

# SUSTAINABLE DEVELOPEMENT REPORT

2021



# LETTER FROM THE CEO

## GRI 102-14 LADIES AND GENTLEMEN,

One of the key elements of our business is transparency in our approach to management. Therefore, we present Cavatina Holding's first ESG (Environmental, Social and Corporate Governance) report, presenting the activities we conducted in 2021 in the areas related to the environment, society and corporate governance. It also contains a comprehensive summary of all our activities in these areas since the Group's inception. In preparing the report, we performed a needs analysis concerning the scope of non-financial information presented by the industry and listened to the needs of our stakeholders, as we believe that incorporating their opinions into our decision-making processes will allow us to develop better, define the directions of our strategy more precisely, and adapt to the environment. This way, we want to emphasize that in addition to business objectives, it is also worth focusing on the aspects of positive impact on the communities and the environment, urban space and sustainable development.

We are aware of the enormous role of the entire sector in contributing to halting global warming and countering the climate crisis, and we address the environmental challenges facing the real estate industry and the economy as a whole with full responsibility.

The Group's aspirations focus on decarbonization of the environment by investing in energy-efficient and environmentally friendly office developments. When planning our projects, we focus on developing places that respond to the needs of the local communities and modern business in terms of care for the environment and the well-being of their users.

Our responsible approach to environmental challenges is confirmed by the fact that all the buildings developed within the Cavatina Group, since its inception, have been distinguished by the BREEAM environmental certification, initially at the Very Good and currently at the Excellent level. All buildings have obtained high marks in the key categories: location and accessibility, application of solutions reducing water and energy consumption, and use of pro-environmental and ecological materials.

The company also made the decision to certify its entire project portfolio to the WELL Health & Safety Rating™ standard, which is a rigorous building safety rating system for health-enhancing requirements developed by the International WELL Building Institute™.

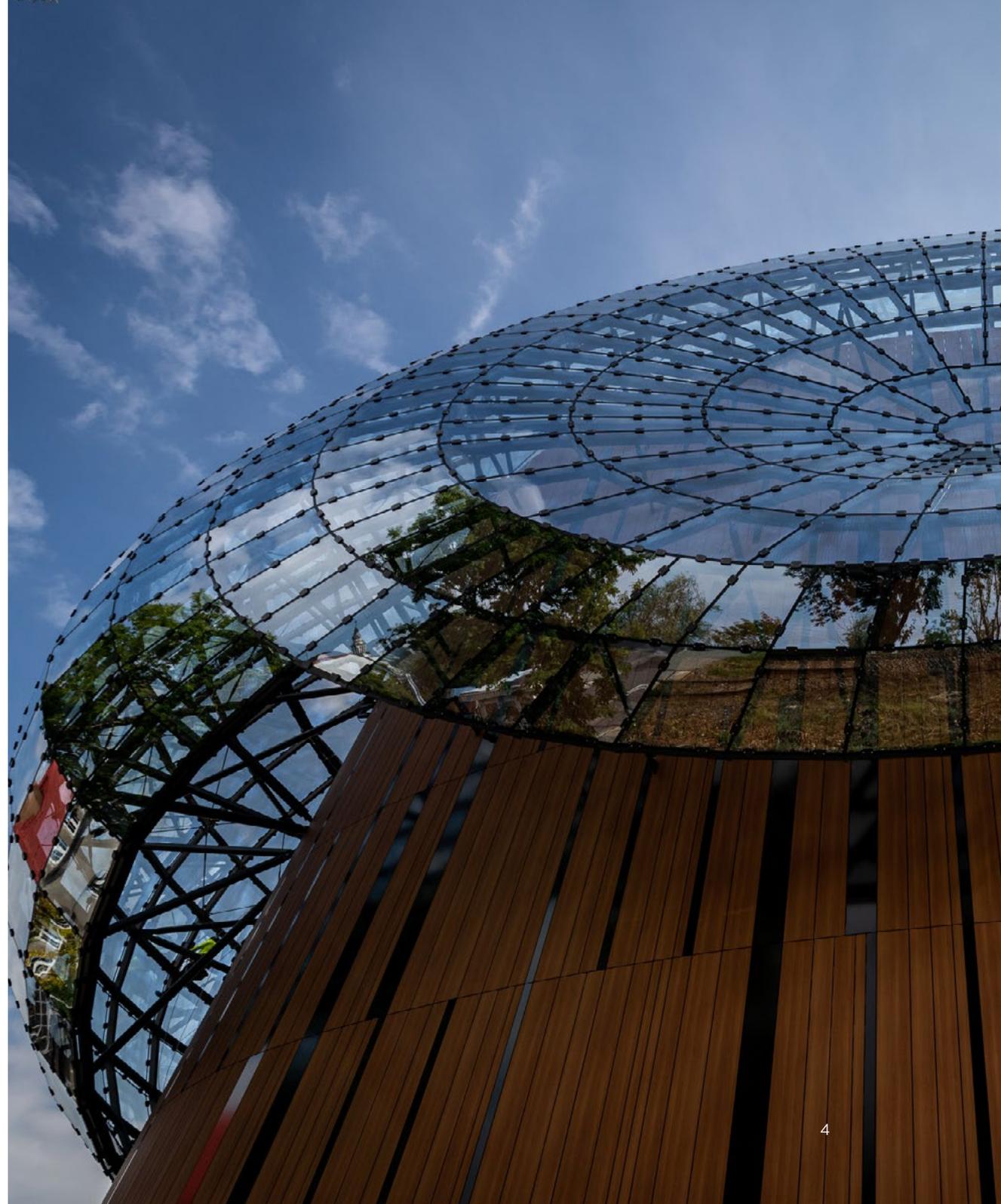
Our work goes beyond basic thinking about the necessary ESG elements. We define this as our extended responsibility - we are active in areas related to education, health, culture and arts. We develop spaces not only for our clients but also for the benefit of local communities, as evidenced by the innovative design of the already completed Cavatina Hall building, which was developed as part of a larger concept of revitalization of key spaces in Bielsko-Biala. With the support of the Cavatina Holding and the Fiducia Foundation, the team of experts from the Holistic Think Tank seeks answers to the question of what is modern education and promotes new ideas and systems for organizing education, or a cultural project: Cavatina Film Production, which produces and promotes independent cinema. Among other things, this is how we understand our role as a business operator in shaping sustainable development.

