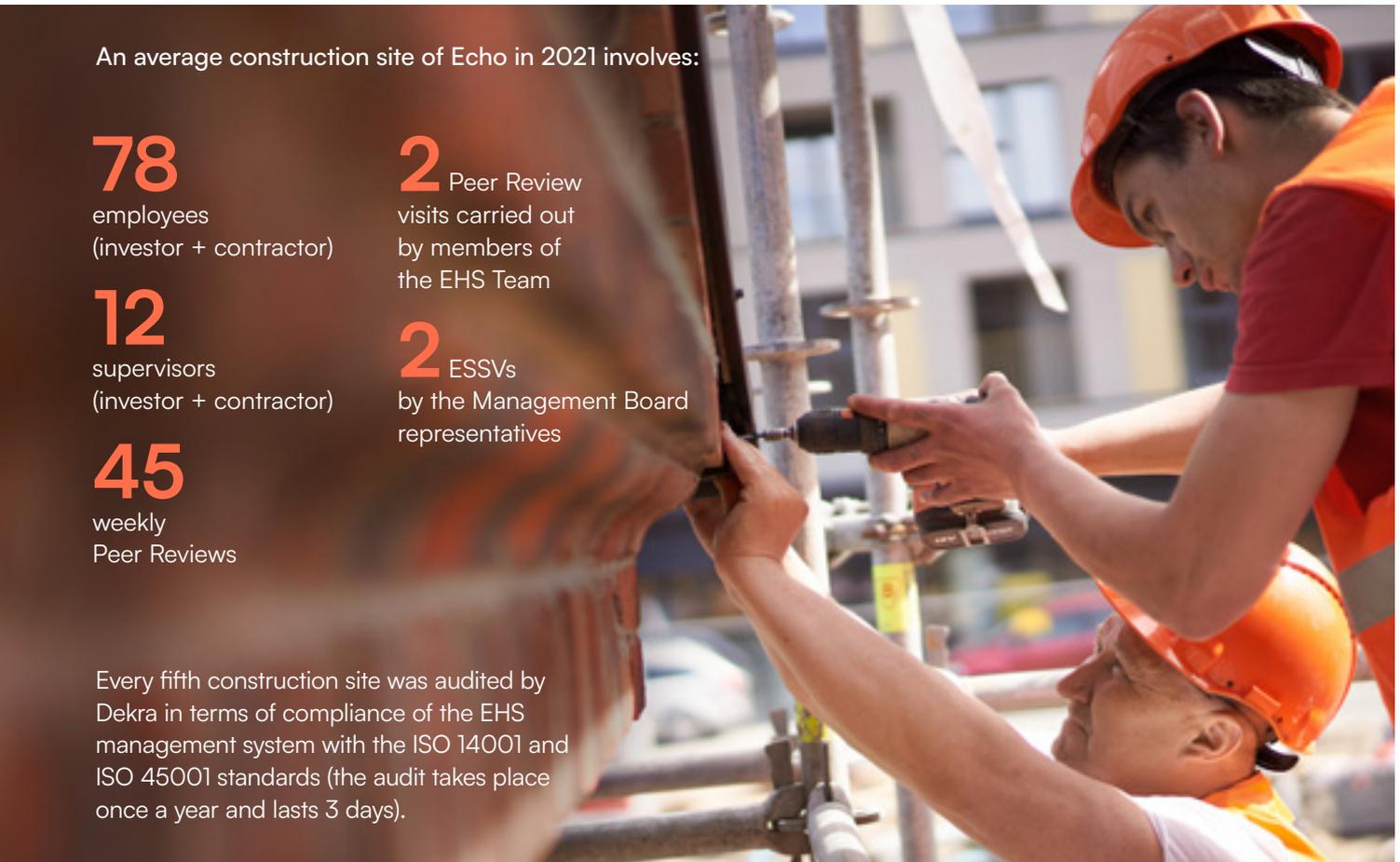
2 Peer Review
visits carried out
by members of
the EHS Team

12
supervisors
(investor + contractor)

2 ESSVs
by the Management Board
representatives

45
weekly
Peer Reviews

Every fifth construction site was audited by Dekra in terms of compliance of the EHS management system with the ISO 14001 and ISO 45001 standards (the audit takes place once a year and lasts 3 days).



persons responsible for order and safety, construction managers representing all subcontractors and individuals responsible for health and safety in subcontracting companies. During the meetings, current issues related to the functioning of the construction site, current risks, construction preparation are discussed, and the attendees check machines and their certificates, the correctness of the security measures used, the use of personal protective equipment, order and compliance with the guidelines, etc. After the visit, we formulate guidelines and recommendations for construction sites.

The construction sites are also controlled by Echo Investment's EHS Team, representatives of the management board and senior management (Executive Site Safety Visits - ESSV), as well as by state services — including the National Labour Inspectorate or the construction supervision.

Good practice

Our construction sites have been inspected 13 times by the National Labour Inspectorate (PIP) in 2021. A significant part of these inspections was related to the „Build it safely” competition, in which we received **6 awards and distinctions. As a result of the findings made during the inspection by the National Labour Inspectorate, no irregularities or offenses were found.**

[403-9]

Accidents and incidents causing injuries are always described and communicated to all parties concerned, as well as to all other construction sites of ours. Each time such a report triggers the need to analyse the possibility of a similar event occurring on any other construction site and to take measures to reduce such risk. Following the receipt of such information, on each construction site, employees have seven days to report to the EHS Team what actions have been taken in a given area. The analysis of accidents and incidents to date is the basis for determining the subject of the training programme for the coming year, and sometimes also for the organisation of ad hoc training.

Employees of the Echo Group, namely individuals working predominantly in offices, did not suffer any work-related accident or injury in 2021. Data related to the accident rate of employees of subcontracting companies on our construction sites is presented in the table below:

Number of fatalities resulting from work-related injuries	0
Fatal accident rate from work-related injuries	0
Number of work-related serious injuries (excluding fatalities)	0
Work-related serious injury rate (excluding fatalities)	0
Number of work-related injuries	13
Work-related injuries' rate	2,57*

* The accident rate is calculated according to the GRI standard: the number of accidents divided by the number of hours worked and multiplied by 200,000 man-hours.

The main types of injuries associated with working on our construction sites are cuts and minor injuries.

[403-5]

All our employees have completed the initial health and safety training and periodic training to update this knowledge. In addition, construction supervision employees, both ours and contractors, are covered by training courses that respond to the current safety needs.

The focus of 2021 training program was building a culture and awareness of safety at work and we conducted training for construction site supervision and a specialist training for employees directly on construction sites (working at heights, Lifting Operations on Site, Hot Works Training on Site).



Safety-related training in 2021:

18 Site Management Safety Trainings Scheme (SMSTS) — total of 105 individuals.

22 Supervisor Orientation Trainings online (SOT) — total of 208 individuals.

16 specialist trainings - Working at Heights (WAH) — total of 226 individuals.

17 specialist trainings — Lifting Operations on Site — total of 178 individuals.

7 specialist trainings — Hot Works Training on Site — total of 50 individuals.



— Development activity is inextricably linked with construction operations. That is why we pay more and more attention to the issues of safety and environmental protection on construction sites - from the moment of entering the construction site, to taking off the helmet and leaving the workplace. We focus our activities on a proactive attitude and prevention, sharing good practices with employees and subcontractors during project visits, meetings or training sessions. For four years we have been working in accordance with the ISO 14001 management standard, which supports our activities related to environmental protection and the reduction and prevention of pollution. We also maintain high health and safety standards in accordance with ISO 45001. Our safety at work culture is noticed and appreciated beyond our sites. In 2021, we won a historic and a record number of awards granted by the National Labour Inspectorate in the „Build safely” competition, which is a recognition of the hard work and commitment of teams involved in health and safety issues. In addition, our EHS team received the prestigious and highly rated NEBOSH (The National Examination Board in Occupational Health and Safety) certificate, which confirms that we have training and competence at an international level. We don't take any shortcuts. We want the environment in which employees spend a significant part of the day to give them a sense of certainty and a guarantee that they will return home safely - **Dariusz Nowak, Director of Environmental, Health&Safety Department (EHS) at Echo Investment**, says.