It is worth noting that we are also one of the pioneers of a new approach to urban space, i.e. mixed-use developments, which constitute a significant portion of our projects. They are characterized by a thoughtful selection of key functions which, in turn, allows to support the creation of a compact and self-sufficient urban fabric in accordance with the idea of a fifteen-minute city. In addition, our projects are distinguished not only by their original architecture and modern finishing, but also by the care we take in restoring and nurturing urban space, including, among other things: greenery and location-specific common spaces for recreation and meetings.

**PRESIDENT OF THE MANAGEMENT BOARD**  
**RAFAŁ MALARZ**



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# CAVATINA HOLDING

# CAVATINA HOLDING GROUP AND ITS BUSINESS

THE CAVATINA HOLDING S.A. GROUP IS ONE OF THE LEADERS  
IN THE POLISH OFFICE REAL ESTATE MARKET.

In terms of the scale of its business, including the number of cities, in which projects are conducted or prepared, the Group is one of the leading office space developers in Poland. Our core business is to execute development projects consisting in the construction of large Class A office buildings, and then to manage the properties, earn rental income and sell the commercialized buildings, provided a satisfactory price is obtained. The Group focuses on developing projects ranging from 20,000 sqm GLA<sup>1</sup> (single buildings) to 100,000 sqm GLA (complexes of office buildings, the so-called office parks).

The Group's strong position is based on:

- its own stable capital base, regularly supplemented with debt financing in order to increase the rate of return earned on the projects,
- many years of experience of the team of managers and associates responsible for the implementation of individual stages of each project,
- the skills and the capacity to execute property development projects in a comprehensive manner, including the function of the architect and general contractor, which translates into an optimal approach to the project schedule and budget,
- cooperation with dozens of tested and reliable sub-contractors responsible in each project for the execution of specific construction and assembly work and leading suppliers of construction materials.

Our activity is based on a proprietary, tested business model allowing the Group to conduct all the material business, design, procurement and oversight processes associated with the execution of office development projects, except for direct execution of construction and assembly works, which are executed by trusted contractors.

**Our projects are characterized by the highest aesthetic, quality and technical standards,** which allows it to create the architecture that distinguishes its buildings within its neighborhood, with high quality interior design and high finishing standards, featuring technologies - all this aims to improve the comfort of employees. Common spaces, such as relaxation zones, green spaces, and publicly accessible terraces are also an important element in the design.

**We place special emphasis on sustainable construction.** This is reflected, among other things, by the fact that projects are executed with optimized parameters in the areas of energy saving and water consumption and equipped with efficient and people-friendly ventilation and air conditioning systems. We also attach great importance to the city-forming role of our projects, making sure that they are a natural fit within the existing urban fabric, restore the aesthetic appearance of the space and satisfy the needs of local communities. Many of our projects are mixed-use complexes in which office space is integrated with facilities fulfilling other functions, including cultural (concert and conference hall) or residential for lease, with the Resi Capital S.A. Group being responsible for the development of the residential part. These types of projects best address a variety of location-specific needs. The

<sup>1</sup> GLA (gross leasable area) A measure of area used to determine rented space in commercial buildings..

Group also plans to develop smaller projects, located in prime locations, with a very high standard of aesthetics and finish (so-called boutique projects).

**Our projects are certified under the international BREEAM system as Very Good or Excellent.** They receive high marks in all key categories - from location and transportation accessibility, through the use of water and energy saving solutions, to the quality and pro-environmental nature of the materials. The Group has been committed to ensuring that its new facilities meet the highest standards of health and well-being for the people working in them, which is reflected in its efforts to certify the facilities under the WELL Health & Safety Rating system.

**In recent years, the Group has won several significant awards confirming the quality and uniqueness of the architecture of the buildings designed by it.** Our goal is to be among the companies paving the way for others in the industry and to make a real contribution to achieving the sustainable development goals. We operate exclusively in Poland, where our presence involves the construction of facilities in Warsaw and in key regional markets. Decisions on future projects are based on, among other things: an extended property surveys, expert reports and analyses on the demand for office space, estimated achievable rent rates, availability of vacant land properties with attractive location and price, and estimated development costs.



**WE CARRY OUT PROJECTS IN POLAND'S BIGGEST CITIES**

**SELECTED PROJECTS:**

**GDAŃSK  
PALIO OFFICE PARK**

Functional office and retail complex. A complex of modern buildings is being erected on the site of the Gdańsk Shipyard in the surroundings of the emerging new business and cultural center of the city.



**WROCLAW  
CARBON TOWER**

Carbon Tower is a Class A office building in the western business district of Wrocław. In the interest of work comfort and space for regeneration, a spacious green terrace was designed on the lower part of the building, accessible directly from the office space. In addition, thanks to the presence of numerous services around the office building and in the building itself, including a canteen and a kindergarten tenants save time in meeting their daily needs.



**WROCLAW  
QUORUM**

A mixed-use complex offering work, living and recreational space. It will comprise retail premises, terraces and green spaces available for employees and residents. In addition, there will be an observation deck, offering a panoramic view of the city.



**BIELSKO-BIALA  
CAVATINA HALL**

A unique multi-use facility. The complex uniquely combines office and cultural functions. In addition to office space, one of the two buildings houses a conference and concert hall and a recording studio.



**KRAKÓW  
TISCHNERA OFFICE**

One of the greenest office buildings in Kraków, providing ample access to green terraces. Users of the office building enjoy high quality work space, but they can also find a moment of relaxation on the internal patio with numerous green zones, a pond and fountains



**WARSZAWA  
CHMIELNA 89**

An office building with an undercut shape resembling a crystal, located in the center of Warsaw and designed with the existing and planned developments in this part of the city in mind. The users of the building can take advantage of the services available on the ground floor and the numerous green terraces.



**ŁÓDŹ  
WIMA WIDZEWSKA MANUFAKTURA**

The WIMA site will regain its former glory and have new functions while respecting the historical heritage of the place. A mixed-use project will be created here, offering, among others, offices, retail and service units, apartments and recreational spaces, while the green heart of the development will be a revitalized 100-year-old park with a fountain.



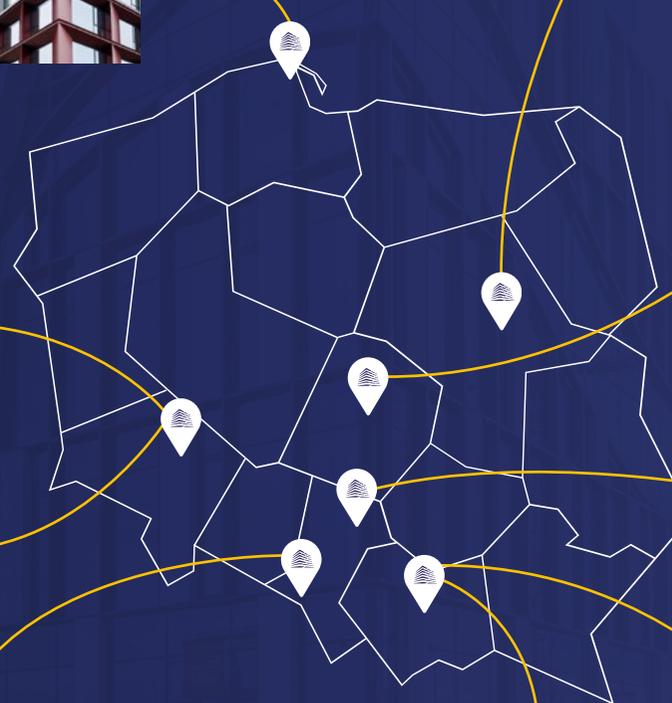
**KATOWICE  
GLOBAL OFFICE PARK**

Two office towers that will also house dining and retail. The users of the project will gain space to relax from work and the hustle and bustle of the city on the green terraces.



**KRAKÓW  
OCEAN OFFICE PARK**

The location of the project provides direct access to public transportation and an efficient connection to each district of the city. The architecture of the complex uses the inspiration of the ocean - overlapping layers of glass with wavy cut lines give the effect of lightness and association with the curves of ocean waves. For lovers of two wheels there will be bicycle parking spaces and an extensive infrastructure for cyclists, and there will be large green areas for users to relax. Among other things, the complex will be equipped with a modern technological tool for office space management.



## WE DISTINGUISH TWO GROUPS OF CLIENTS BASED ON THE STAGE OF DEVELOPMENT OF OUR PROJECTS

The first group is comprised of tenants of office space put into operation upon completion of each facility, acquired by the Group during the commercialization phase. These include multinational corporations, large players with operations across the country, and smaller local entities interested in high-end office space.