In order to increase the level of safety, in the fourth quarter of 2021, we organised the first aid training for employees of the Echo Group in several cities in Poland where we have our investments. The training cycle is continued in 2022.





Health and safety standards on construction sites:

Trial evacuations — we carry out trial evacuations at our construction sites. In accordance with the requirements of Echo, a trial evacuation should be carried out at each construction site at least once during the construction period and at least once every 2 years.

Anti-collision system for cranes — on new construction sites we have implemented anti-collision systems for cranes operating in a collision mode. The systems are equipped with an online preview, which enables ongoing monitoring of the work being carried out and identifying any errors. Thus, we minimise the risk of the operator's error.

„Safe construction ready for winter” campaign — a programme of winter maintenance of construction sites.

Tree protection — at our construction sites we systematically take measures to support the protection of trees that we leave on the premises of our investments. This includes protection of the root system and tree trunks. We have also developed *Guidelines for the protection of trees*.

Marking — we take care of intuitive building marking and information in Polish, Ukrainian and Russian.

Echo's standards

In 2021, employees of the EHS Department obtained the prestigious and highly rated **NEBOSH certificate**, which confirms that our work standards in the area of safety are at the highest international level. Our construction sites are also enrolled annually to the „Build safely” competition organised by the National Labour Inspectorate, in which they win awards every year. In 2021, as many as 6 construction sites were appreciated — the Inspectorate acknowledged the high OHS standards and good practices applied during accomplishment. The first prizes went to the construction sites of the KRK I estate in Kraków, the Fuzja A residential building in Łódź, the React I office building in Łódź, the second place was taken by the Stacja Wola II housing estate in Warsaw, the third place was taken by the Enter Ib housing estate in Poznań, and the construction of the Kraków housing estate ZAM Rydlówka received a distinction.

Security measures at construction sites required by Echo Investment:

- system formwork supports with heads to prevent tipping over and falling from a height,
- proper protection of elevator shafts,
- lifts, transport carts and remotely controlled devices that facilitate transport and avoid workers overloading the spine and limbs,
- appropriate protection and marking of excavations and floor openings,
- dust reduction thanks to dust extraction modules, industrial vacuum cleaners and protective foil screens,
- care for stairs, communication routes, passages and entrances to the building to remain non-obstructed,
- canopies over the entrances that protect against falling objects,
- quarterly inspections of power tools,
- solutions improving the identification of persons designated to provide first aid,
- securing light materials against displacement during stronger winds,
- protection of materials with sharp, protruding edges and elements.

Activities during the pandemic

In connection with the COVID-19 pandemic, in 2021 we continued the activities that were developed in the Echo Group in 2020 and ensured safe work to the employees of the Echo Group:

- flexible working time,
- additional hygiene measures, including antibacterial gels, masks and regular disinfection and ozonification of air in offices,
- organisation of work in a way that allows for keeping distance, including shift work and ensuring greater distance between desks - especially in periods with an increased number of infection cases,
- limiting business trips and organising internal online meetings,
- screening tests for teams serving external clients to reduce risk to clients.

In order to prevent infections among employees, since 2020 our construction sites have had emergency procedures in place in the event of an infection diagnosis. All construction sites were equipped with personal protective equipment, antibacterial gels, masks and informational materials. We also monitored the number of employees on individual construction sites in order to implement a previously prepared emergency management and construction plan in the event of a threat to business conti-

nity. The supply of materials and the related risks were monitored. We also maintained the sanitary regime:

- we limited the number of meetings,
- the briefings were held outdoors,
- social distance was maintained,
- temperature was tested,
- we assigned a separate zone in the construction office for external visitors (postmen, couriers),
- we performed disinfection and we used medical devices to filter the air in the most vulnerable places (e.g. meeting rooms).

Throughout 2021, we continued activities that have proved efficient in allowing for safe contact with customers. In the periods with the highest infection rate increase and at the request of customers, commercial offers were demonstrated during online meetings using VR tools, contract provisions could be negotiated in the CRM system, and the progress of construction works was presented using cameras.

In 2020, we conducted significant and long-term charity activities focused on supporting people and institutions fighting the pandemic. The vast majority of these activities have ended. In 2021, however, we continued our co-operation with the Czerniakowski Hospital in Warsaw, to which we provided a storage container. In 2021, at the request of the hospital, we also delivered the second container. The financing for the lease of both containers is still ongoing.

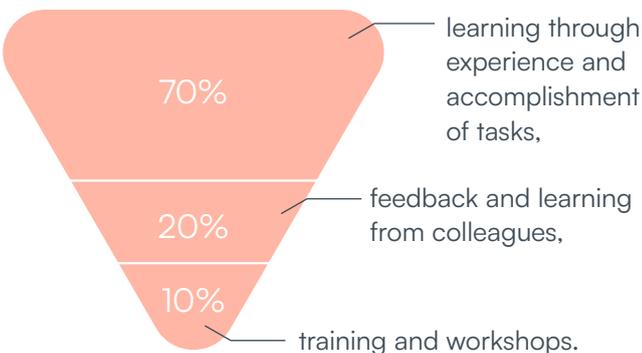




[103-1, 103-2, 103-3 Aspect: Training and education]

Development and well-being of our employees

While setting ambitious tasks and projects for our employees, we support them in acquiring new skills by sharing knowledge, as well as by organising and financing training courses. We operate in accordance with the 70-20-10 principle.



The training program is created on the basis of business needs reported by team managers on an annual and ad hoc basis. **One of the key initiatives in 2021, addressed directly to managers, was training to reinforce leadership competence.** Team managers were trained in building employee motivation, in providing feedback and in conducting effective development conversations. It was also a preparation for the annual Personal Development Review project, i.e. **assessment reviews with employees.**





3,632 — the number of hours the employees of the Echo Group spent in 2021 on improving their qualifications through external training.



[404-3]

Every year, we conduct Personal Development Review (PDR) process for employees. In 2021, 98% of employees took part in it. PDR consists of two stages — an employee self-assessment and an assessment review with the supervisor. The purpose of the process is to summarise the achievements of the past year and share with the supervisor a vision of one's professional future in the organisation. This is the moment to discuss the achievements, consider competence, strengths and potential, and define development goals for the next year.

Our HR strategy responds to business needs. In 2021, we facilitated to employees from the entire organisation to build career paths and to develop competence by promoting internal transfers and supporting relocation to new teams. This way, we developed key competence for the company, including flexibility, openness to change and a broad business perspective. In 2021, we conducted some of the trainings in the online formula. An important element was the sharing of knowledge between employees and the exchange of good practices within the group.

We continued the training cycle in the sales department, both for managers and salesforce. During the exercises, situations from the everyday work of managers with teams and from co-operation with clients were discussed. In the department of housing projects' implementation, we have carried out trainings on the standards of professional customer service for tenant change teams and the warranty service teams.

Digitization of processes is an inseparable element of our work. In order to upgrade the employees' competence in this aspect, the staff from various departments had the opportunity to complete the course and obtain the first level of Digital Transformation Expert certification, which expanded their knowledge of new technologies and their impact on business. Additionally, during the Data Science Summit 2021 conference, our employees enhanced their knowledge in the aspect of data collection, processing, analysis and visualisation. Thanks to their new unique skills, they can better handle both business-related and technological issues in our company. In 2021, IT and Controlling teams also completed the Power BI business data analysis programme.

Through training and competence development, we empower women in our organisation. Both in 2020 and in 2021, most promotions in the Echo Group referred to women. Out of 42 promotions in 2021, as many as 29 refers to women. We also promote the business achievements of women working in Echo Investment, among others by participating in the Top Woman in Real Estate competition. Our colleagues stood out in the industry and received nominations for their activities in the area of marketing and public relations, commercial sales and leasing, innovation and technology, as well as project management.

[404-1]

Average number of training hours of employees in the reporting period, in the break-down to:

Sex		
Women		9
Men		7
Employment grade		
Employment grade	Women	Men
Top management	24	8
Management	52	10
Other employees	3	6



4.