The second group of clients includes those interested in acquiring a commercialized property for investment purposes. Revenues earned from this client group showed a high level of concentration, which is a natural feature of this type of business.



**completed projects**  
over 240,000 sqm of GLA



**projects sold**  
over 80 thousand sqm,  
over PLN 900 million



**sqm of projects**  
to be developed  
in the coming years

## KEY INFORMATION ABOUT THE GROUP AS AT THE REPORT PUBLICATION DATE

253

**Number of employees  
and associates**

1

**registered office  
in Kraków**

1

**branch in  
Bielsko-Biała  
and regional  
sales branches**

PLN 375 million

**Net revenues**

PLN 2.5 billion

**Total value of assets**

PLN 1.2 billion

**Financial liabilities**

SINCE THE BEGINNING OF ITS OPERATIONS, AS AT THE DATE OF THE REPORT, THE GROUP HAS COMPLETED THE CONSTRUCTION OF 14 OFFICE PROPERTIES WITH A TOTAL AREA OF OVER 240,000 SQM GLA.

Five of them, with a total area of over 80,000 sqm GLA, were sold to external entities in transactions with a total value exceeding PLN 900 million. The following properties, with a total area of over 80,000 sqm GLA, have been commercialized to at least 75%. In 2021 alone, the Group has obtained occupancy permits for three of its facilities, the last stage of the Equal Business Park (D) and the first buildings in the Palio Office Park and Ocean Office Park projects. Current projects, with a total area of over 170,000 sqm GLA, include buildings within Quorum, Palio Office Park, Ocean Office Park, Global Office Park and Widzewska Manufaktura complexes.

## SALE OF THE PROPERTIES

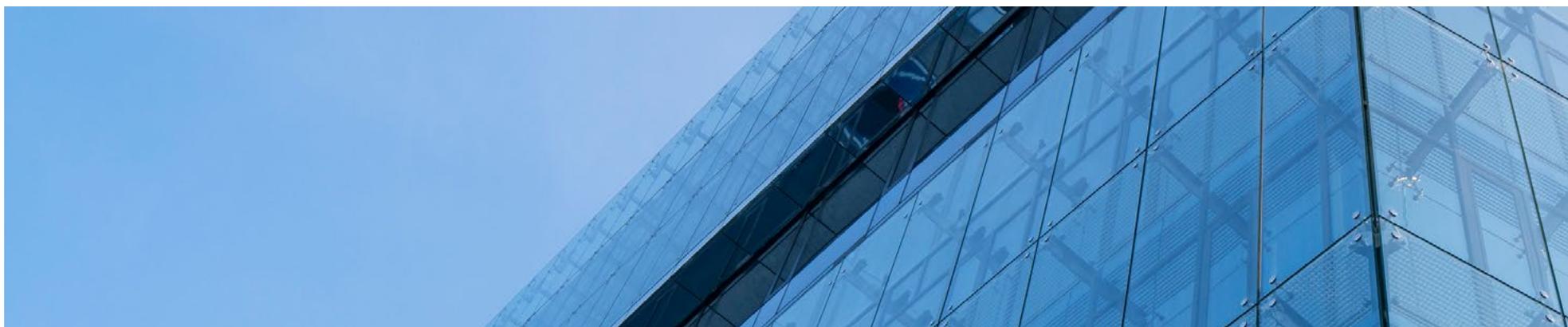
Completed and sold projects as at the report publication date

NO.	PROJECT	CITY
1	Global Office Park C	Katowice
2	Cavatina Hall A (office and retail part)	Bielsko-Biała
3	Carbon Tower	Wrocław
4	Tischnera Office	Kraków
5	Palio Office Park A	Gdańsk
6	Ocean Office Park A	Kraków
7	Equal Business Park D	Kraków
8	Global Office Park A1 and A2	Katowice
<b>9</b>	<b>Chmielna 89</b>	<b>Warsaw</b>
<b>10</b>	<b>Diamentum Office</b>	<b>Wrocław</b>
<b>11</b>	<b>Equal Business Park A, B, C</b>	<b>Kraków</b>

**SOLD  
PROJECTS**

Projects in progress

NO.	PROJECT	CITY	PLANNED COMPLETION
1	Widzewska Manufaktura D	Łódź	2022
2	Palio Office Park B	Gdańsk	2022
3	Palio Office Park C	Gdańsk	2023
4	Quorum D	Wrocław	2022
5	Widzewska Manufaktura A	Łódź	2023
6	Ocean Office Park B	Kraków	2023
7	Quorum A	Wrocław	2023
8	Quorum B	Wrocław	2024
9	Cavatina Hall B	Bielsko-Biała	2022



## THE GROUP'S DIRECT ECONOMIC VALUE FOR THE PERIOD 01 JANUARY - 31 DECEMBER 2021

	PLN MILLION
<b>TOTAL INVESTMENT PROPERTY INCOME</b>	<b>375,076</b>
Operating expenses	93,378
Salaries and employee benefits	13,251
Payments to investors (dividend)	31,457
Payments to the state (CIT)	22,079
Community investments (donations and investments for the benefit of society)	1,302
<b>Economic Value Retained *</b>	<b>213,609</b>

\*Economic value retained - direct economic value generated less such costs as operating expenses, salaries and employee benefits, payments to investors, taxes and community investments.