Respect for environment and climate

6 CZYSTA WODA I WARUNKI SANITARNE



7 CZYSTA I DOSTĘPNA ENERGIA



13 DZIAŁANIA W DZIEDZINIE KLIMATU





— We want to be actively involved in a dialogue regarding the future of our planet, which is why we pay special attention to environment protection. Every year, we accomplish dozens of investments - housing estates, residential buildings and office buildings, in the largest cities in Poland. Taking into account hazards triggered by the impact of construction activities on the environment, we try to limit the risks in the short and long term, every step of the way. We set ourselves ambitious goals related to ecology, included in our Occupational Health, Safety and Environmental Management System Manual. We only use certified wood, non-toxic materials with a limited content of volatile organic compounds and we maintain a high level of waste segregation - we require that at least 90% of the waste collected from our construction sites be segregated, and in 2022 we set a goal for 60% to be segregated already at construction site. Construction is responsible for a significant part of CO2 emissions, therefore, in the long run, we are gradually implementing renewable energy sources, both on our construction sites, where the demand for energy is the highest, and in newly constructed buildings. We certify all our office buildings in the BREEAM system, we also create a proprietary environmental standardisation system for housing estates. We register deliveries at our construction sites, thanks to which we can report the resulting CO2 emissions and optimise transport. Transparency, maturity and responsibility of our activities translates into the trust of our partners and the effective implementation of our profitable growth strategy - **Łukasz Bartnicki, Environmental, Health&Safety (EHS) Manager at Echo Investment**, says.





Our Environmental Policy

The development and construction activities have a significant impact on shaping a sustainable world, which is why we are committed to environmental management at all levels. The main document that determines our business decisions and plans is **the Occupational Health, Safety and Environmental Management System Manual**, whose parts are the Environmental Policy and the Safety Policy. The manual is our guidebook in the aspect of environment protection and occupational health and safety that allows to positively influence key stakeholders, in particular customers and suppliers, at the stage of purchasing land and buildings, acquiring materials and services (e.g. facility management, services of advisers, designers, contractors) and at the stage of managing an investment or a facility.

We create the environmentally responsible value chain of

the Echo Group. We engage our stakeholders in environmental issues - we involve employees, subcontractors and business partners in the activities. Our ambition is to continuously improve the ecological parameters of our projects. We optimise investments and look for ways to reduce their negative impact on the environment.

We use natural, non-toxic, anti-allergic and certified materials with a limited content of volatile organic compounds, which come from certified sources and are as environmentally friendly as possible. Our goal is to only use FSC or PEFC certified wood. We use new technologies and take care of the proper organisation of the construction process. In 2021, no penalty was imposed on any of the Echo Group companies for non-compliance with environmental laws and regulations.



ISO 14001

— it is the international management standard, which supports our activities related to environment protection and the reduction and prevention of pollution.

For 4 years we have been operating in accordance with the international ISO 14001 management standard, which supports our activities related to environment protection and the reduction and prevention of pollution. We also maintain high health and safety standards, in accordance with ISO 45001 and ISO 14001. Every year we undergo an audit by Dekra, which confirms that we adhere to the best environmental practices and every year improve the standard of safety at work.

We monitor the work of our suppliers, contractors and partners and conduct an open dialogue with them in order to constantly improve the level of environment protection. First of all, we select local partners to reduce the carbon footprint at the transport stage. All orders and contracts with suppliers and contractors require them to comply with Echo Investment guidelines related to environmental management and safety, in particular with the requirements of Occupational Health, Safety and Environmental Management System Manual. In our contracts, we clearly define the scope of liability regarding pollutants and hazardous substances. All contractors also complete the Health, Safety and Environment Protection Questionnaire, in which we ask for the disclosure of information regarding:

- environment protection management, including policies and certified environmental management systems,
- training of employees in the aspect of environment protection,
- environmental impact of products / services,
- emissivity of materials,
- specific safeguards for chemicals,
- compliance of products and services with national environmental regulations.

Environmental policy of the Echo Group

- We strive to use energy efficiently and to reduce emissions that are responsible for global climate change. If reduction is not possible, we try to compensate the emissions generated using available methods.
- We reduce demand and reuse materials where possible. Where we cannot take advantage of these opportunities, we provide safe treatment or disposal of waste.
- We segregate waste and use materials that are friendly to people and the environment.
- We limit the negative impact of our activities on flora, fauna and their ecosystems. We work with designers, municipal green management, specialist companies, neighbours and the local community to protect trees.
- We reduce the consumption of water, we save and reuse it.
- We reduce the amount of pollutants emitted to the atmosphere by our projects, road vehicles, mobile and stationary equipment and processes.
- Our staff training and development activities are accomplished in an environment-friendly manner

We use natural, non-toxic, anti-allergic and certified materials with a limited content of volatile organic compounds, which come from certified sources.





Green standards in our projects

Good Echo's practices for green buildings

[103-1, 103-2, 103-3 Aspect: Energy and water]

Already at the stage of purchasing the plot, we analyse all environmental risks and the impact of our possible construction on nature. We inspect the site to inventory the potential ecological issues and environmental risks that may arise during the construction and operation of the future building. At the design stage, we always respect the provisions of the local urban development plan regarding the protection of natural elements, e.g. a biologically active surface. If the plot is located in the buffer zone of

a landscape park or the Natura 2000 area, we develop additional ecological and nature analyses. We commission ecological analyses of the area and implement environmentalists' recommendations to improve the condition of surroundings. We also always check the alignment of the future investment to the environment. We take into account the previous use of a given area, we analyse the surroundings and the condition of the adjacent infrastructure and transport connections. We take into account all these conditions in our analysis of the investment potential, and in the next step - in the architectural concept. All this allows us to develop the final version of the project in such a way as to respect the values of the area.



— A sustainable approach at every stage of the investment - from planning, through design to construction - allows us to create offices and apartments that are friendly to both people and the environment. We set standards and put a lot of effort to minimise the negative impact on the environment, manage energy wisely, and plan the architecture of buildings and space on the investment site in a functional way. We use green solutions that allow the end users of our housing estates or offices continue our mission. Our standards are confirmed, among others, by environmental certifications or the high level of energy efficiency achieved - **Rafał Gliwiński, Project standardization and optimization Manager at Echo Investment**, says.



Energy

We not only meet all the requirements set out in the technical conditions that should be met by buildings and their location, but we do much more. We design and construct buildings that will be resistant to heat loss. We **shape carefully the body of the building** - some shapes of buildings are more energy-efficient, and therefore more ecological than others. We achieve the highest energy efficiency by designing a building with a compact shape similar to a rectangular shape, and thus without any bends in walls, recesses and bay windows that facilitate heat loss from the interior.

The assessments we carry out in the initial phase of work on the project allow us, depending on the energy balance, to select **appropriate technologies and solutions**, thanks to which we can responsibly manage energy in buildings. We exclude the so-called thermal bridges and we install balconies on thermal insulation fasteners, which reduces uncontrolled heat losses in the rooms and helps to reduce heating costs, thus reducing the amount of CO₂ produced. We use bright facade colours that reflect the sun's rays, which protects buildings from overheating. We install hygroscopic air inlets that close and open

automatically - thanks to them there is no need to open the window frequently - which also reduces heat loss, especially in winter. We are talking with technology and energy companies about the introduction of photovoltaics to buildings, allowing to reduce the costs of energy used to illuminate shared spaces and the area. It has a significant impact on reducing consumption of energy from the municipal network.

We design buildings in such way that they are **ergonomically located in relation to the directions of the world**. We ensure the highest possible access of natural light by opening the building as much as possible from the south. On this side, we design more glazing and locate day zones, such as a living room or a workplace. On the northern side, we arrange smaller rooms such as bathrooms, pantries or wardrobes. Even in downtown building zones, we maximise the amount of sunlight in the premises. For the upper floors, we design primarily porte-fenêtres, which gives residents a sense of greater space and better view of the surroundings.

Water

Appropriate **management of rainwater** in a housing estate or in office building allows to reduce the consumption of municipal water for irrigation, and on the other hand - to input rainwater into the municipal network. To achieve this, in many investments we use drainage systems e.g. for the distribution of water in the ground - especially close to the roots of plants. We also collect water in retention reservoirs, which we use for watering, irrigating green areas or for supplying neighbourhood bicycle washers.



We certify our office projects in the **international BREEAM system**. It is currently one of the most popular environmental certificates in Europe. It is a method that allows us to evaluate buildings according to 8 objective criteria and clearly defined technical parameters: management, health and well-being, energy, transport, water, materials, land use and ecology, pollution. The certificate is a guarantee that we are in an office that is friendly to people and the environment, and that working in such a place is more environment-friendly and pleasant.

Good practice

Zenit I housing estate in Łódź

The reference project, where you can find many examples of green building solutions, is our Zenit housing estate in the Widzew district of Łódź. The construction of the first stage started in the third quarter of 2021. It is the first housing estate designed and built in accordance with the sustainable development strategy of the City of Łódź and a place where technology supports ecology.

Thanks to the co-operation with Veolia - a leading producer and supplier of system heat - the investment will use **photovoltaic systems**. The generated energy will be used to power shared parts of buildings, e.g. elevators, ventilation and air conditioning devices or electric car charging stations. We will also supply the apartments with ecological heat generated in the local Veolia CHP plant.

Zenit will be **an open and green housing estate encouraging residents to undertake various activities in shared spaces**. An alternative to fences will be properly planned vegetation. We move away from creating unnatural external barriers, we create a space where people feel safe, retain their privacy, and at the same time a space that is conducive to meeting neighbours and to building local communities.

Green areas **will be irrigated with rainwater** stored in retention reservoirs. The housing estate will also have a greenhouse where residents will be able to grow



— Echo Investment is the first developer that, with his project, fits both the idea of co-creating the city, which is the foundation of our new strategy, and the process of pro-environmental changes. The housing estate that they are building is more than just a group of blocks, these are very self-sufficient buildings, using renewable energy sources, using rainwater; a place which functionalities will encourage residents to change their habits for the better to benefit the environment. I am glad that Echo and Veolia, their partner, are already involved in the implementation of the new strategy and eco-agreement for Łódź, and together with us they are building a resilient and more self-sufficient city - **Hanna Zdanowska, Mayor of the City of Łódź**, says.



herbs, flowers and vegetables. We have also made sure that the shared spaces are safe and meet the needs of both the youngest and teenagers.

Biodiversity

Our ambition is not only to build modern investments that become places to live, to work, to spend time or to do shopping, but also to create a good urban space. Its element is biodiversity, which has a positive effect on the urban microclimate, fauna and flora and it reduces smog.

In many of our investments, we implement solutions that allow us to achieve a **biologically active surface index** higher than required. We design, i.a. green roofs or walls. Carefully selected vegetation, placed on a fairly large surface of the roof, is a barrier to pollution, absorbs carbon dioxide and produces oxygen.

In buildings, we design comfortable and economical parking platforms (the so-called park lifts), thanks to which we save space. Instead of extensive parking lots, we can introduce a carefully designed and laid out, diverse, rich in trees, shrubs and perennials greenery. What's more, we also make sure that there are houses for insects and birdhouses in the investment area.





Do you know...

Green roofs provide excellent thermal insulation - both in winter and summer. This, in turn, may translate into lower energy consumption and, consequently, lower electricity and heating bills.



Green standards of the Echo Group

- It is important for us to introduce various greenery (the so-called biocenotic groups), of different heights, with different types of plants, giving the possibility of creating various habitats for micro fauna. On one hand, this increases biodiversity and attractiveness and visual diversity on the other.
- We make sure that the tree species we plant, at least partially, are flowering, honey-bearing and / or they have fruits edible for birds. We prefer native species, such as single-necked hawthorn, double-necked hawthorn, wild apple tree, rowanberry, mealy ash, rowanberry Swedish, Norway maple, small-leaved linden, broad-leaved linden. Thanks to them, the number of animal species in the vicinity increases. This improves the stability and biodiversity of local areas.
- Every year, in co-operation with a dendrologist, we carry out a comparative analysis and cost estimate of trees cut down and planted as part of investments carried out by Echo Investment. We also receive recommendations for tree stand management and green projects for our future investments.
- We design publicly accessible spaces, often on communal plots, thanks to which we improve the quality of investments and change the perception of the environment. Often, these are investments with considerable financial outlays, requiring e.g. planting rows of trees, making public squares, reconstructing streets, bicycle paths and green squares.
- We focus on „green integration” in our investments. We organise community gardens for residents, where they have pots, flower beds, greenhouses, where they can grow vegetables, herbs and flowers individually and together. We count on the creativity of the inhabitants and the involvement of children — for them helping in such garden can be a great eco-educational game.





In 2021, we planted

544 trees.

We chose species of the highest environmental value. This way we supported the local ecosystems — by planting native species, with a well-developed trunk and crown, non-invasive, long-life or with an average life expectancy, less prone to breaking, partially honey-bearing, with edible fruits for birds, more resistant to diseases. The trees were most often planted in generally accessible urban areas.



Trees have a special place in our hearts. We start analysing the possibilities of using the existing tree stand at an early stage of the project.

Trees have a special place in our hearts. We start analysing the possibilities of using the existing tree stand at an early stage of the project. We try to avoid the necessity to remove valuable trees and we require that the design documentation includes reliable dendrological information. During construction, we always properly protect trees to be preserved in such a way as to guarantee their survival and proper growth. If we are forced to disturb the existing ecosystem and cut trees down, we compensate the environment few fold. **This is confirmed by the comparative analysis carried out along with the estimate of trees cut down and planted as part of our investments accomplished in 2021.**

In 2022, we commissioned specialists to comprehensively valorize the trees cut and planted in 2021 on our investments and as part of the accompanying investments. In this way, we wanted to assess the impact of our activities on urban ecosystems as a whole. The analysis showed

that the cumulative landscape value of trees planted on all Echo Investment investments in 2021 was six times the value of felled trees.

Upgrading was to assess individual trees and give them an appropriate assessment of how they fulfil their role in the ecosystem. Felling took into account trees for which a permit is required for felling. The following criteria were taken into account in the evaluation of each tree:

- estimated age of the tree,
- species,
- state of health,
- location in the natural system of the city,
- phase of succession and type of cohabitation,
- recreational fitness.

These characteristics influence the extent to which a tree in the city fulfils natural, landscape and recreational functions. Trees felled as a result of the construction project and trees planted by Echo Investment as part of the investments carried out were assessed.



Echo's facts about trees - 2021

As part of our investment and investments in public areas, we planted 544 trees, which is 242 pieces more than in 2020.

- we were selecting relatively young trees, less than 25, but mostly with a well-developed trunk and crown as for their young age,
- they were mainly native species (61%), naturally occurring in the Polish landscape, adapted to the local water and soil conditions. As a result, they develop better, they are more resistant to diseases and pests, they do not require frequent care treatments, in particular watering and fertilisation, which reduces the maintenance costs,
- we have gone for non-invasive, long- or medium-life species, such as European beech, hornbeam or English oak. Thanks to them, stable, self-regulating local ecosystems are created, and they are populated by various species of insects, birds and animals. The selected trees are resistant to the adverse effects of the urban environment and require less care and maintenance. Slower growth and longevity also go hand in hand with less susceptibility to breakage and capsizing (harder and less brittle wood),
- some of the selected trees are honey plants, often with fruits edible for birds, such as wild apple tree, rowan, Swedish rowan, Norway maple or broad-leaved linden. Thanks to them, the number of species present in the environment has increased, which in the long run im-

proves the stability and biodiversity of local areas,

- we mostly planted new trees in generally accessible urban areas (as much as 63%), which is a significant improvement compared to 2020 (only 23%). As a result, the users of these areas have gained new, well-designed and cured recreational areas.