## SHAREHOLDING STRUCTURE AS AT 31 DECEMBER 2021



- **69.88%** Cavatina Group S.A.
- **6.02%** VALUE FIZ
- **8.03%** Nationale-Nederlanden OFE
- **16.07%** Others

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 102-45  
GRI 201-1



## COMPOSITION OF THE GROUP

The Cavatina Holding Spółka Akcyjna Group consists of Cavatina Holding Spółka Akcyjna and its subsidiaries. The ultimate parent company of the Group to which the Issuer belongs is Cavatina Sp. z o.o. The direct parent entity of the Issuer is Cavatina Group S.A. As at 31 December 2021, the Group consisted of Cavatina Holding Spółka Akcyjna and 46 fully consolidated subsidiaries and one jointly controlled entity consolidated using the equity method.





# WE HAVE CREATED A UNIQUE BUSINESS MODEL

TO CARRY OUT OUR OPERATIONS, WE HAVE ADOPTED A BUSINESS MODEL THAT IS UNIQUE IN THE PROPERTY DEVELOPMENT INDUSTRY.

The uniqueness of Cavatina Holding's business model involves allowing the Group to conduct all the material business, design, procurement, building and oversight (control) processes associated with the comprehensive execution of office development projects, except for direct execution of construction and assembly works. It is based on the concentration within our Group of all competencies necessary to carry out the entire investment process. Our team of employees and associates consists of more than two hundred people, many of whom have many years of experience in the construction and development industry.

**A particularly important part of the Group's business model is that it has proprietary resources allowing it to act as a full general contractor for each of its projects** (including architectural design and structural engineering services). This allows us to be independent from external architectural design services, minimize the purchase price of construction and finishing materials, exercise full direct supervision over

the projects under construction and retain in the Group the general contractor's margin, which, in the case of many other commercial developers, goes to external entities.

This way, we gain flexibility in relation to the client and greater independence in investment management, reduce the risk, and maintain high margins within the organization at each stage of execution, which translates into high total margins achieved on our projects. The Group's business model, with all its internal competencies, gives the Group great flexibility and efficiency in handling the process of adapting the space to tenants' needs and expectations, which is crucial from the point of view of the tenants' choice of the building. This allows us to take bold but thoughtful actions and maintain the very high quality of our projects.

Thanks to the experience of the Group's experts and the developed know-how, the Group has its own resources, fully integrated internally, servicing the investment processes in the areas of:

- ┌ seeking and selection of land properties,
- ┌ comprehensive design of facilities (in-house design firm with engineering and architectural competencies),
- ┌ acting as the general contractor, with the team of critical importance for the Group responsible for contacts with contractors providing services and suppliers of materials,

- ┌ commercialization of commissioned space,
- ┌ compliance and legal support,
- ┌ active management of buildings in the operational phase (from obtaining the occupancy permit to sale),
- ┌ coordination of the process of selling the completed projects,

**BUSINESS MODEL OF THE CAVATINA HOLDING S.A. GROUP**



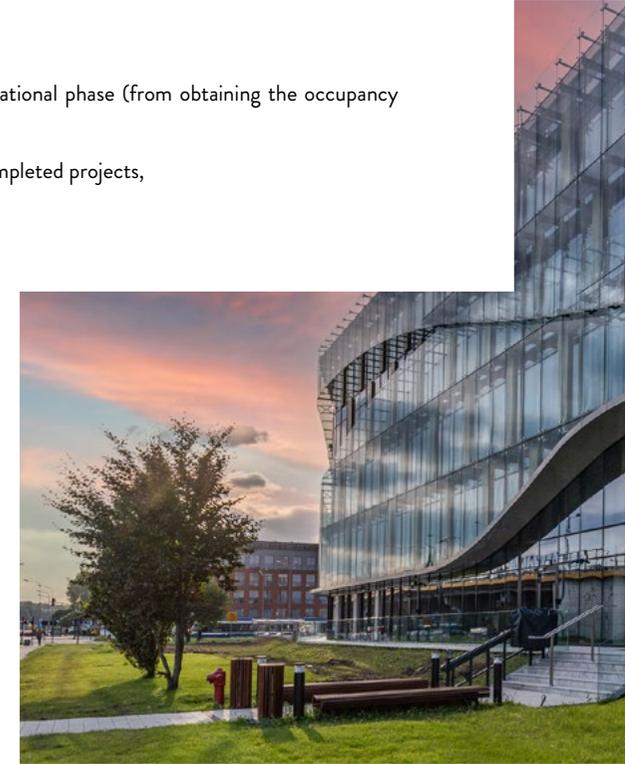
**LAND ACQUISITION**



**GENERAL CONTRACTORSHIP IN CONSTRUCTION AND FIT-OUT**



**INTERIOR DESIGN**



**ARCHITECTURAL DESIGN**



**COMMERCIALIZATION OF SPACE**



**FACILITIES MANAGEMENT**



**SALE OF COMMERCIALIZED FACILITIES**



Each element of our chain of competence includes a number of activities that make up the uniqueness of our business model. It consists of the following processes:

- ┌ **Land acquisition** - seeking and selecting attractive land properties, based on an extensive network of agents and land database, analyzing their legal status and business attractiveness, and preparing and quickly executing purchase transactions.
- ┌ **Architectural design** - providing comprehensive architectural design, structural engineering and interior design services for the planned facilities in an in-house design and architectural office, taking into account the acquired know-how and the best market practices.
- ┌ **General contractorship** - performing the function of a general contractor for the project, which involves contracting the project based on a unique system of contracting and managing construction processes up to the stage of obtaining a occupancy permit, which allows us to maximize the margin.

- ┌ **Commercialization of space** - cooperation of a dedicated team of commercialization specialists with the largest agencies providing consulting services in the real estate market.
- ┌ **Interior design and finishing** - developing a design for an individual office space layout as expected by a tenant, taking into account the latest architectural and design trends, quick implementation of the expected changes, and then implementing the design on a “turn-key” basis, i.e. in a model that does not excessively engage the Group's clients in the execution process.
- ┌ **Facilities management** - active management of owned properties during the period from the occupancy permit stage to sale, i.e. during the life of the building.
- ┌ **Sale of commercialized facilities** - preparation and sale of a commercialized office facility if the Group has received an attractive offer and a decision has been made to sell the facility taking into consideration the expected margin on the project.

## OUR KNOW-HOW TRANSLATES INTO:



**Award-winning architecture**



**High time efficiency of execution of the investments**



**Unique financing model based on diversified sources of capital**



**Effective budgeting, including a proprietary investment contracting model**



**Involvement of managers with many years of experience**



**Operations based, in principle, on Polish capital**

# WHAT DIRECTIONS IS OUR STRATEGY TAKING?

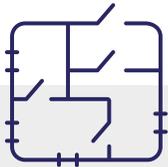
THE CORNERSTONE OF OUR STRATEGY IS THE USE OF A COMPLEMENTARY CHAIN OF COMPETENCIES.

We focus on providing the right scale of investment to achieve optimum operational and technical parameters of the buildings within approved budgets. Our priority is to deliver visually attractive projects, combining lightness of form and visual qualities with functionality and advanced technical infrastructure, which translates into comfort and

low operating costs. When creating our projects, we strive to develop places that respond to the needs of the local communities and modern business in terms of care for the environment and the well-being of their users. Our responsible approach to environmental challenges is evidenced by the fact that all our buildings have been awarded BREEAM

environmental certification at the Very Good or Excellent level. This is confirmed by their high scores in all categories: location and accessibility, application of solutions reducing water and energy consumption, use of pro-environmental and ecological materials.

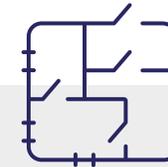
## KEY ASSUMPTIONS OF OUR STRATEGY



To achieve a portfolio with GLA of 1 million sqm by the end of 2025, understood as the sum of projects completed, including sold, projects and projects in progress and planned with land purchased and commenced design process.



To operate in key markets offering Class A buildings.



To achieve the capacity to pay a high regular dividends. To achieve the capacity to pay high regular dividends of approx. 20-50% of net profit.

We have identified 8 key operational activities required to achieve our strategic objectives

Focus on large commercial office projects, distinguished by unique architecture and quality, located in major metropolitan areas.

Focus on identifying and meeting the needs of potential tenants.

Ongoing monitoring and analysis of the office property market and the investors active on the market.

Expanding and strengthening the competencies of the in-house expert team allowing the Group to carry out the entire investment process on its own.

Showing care for the quality of cooperation with the Group's business partners, in particular subcontractors and construction material suppliers.

Optimizing the schedules of the individual projects in order to ensure the best possible parameters of execution and to mitigate risks.

Securing diversified and stable sources of funding adequate to the planned pace of growth of the Group.

Minimizing the periods between the end of commercialization and the sale of facilities, while maintaining the planned returns on investments.

## BUILDING A STRATEGY BASED ON SUSTAINABLE DEVELOPMENT PRINCIPLES

**We are fully aware of the huge importance of the entire sector in tackling climate change.** The coming decade may prove to be a breakthrough for decarbonization, which aims to curb the global warming and the climate crisis. We want this to be followed by specific actions for our company in the areas of environmental, social and corporate governance, which is why we decided to prepare and publish our first report as a support for the Group's strategy in developing in these directions. By incorporating ESG initiatives into our business operations, we also meet the expectations of the market and investors. In addition to regular non-financial reporting, in the coming years we plan to define assumptions and identify the Group's needs for gradual decarbonization, based, among other things, on an analysis of stakeholder needs and on scenario analysis related to climate risks and opportunities, in order to be able to meet the ambitious target set by the European Green Deal: achieving climate neutrality by 2050. We believe that by incorporating sustainability into our strategy, we will not only be able to increase our market advantage, improve our financial performance and reduce our operational risk, but also gain a real impact on tackling climate change.