We have cut down 201 trees — mainly ash maples, willows and poplars. These are species of little value both for environment, as well as the city landscape, they are relatively short-life and have brittle wood. As a consequence, they often pose hazard to the safety of people and buildings in their vicinity. Some of the cut trees were located in devastated areas requiring reclamation. We also removed sick, drying or even dry specimens, the condition of which was caused by, among others, many years of neglect resulting from improper care or the lack of it. According to dendrologists, cutting them out did not constitute a significant damage either for nature or landscape.



Good practice

Thanks to the efforts of our implementation teams, we managed to save many valuable trees. When designing the modern Rhythm apartments in Warsaw's Kabaty district, we made every effort to preserve the old trees in this area. The building's garage was redesigned to protect the root system valuable for the local ecosystem of trees. Another example may be the construction of the Enter housing estate in Poznań, where we have properly secured, and thus preserved, four beautiful and old pines located on the plot border.

The obligation to protect trees and shrubs rests not only with the contractor, but also with us - the investor. We follow the principle of limiting the negative environmental impact of our activities. We strive to ensure that the design documentation includes reliable dendrological information. We recommend proposing measures to increase the biological value of the area.

We have compiled all the rules concerning the activities aimed at the protection of trees and shrubs during construction works on Echo investments in the *Tree protection guidelines*. The publication is available to all interested parties, contractors and subcontractors.



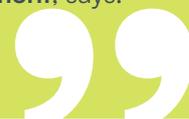
For the sake of the environment:

- if possible and justified, we replant trees that interfere with the investment, instead of removing them;
- we work with municipal green management, neighbours and the local community to find new places for replanted trees,
- if necessary to cut trees down, we replace them with new ones (compensation plantings), in accordance with applicable legal regulations,
- we take special care of trees and shrubs that we keep in the investment area, we protect and watch them,
- we make every effort to ensure that trees and shrubs do not suffer damage during construction works and maintain their viability.

The obligation to protect local ecosystems rests not only with the local authorities, but also with developers, that have impact on the urban space.



— The more trees in our environment, the greater the potential that the air we breathe will be free from excess CO₂ and harmful dusts, which is of particular importance in cities. The obligation to protect the local ecosystem rests not only on city authorities, but also on developers who influence the shape of urban space. All our activities related to vegetation are always carried out in close co-operation with municipal greenery boards, dendrologists and landscapers, and often with the local community or neighbours of our investments in mind - we do not do anything on our own. During construction works, we also take measures to protect tree crowns and the root zone of trees. The whole process is described by our „Tree protection guidelines”. Every year, in co-operation with a dendrologist, we also carry out estimate of trees on our projects. Such an environmental analysis allows us to better manage the tree stand and design greenery for our future investments - **Andrzej Czenczek, Environmental, Health & Safety Manager at Echo Investment**, says.





[201-2]

Risks and opportunities resulting from climate change

We identify activities related to significant aspects of Environment Protection and occupational health and safety hazards by assessing the risks and opportunities, and in this way we define the method of management control. The identification of risks results mainly from the provisions of law and other regulations, as well as from the practice of our organisation. We analyse the risks for each project.



Risk / opportunity resulting from climate change	Risk factor or development opportunity	How the risk or opportunity affects the organisation	Methods used to manage risk or opportunity
<p>Risk:</p> <p>CO₂ emission in the construction process and the need to reduce it</p>	<p>Due to the high impact of construction on CO₂ emissions, regulatory appropriate measures are taken in the environmental aspect to minimise it. Therefore it is necessary to regularly adapt our activities to increased environmental requirements, use more expensive materials, new procedures, etc.</p>	<p>Risk: Increasing costs</p> <p>Opportunity: Competitive advantage (as a large entity, we have much better facilities and the potential to quickly adapt to environmental requirements, as well as to promote them in our projects)</p>	<p>Testing the potential of using new materials, new construction methods (e.g. modular construction), on-going monitoring of environmental requirements and adapting to them, membership in industry organisations that also deal with these issues and monitor changes (e.g. PZFD)</p>
<p>Opportunity:</p> <p>The need to counteract the phenomenon of urban sprawl into the suburbs</p> <p>Moving away from the mono-functionality of large urban areas towards mixed functions</p>	<p>Conscious urban planning policy is aimed at increasing the density of cities and preventing them from spreading to the suburbs. This is in line with the Echo Investment's strategy, which assumes involvement in city projects, in well-connected and well-developed places. What's more, operating in various sectors of the real estate market and the ability to combine functions within one project are consistent with the policy of building multi-functional cities, which offer residents the access to the most necessary amenities in a short walk or a bike ride.</p>	<p>Opportunity: The authorities have a more positive approach to projects that are in line with the city's strategies, and support them more willingly. By designing and building the city in accordance with global trends and long-term policy, we gain the trust of not only city authorities, but also contractors (including banks financing our projects), as well as clients</p>	<p>The company's strategy and the resulting strategy for purchasing plots, focused on looking for developed areas, located within the city limits, preferably large, where multi-functional projects can be situated and they can offer full social infrastructure (greenery, shops, roads, sidewalks, city benches, etc.)</p>



Impact of our investments on environment and climate

In the Echo Group, we have set clear goals regarding the waste generated at construction sites. Our first choice is to segregate construction waste into fractions already at the construction site. Waste containers are marked in

detail and contain information about the types of waste and their code. We also provide containers for hazardous waste and the possibility of segregating municipal waste.

Good practice

We control chemicals used on construction sites. At the design stage, we follow guidelines for chemical materials classified as **low, medium and high risk** (COSHH list of hazardous substances). These materials are also divided according to recommendations for use: **whether they can be applied without additional restrictions, they need to be analysed whether there is a safer alternative or if they absolutely must be substituted with a safer alternative.** The categories of hazards that we identify are: toxicity, corrosivity,

irritation, health hazard, compressed gas, oxidising properties, explosiveness, flammability, environmental hazard. We always recommend designing with the use of chemical materials that are safe for the user and the environment. Whenever the project envisages the use of chemicals other than those listed or high-risk substances, the selection must be confirmed by the Environmental, Health&Safety Department of Echo Investment.

At our construction sites, prior to the commencement of works, among other activities, we secure trees. In the case of works generating a lot of dust, we sprinkle the structure with water. We reduce exhaust emissions by using modern equipment that meets Euro 5 standards. During the demolition, our subcontractors on-site pre-segregate the post-demolition material into steel, reinforced concrete, brick rubble or waste tar paper. The companies we work with are required to segregate waste from our construction sites and provide us with waste cards together with confirmation of the amount of collected waste.

In 2021, as much as 96.4% of waste collected from our construction sites was segregated, and only 3.8% was landfilled. To strengthen control over the segregation and the re-use of raw materials, in 2022 we want as much as 60% of waste to be segregated at the construction site.

Good practice

Our office in Kielce - Astra Park, since the beginning of 2021 has been using only renewable energy - 100% of consumption comes from green sources.

[302-3]

The annual demand for non-renewable primary energy in residential buildings put into use in 2021 is 81.8 kWh / m² per year. For comparison, in 2020 it was 77.1 kWh / m² per year. In both years, the indicator was significantly below the standard set for residential buildings at 85.0 kWh / m² per year.

[302-1]

Energy consumption in the offices of Echo Investment — in the Astra Park in Kielce and in Q22 offices in Warsaw as well as in the Warsaw Breweries is presented in the table below:

Electricity consumption in Echo Investment's main offices in Kielce and Warsaw

		2020		2021	
Energy sources		Consumption [kWh]	Consumption [GJ]	Consumption [kWh]	Consumption [GJ]
Renewable sources:	biomass	10,939.82	39.35	8,433.66	30.34
	biogas	1,717.01	6.18	606.01	2.18
	wind power	171,774.84	617.90	148,286.36	533.40
	solar energy	2,869.86	10.32	3,560.32	12.81
	large hydropower	4,169.89	15.00	4,974.34	17.89
	small hydropower	2,943.45	10.59	1,237.27	4.45
	Total consumption of energy generated by renewable sources	194,414.87	699.33	167,097.97	601.07
Non-renewable sources	hard coal	115,015.25	414.05	150,896.87	542.79
	lignite	51,191.48	184.29	38,734.24	139.33
	natural gas	23,670.23	85.21	21,462.91	77.20
	others	5,568.02	20.03	3,711.82	13.35
	Total consumption of energy generated by non-renewable sources	195,444.98	703.59	214,805.83	772.68
Electric energy — total consumption		389,859.85	1,402.92	381,903.80	1,373.75

* incl. fuel oil, coke oven gas, blast furnace gas, sludge, gas

The index provides information on electricity consumption in Warsaw and Kielce offices; PGNiG, PGE, Tauron, E.ON/innogy/Plus Energia are the electricity suppliers that also provides information about the energy mix.

[303-5]

Total water consumption in the offices of Echo Investment - Astra Park in Kielce and in Q22 offices in Warsaw and in the Warsaw Breweries

Total water consumption from all areas	1,200,7	m ³
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— The world around us is changing very fast. We are becoming more and more mobile and less attached to things. We buy differently than before, we use apartments and city spaces differently, so we need practical solutions that will make our life easier. In our projects, we include not only solutions that are obligatory in our industry, but also those that will become a standard yet in a few years. We set trends. We develop very complete spaces, where one can live, work, study, rest and spend quality time with loved ones. There is greenery and infrastructure available to local residents and the space really becomes a part of a sustainable city. We use new technologies and intelligent solutions that improve the comfort of life of residents and the level of their safety. The time between the start of designing the housing estate and the moment of handing over the keys is several years, so when designing today, we think about the needs of tomorrow's customers. We already offer the Echo Smart system as a standard in our estates. It allows to wirelessly manage a smart apartment using voice commands or remotely via a smartphone application. Another smart solution is Echo Life Services, which facilitates contactless opening of front doors, wickets, gates and calling the elevator, picking up and sending parcels at any time, charging electric vehicles with billing of energy consumed or locating shared mobility hubs, such as parks for cars, scooters or electric bicycles. It all makes life easier, it is an expression of concern for the environment, and at the same time it increases the value of the purchased investment - **Dawid Wrona, Director of Apartment Sales at Echo Investment**, says.

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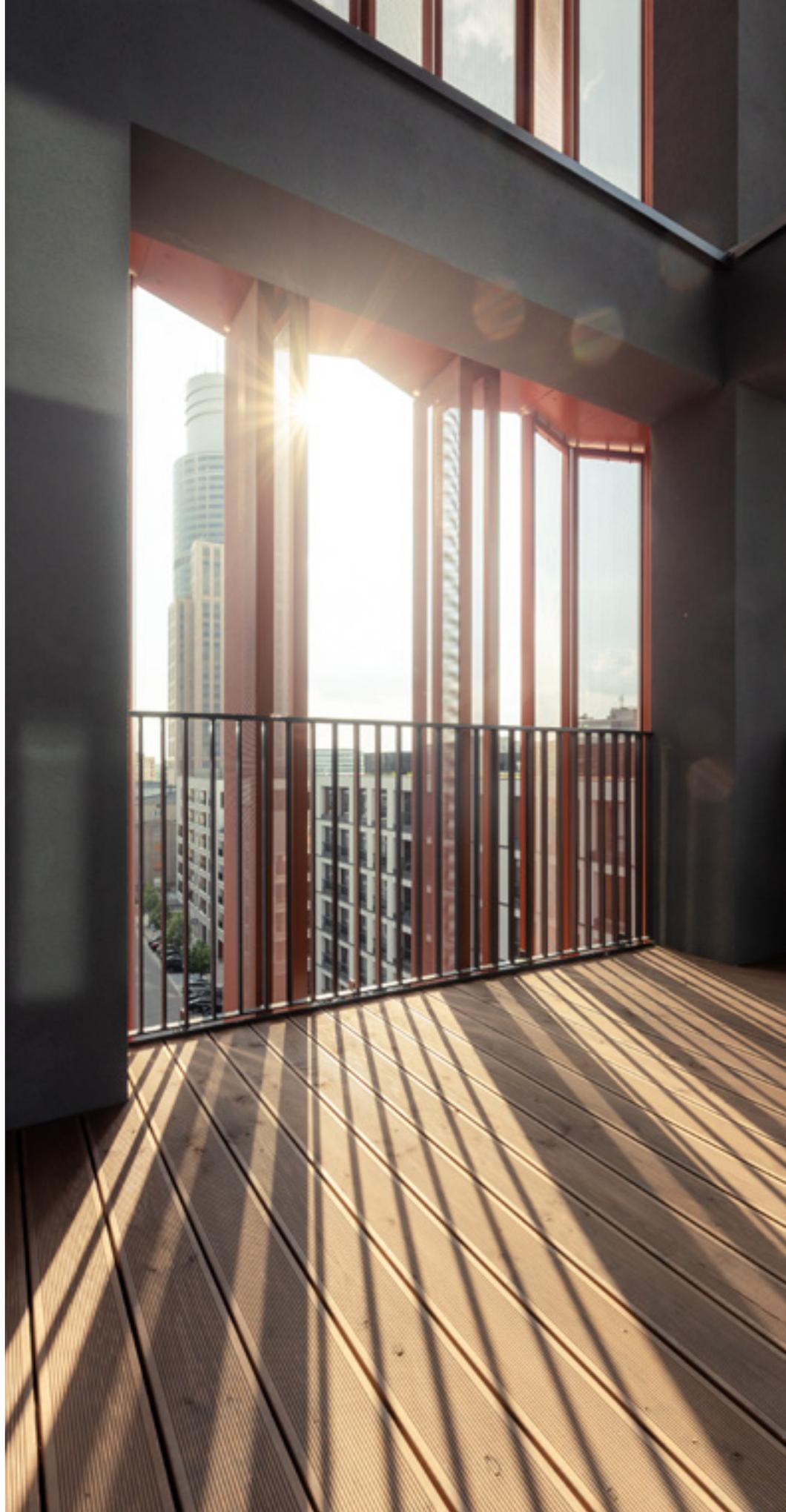


Buying one's own apartment is often one of the most important decisions in life. Renting an office or service premises can be a decisive factor in business success. We know the importance of decisions on the real estate market, therefore we approach each client individually. Understanding their needs gives us a guarantee that we are building a loyal relationship based on high ethical standards.

Our clients are either individuals who buy apartments for themselves or their families, as well as investors who buy them to locate capital or those, who approach them as an investment for retirement. Our clients are also companies renting office or commercial space for their activities and large international funds specialising in real estate, purchasing entire office buildings, residential buildings and shopping malls.



Among the declared reasons for buying an apartment from our offer, customers indicate a good location, the reputation of Echo Investment, an attractive price and the quality of architectural design.





[103-1, 103-2, 103-3 Aspect: Marketing and brand]

Customer service standards

[417-3] [417-2]

The purchase of an apartment is one of the most serious purchasing decisions we make, so the starting point for building a relationship with the client is for us a focus on their needs and a skilful communication. From the sales perspective, it is important to choose communication tools that will allow the customer to realistically assess the quality of the apartment, understand all aspects of a potential transaction, and, as a result, help the customer make a rational decision to buy an apartment at Echo Investment. Booklets, information brochures, digital solutions, online meetings, sales applications - all this provides a sense of comfort and security. We always provide access to complete and reliable information about our projects. In 2021, we did not have any reports of non-compliance of information included in our marketing materials or information

brochures, as well as provided during direct meetings with account managers with the regulations.

The source of knowledge about our plans and investments is primarily our website and project websites. It is also an invitation to contact us. We inform as well about all projects through local, national or industry media. We value the insights of local communities, customers, Echo employees, business partners, shareholders and the media. We know that each group has a different perspective, so reviewing all suggestions increases the quality of our housing estates or offices.



[417-1]

An element of the preliminary contract for the purchase of an apartment is always the investment prospectus, which is a compendium of data about the apartment and also a binding obligation for us. In addition to information about our company, the booklet is a source of knowledge about the location of the housing estate and its immediate vicinity, the areas of premises, the layout of rooms, the standard of finishing works and parking spaces. In the booklet, we also present important differentiators of the investment, which may be of key importance for the client, as they indicate its long-term value.