## STRATEGY DURING COVID-19

The COVID-19 pandemic has accelerated many trends regarding the evolution of urban living and has forced a change in the way both construction projects and preparation of space for the tenants' needs are executed. We quickly adapted to even the most restrictive restrictions, scheduling our teams to work safely and without delay.

**In response to the pandemic challenges and out of concern for tenant safety, we have also decided to certify our entire investment portfolio in the WELL Health & Safety Rating™ standard,** which is a rigorous building safety rating system developed by the International WELL Building Institute™ (IWBI) based on, among other things, World Health Organization (WHO) guidelines. WELL Health and Safety certified facilities must meet high safety standards and health guidelines to minimize potential hazards. Being awarded the certificate demonstrates the buildings' attention to air and water quality, precise cleaning and decontamination procedures, emergency response strategies, transparent communication with tenants, access to medical supplies, and user social-distancing measures, among other things. All the steps we have taken in this area are aimed at increasing the comfort of users of the buildings completed by Cavatina Holding.

In addition, the office buildings are equipped with the Integral building application, which makes it easy and secure to manage office and other space in the building (access and room reservations).

We are also committed to COVID-19 safety of our employees and associates; we have made a significant investment in their health by ensuring they work in high-quality buildings. Our offices are also equipped with personal protection equipment - face masks, gloves and disinfectants. In addition, there are disinfectant lamps in each office. We use contactless equipment (flush toilets, garbage cans, faucets, feeders) in toilets.

The Cavatina Hall, Palio A, Equal Business Park D, Chmielna 89, Tischnera Office and Carbon Tower facilities were certified in May 2021, while Global Office Park C and Ocean Office Park A were certified in October 2021. Ultimately, the Group plans to obtain the WELL HSR certificate for all facilities put into operation.

At the same time, based on the observations made so far, we can see a trend emerging, especially after the end of the COVID-19 pandemic, related to the increasing demand for office space in the best locations, equipped with the latest technologies, safe, with good connections, sustainable and fulfilling many additional functions - the so-called prime properties. Facilities developed by Cavatina Holding have most of the aforementioned characteristics and qualify for this category, which we believe will positively translate into the commercialization of the space in our buildings.



# WE VALUE OPINIONS OF OUR STAKEHOLDERS

GRI 102-40  
GRI 102-42  
GRI 102-43  
GRI 102-44

We listen to the expectations of our stakeholders and believe that taking their opinions and expectations into account in the decision-making processes concerning the directions of our activities will enable us to better develop and adjust to the needs of our environment. That is one of the reasons why, starting in 2021, we also decided to publish an ESG report, presenting our activities in the past year and a comprehensive summary of Cavatina Holding's activities and achievements to date in areas related to the environment, society and corporate governance.

**Transparency in our approach to management, adherence to values and ethical principles in conducting our business, building positive relationships with employees and local communities and reducing the environmental impact of our projects are of key importance to us.** This way, we want to emphasize that in addition to business objectives, we also focus on the aspects of positive impact on the communities, urban space and sustainable development, and we take full responsibility for the environmental challenges of the real property industry and the economy as a whole. In our thinking about the impact we can have on our environment we go beyond the mandatory scope of actions and standards. The Cavatina Group is active in areas that are often overlooked by other real estate market players, such as education, health, arts, culture and urban planning developments.

In line with our assumptions, our further steps towards developing a strategy for the Group's progressive decarbonization will be driven by, among other things, an analysis of stakeholder needs and a scenario analysis regarding climate risks and opportunities.

## OUR STAKEHOLDERS



## WE COMMUNICATE EFFECTIVELY AND OPENLY WITH STAKEHOLDERS OF CAVATINA HOLDING

### Main channels of communication with our stakeholders:

- ┌ direct meetings, including internal meetings with employees, new and regular contractors and customers, as well as regular meetings with our investors and shareholders, e.g. at industry conferences,
- ┌ internal information exchange system (newsletter, internal publications) that provides employees with career development opportunities, creates a quality workplace, builds understanding of strategy implementation, and incentivizes employees to get involved in internal initiatives,
- ┌ industry conferences,
- ┌ financial reports and presentations of results,
- ┌ integrated reporting,
- ┌ website, online information channels, Company's website dedicated to investor relations,
- ┌ online webinars and conferences
- ┌ social media,
- ┌ national and industry media,
- ┌ articles and interviews in national and foreign media,
- ┌ corporate materials such as folders and brochures,
- ┌ videos,
- ┌ information system in the form of a publicly available, external newsletter dedicated to office space,
- ┌ studies, surveys and periodic interviews with managers and tenants of office space, including regular satisfaction and opinion surveys / studies regarding customer expectations, and customer opinions to be used when designing solutions, and creating customized products and services,
- ┌ good purchasing practices regarding suppliers and customers.