[103-1, 103-2, 103-3 Aspect: Customers' privacy]

[418-1]

The nature of our business requires the processing of customers' personal data. Throughout the company, we pay the utmost attention to its protection. In 2021, we did not record any breach of customer privacy or a loss of personal data.

Good practice

Website — we prepare a separate website for each of our investments, presenting to the client all key information for the project: from basic technical data, through its advantages, to the information about the area, its character and history. It is also the place of first contact with the investment supervisor. Each website undergoes advanced security tests which guarantee the confidentiality of customers' data.

Online vs print — all marketing materials that we provide to clients are not only in a hard copy, but also in the electronic form. We encourage and promote the use of online materials, which results from our care for the environment.

Technologies vs offline — we provide our clients with access to the cutting-edge forms of contact with project supervisors, in particular via mobile devices, as well as virtual walks around the future investment, which investment clients appreciate the most. We are also still available offline in our sales offices, we make it possible to see in person the future place of residence - this form of contact is most appreciated by people who buy apartments for themselves.

Net Promoter Score (NPS) — at key stages of customer service, we check overall satisfaction with our service and product. We ask to fill the questionnaire, and we use customer feedback to improve communication, services and service quality.





Innovative solutions for the comfort of residents of our housing estates

Our buildings are cutting-edge projects. Our housing estates not only have functional and stylish buildings - behind a modern shape there are modern technologies. Innovative solutions accompany the client both during the presentation of the apartment and at the stage of its purchase, and - above all - after moving into apartment.

For the convenience of our clients and to save their time, we have digitalised a large part of the entire process related to the purchase of an apartment. Our consultants, during online meetings, present models of projects and the investment area - all created in the virtual reality (VR) technology. We take our clients for a virtual walk and facilitate to them to learn better all details of their future place to live or of an investment. Further on, customers who

decide to make the purchase can **conclude a reservation agreement remotely**. We are also the first developer in Poland to implement **remote acceptance of apartments**. Already for 3 years, our clients have been saving their time accepting their apartments via a tablet with a special application that connects them with our employees and facilitates an efficient accomplishment of the acceptance process.





Good practice

The reservation agreement is the first formal step in purchasing an apartment, which until now required the parties to the transaction to be physically present at the same table. In the interests of the safety and comfort of customers, thanks to co-operation with Asseco Data Systems and Samsung Electronics Polska, we apply a system that uses biometric technology and ubiquitous mobile devices that allow for the full digitisation of this process. This eliminates the need to sign the paper version of documents during a meeting with the advisor.

A verified digital signature is simple and secure, it saves time and simplifies the paperwork. The details of the contract are agreed at remote meetings between the advisor and the client. Signing documents directly on a smartphone is possible thanks to a special application that allows making both a handwritten biometric e-signature and a qualified e-signature. The process is additionally secured with a qualified electronic seal. This gives the buyer a document that is legally effective. Our clients have been successfully using this solution for over a year.

The progressing digitisation of the apartment sale process means fewer paper documents in circulation, it reduces the number of physical visits and thus — it saves time of both parties, as well as helps environment by reducing the carbon footprint.

Our **Aurelia chatbot** also helps our customers find the best apartment. Aurelia is available on the Internet and has extensive knowledge of our investments. Thanks to her tips, people looking for an apartment can find the best offer for them, and then discuss the details with the sales office advisor during an online meeting. Aurelia has access to a full database of offered apartments and, based on the criteria provided by the interlocutors, it is able to find the one that meets their expectations in a few seconds. Users can, for example, specify what is their budget, what space they are looking for, the number of rooms or the preferred exposure to the sides of the world. Conversation with Aurelia is possible via Messenger and on the websites of all housing investments. The chatbot uses Dialogflow artificial intelligence technology developed by Google. Thanks to K2Bots.AI programming solutions, its capabilities have been integrated with our company's IT systems, and it uses both databases on housing products as well as co-operates with CRM, Marketing Automation and Business Intelligence solutions.

In 2021, we launched a new version of the **My Echo** platform - a customer service panel available following the purchase of an apartment or premises. We have added the possibility of quick payments and quick replies.

— **Quick payments, synchronised with the repayment schedule** — the user has an on-going overview of how much and for what he has already paid, as well as what payments are pending and when. He also has access to invoices and electronic payment confirmations.



- **Live chat with an attendant** — the client can obtain basic information in real time, with no need to use a hotline or to wait for a reply to an e-mail. Answers to frequently asked questions and a description of the next steps that await the buyer after signing the developer agreement can be found in the tutorials area.
- **Calendar of meetings** — thanks to the calendar, customers can arrange the acceptance of the premises, a notarised deed and a meeting with an architect or a financial advisor. They also have access to apartment plans, investment documents and forms needed during the process of purchasing and accepting the apartment.



— We check on an on-going basis what are the expectations of our clients and what sort of needs they have. To measure up to their expectations, we implement solutions that facilitate the entire process of buying an apartment, especially during a pandemic, when expectations towards online communication were constantly growing. We have added quick payments, live chat and a meeting calendar to the standard functions, i.e. the electronic signature and the My Echo platform, probably as the first developer in Poland. This is another step on the way to improving communication with our clients and providing them with services that increase the level of their satisfaction. In the first week of launching the new panel, over 950 clients used it actively - **Marta Buczma, Customer Service Manager at Echo Investment**, says.

The latest technologies are also available in the premises we offer. Their owners can use the intelligent apartment management system - **Echo Smart**. It integrates multiple devices and allows for their easy management, according to individual needs. Echo Smart allows aggregating intelligent functions around the "heart" of the system - the control panel and the automated functionalities installed. The smart home standard provides the customers with: a control unit, a light dimmer and an intelligent thermostatic head. This package is just the beginning of the adventure with an intelligent apartment, which allows to control lighting, temperature, as well as manage roller shutters, locks, alarms or TV and household appliances - in accordance with the customer's needs. In 2021, we equipped 1,464 apartments with such systems - 4,536 devices were installed in them. A year earlier, there were 879 apartments and 5,920 devices.

As the first developer in Poland, in 2021, we signed an agreement with InPost and introduced parcel lockers for new residential investments. Earlier, we were also the first to add voice control in the Echo Smart - an intelligent home management system - as a standard in apartments, and we provided Wi-Fi in the shared parts of the estate. In all new investments we have also introduced - as a standard - smart home devices supported by the Amazon Dot speaker. It allows managing all the functionalities of a smart home using voice commands. The first project with this solution will be the fourth stage of the Enter housing estate in Naramowice in Poznań.

We are introducing a special **Blue Bolt** application in all newly commissioned housing estates. Following installation, the user's smartphone is automatically recognised and automatically opens the garage door or the barrier, calls the elevator and selects the appropriate floor, and even - after clicking on the notification on the phone - opens the door to the apartment. The application successfully replaces keys and entrance cards, and at the same time - in the face of a pandemic - increases the safety of residents, allowing for virtually contactless movement around the housing estate.

6.

About the report



[102-45]

This report describes the sustainable development of the Echo Group:

- the parent company - Echo Investment SA and its subsidiaries - mainly special purpose vehicles established to implement development projects,
- Echo ACC (accounting shared services centre for Echo Investment SA and special purpose vehicles),
- CitySpace (flexible rental of office space).

Additionally, due to the 30% share of Echo Investment, in selected parts of the report we refer to the practices of Resi4Rent, which is the largest apartment rental institution in Poland, as well as - incidentally — to the Młociny Shopping Mall or the Towarowa 22 project.

[102-51] [102-52] [102-53] [102-56]

This report is the second sustainability report of our organisation. The previous one was released in 2021 and referred to 2020. The Group reports on an annual basis. The report has not been subject to external verification.

[102-50] [102-54]

The report was prepared in accordance with GRI Standards at the "Core" compliance level. It covers the activities of the Echo Group in Poland from January 1 to December 31, 2021 and is a continuation of the previous report.

[102-46]

When preparing the publication of the report, we analysed the conclusions from and the feedback on the first sustainable development report. We have prepared a broad list of topics related to the sustainable development of our organisation, industry, as well as global and local challenges in this aspect. Next, we compiled a list of representatives of our key stakeholder groups whom we surveyed to find out which of the identified topics they considered material. In total, we received 86 responses from the following stakeholder groups:

Customers	36
Employees	18
Subcontractors	10
Media	6
Suppliers	4
Other (industry and non-governmental organisations, academics, competition)	12

[102-44] [102-47]

In the dialogue process to which we invited stakeholders, we asked for an assessment of the materiality of a broad list of topics in the context of the Echo Group's impact and impact on the Echo Group. As a result of stakeholder engagement, we received a list of topics considered key by the respondents.

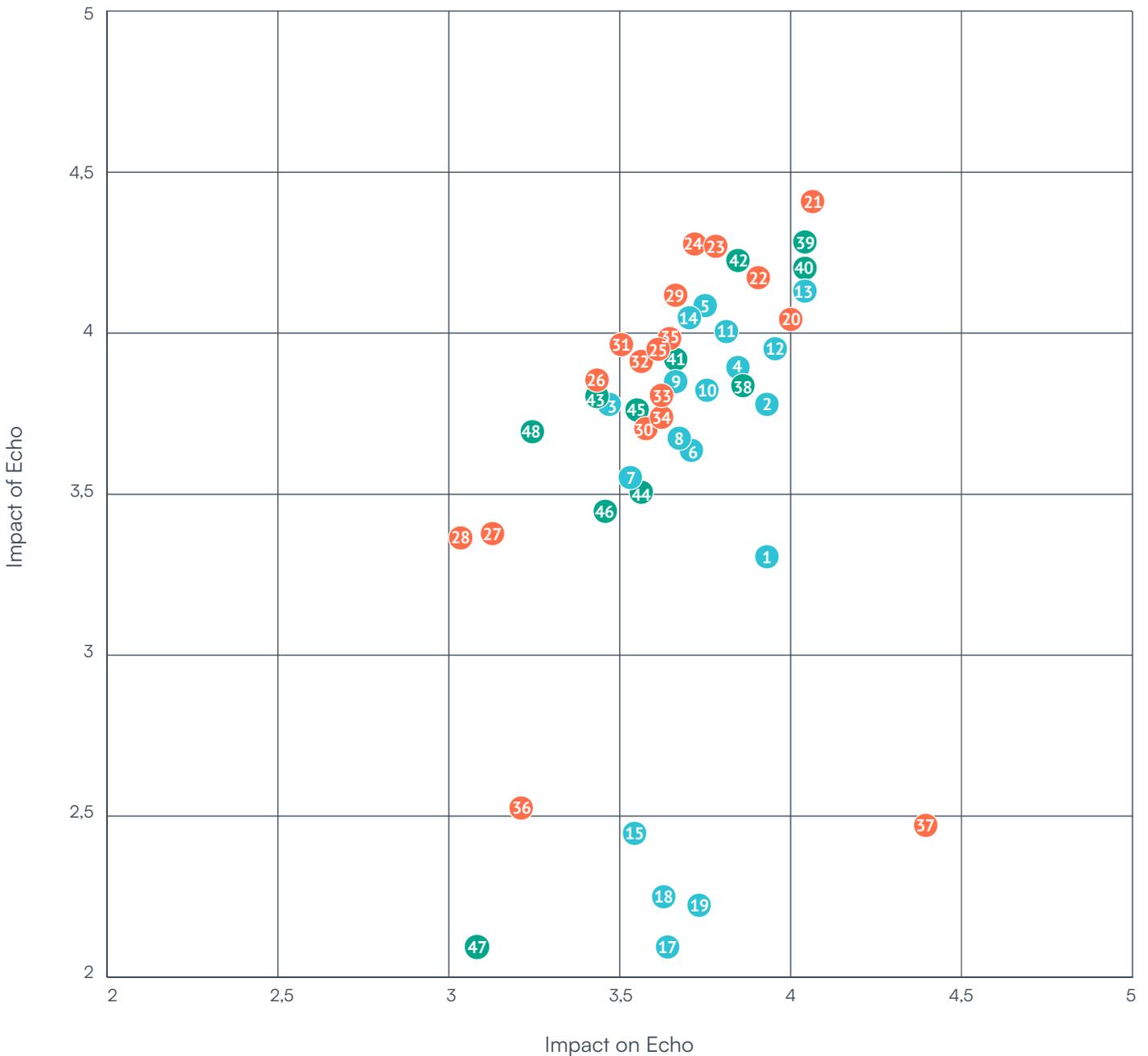
	Impact of ECHO	Impact on ECHO
● employee health and safety *	4,40	4,07
● anti-discrimination **	4,29	3,76
● diversity and equal treatment **	4,27	3,80
● Green Building	4,26	4,01
● waste management	4,20	3,85
● energy consumption	4,19	4,00
● employee well-being **	4,18	3,92
● supporting the development of sustainable cities	4,17	4,01
● employee rights **	4,12	3,65
● subcontractors' social and environmental responsibility	4,07	3,74

* In 2021, Echo Investment took over the controlling stake of Archicom. However, the company was not included in this report due to the incomplete year of consolidation and the need to develop a common approach to issues related to sustainable development.

** Issues relating to both employees and subcontractors of the Echo Group.



Materiality matrix based on stakeholder survey results.



- | | | |
|---|---|--|
| 1. national economic growth | development | 19. global problems in supply chains (reduced availability of goods) |
| 2. employment and job creation | 10. ethics and anti-corruption | 20. education and development of employees* |
| 3. health and safety of clients | 11. incorporating environmental and social issues into requirements for suppliers | 21. health and safety of employees* |
| 4. sustainable supply chains (social and environmental responsibility of suppliers) | 12. innovativeness | 22. well-being of employees* |
| 5. social and environmental responsibility of subcontractors | 13. supporting sustainable city development | 23. diversity and equal treatment* |
| 6. entrepreneurship | 14. client data security | 24. anti-discrimination* |
| 7. development of small and medium-sized enterprises | 15. economic crisis resulting from the SARS-CoV2 epidemic | 25. human rights* |
| 8. impact on the job market | 16. instability of raw material prices (e.g. coal, gas) | 26. freedom of association* |
| 9. sectoral cooperation for sustainable | 17. unstable economy in Poland and Europe | 27. forced labour* |
| | 18. inflation | 28. child labour* |



- 29. employee rights*
- 30. development of local communities
- 31. community and charitable activities
- 32. social involvement / relations with local communities
- 33. social investments
- 34. health and healthy lifestyle of employees*
- 35. creation of self-sufficient/self-sustainable urban areas
- 36. international migrations (increased number of migrants in Poland)

- 37. stratification of society
- 38. use of natural resources - water, aggregates
- 39. green building
- 40. energy consumption
- 41. carbon footprint
- 42. waste management

- 43. impact on biodiversity
- 44. environmental awareness of society
- 45. use of plastics
- 46. environmental degradation
- 47. severe weather events
- 48. use of hazardous materials and products

* Issues relating to both employees and subcontractors of the Echo Group.

We have analysed the key topics defined by the stakeholders internally and they were reflected in the content of the report.

Temat	Rozdział
employee health and safety	Chapter 3. Stable employment
anti-discrimination	Chapter 3. Stable employment
diversity and equal treatment	Chapter 3. Stable employment
Green Building	Chapter 4. Respect for environment and climate
waste management	Chapter 4. Respect for environment and climate
energy consumption	Chapter 4. Respect for environment and climate
employee well-being	Chapter 3. Stable employment
supporting the development of sustainable cities	Chapter 2. Our contribution to economy and sustainable development of cities
employee rights	Chapter 3. Stable employment
subcontractors' social and environmental responsibility	Chapter 2. Our contribution to economy and sustainable development of cities

[102-53]

All comments to the report, opinions and suggestions should be addressed to the press officer of our company.

Contact data

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[102-55]

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