One of the key operational activities in our strategy towards different stakeholder groups is to focus on identifying and satisfying the needs of potential tenants.

We implement this objective by, among other things:

- ┌ highly-selective location selection process;
- ┌ regular analysis of trends in the office construction market, in particular with respect to technology, architecture, design, and expectations concerning environmental features of buildings;
- ┌ optimization of scale of each investment in order to ensure the best technical, operational, and financial parameters;
- ┌ ensuring the highest quality of execution in technological and technical terms and the aesthetic aspects of our investments;
- ┌ above average, as compared to the market, commitment to the processes of interior design and finishing in line with orders of specific future tenants;
- ┌ improvement of the business and “soft” skills of the Group's employees responsible, among other things, for cooperation with tenants.

# WE ARE PROUD OF THE AWARDS WE HAVE BEEN GRANTED

**MOST IMPORTANT 2021 AWARDS FOR OUR PROJECTS AWARDED TO FACILITIES DESIGNED  
BY CAVATINA GW SP. Z O.O.'S ARCHITECTS AND DESIGNERS**



In 2021, the Cavatina Holding received two key awards in the Prime Property Prize competition.

The Prime Property Prize competition recognized, among others, the companies and developments that had the greatest impact on the commercial property market in 2021. According to the jury and PropertyNews.pl readers, we designed and built the best office building. The Ocean Office Park in Kraków won in the 'Office Property Market's **Investment of the Year**' category. The following factors are taken into consideration when awarding the prize in this category: quality and innovation of the design, time of completion, commercialization, innovative solutions, architecture, as well as the impact of the investment on the environment and economy of the region.

We were awarded the second prize in the '**Developer of the Year**' category. The award is given for achievements and activities on the commercial property market, contribution to the development of this sector in Poland, high quality of projects as well as reputation in the industry. We were recognized primarily for the dynamic growth of the investment project portfolio and independent management of all key investment processes – from acquisition, architectural design, interior design to general contracting and fit-out.



GRI 102-13



In 2021 we also received two **European Property Awards**. The Quorum development under construction in Wrocław was distinguished in the ‘**Mixed-Use Development in Poland**’ category, while WIMA Widzewska Manufaktura in Łódź was recognized in the ‘**Mixed-Use Architecture in Poland**’ category.

The European Property Awards are part of the International Property Awards, where projects from around the world are evaluated by international industry experts. The aim of the competition is to promote outstanding architects, designers and developers who create the highest quality projects that positively influence the quality of architecture in cities all over the world. When evaluating the submissions, the jury takes into account design, quality of workmanship, customer service, innovation, originality and environmental issues.

In addition, the Global Design & Architecture Design Awards 2021 awarded us the Grand Prize in the ‘Mixed-Use (Concept)’ category for WIMA Widzewska Manufaktura and an honorable mention in the same category for Quorum, while CBRE Office Superstar awarded an honorable mention to the office of Cavatina Holding S.A. in Kraków, in the Best Office category.



## MEMBERSHIP OF ASSOCIATIONS

We are a member of the Polish Association of Developers (PZFD), i.e. a nation-wide industry organization bringing together over 200 development companies from across the country, taking care of the condition of the development market in Poland, as well as of the Polish Chamber of Commercial Real Estate (PINK), which promotes good standards in the commercial property market by providing its members with a platform to exchange knowledge, contacts and business opportunities.

The Polish Chamber of Commercial Real Estate organizes regular meetings for employees of its member companies. These meetings offer an opportunity to exchange knowledge, experience and opinions, and they are also enriched with the input of external experts. On the other hand, the Polish Association of Developers supports legislative proposals concerning commercial real property and cooperates with authorities and the local community, creating a friendly social climate for the industry.







# NATURAL ENVIRONMENT



# WE FEEL RESPONSIBILITY AS REGARDS CLIMATE CHANGE

We are aware that the increasing scale of business is followed by a greater impact on urban ecosystems. Therefore, we feel a sense of responsibility and we are aware of huge importance of the entire real property and construction industry in tackling climate change and of the need for changes in investment strategies. We strive to invest in energy-efficient and environmentally friendly office developments with a view to decarbonizing them. Therefore, in the coming years, we plan to define the Group's objectives and identify the needs for a progressive and sustainable decarbonization in order to help achieve climate neutrality by 2050. It is our ambition to set new trends in the approach to sustainable design and performance of investments.

## WE FOCUS ON THE UN SUSTAINABLE DEVELOPMENT GOALS IN OUR ACTIVITIES



The city-forming role of our investments, including the following:

- ┌ Mixed-use investments carried out in accordance with the fifteen-minute city concept. We create spaces for work combined into multifunctional facilities equipped with areas for relaxation and sports activities, as well as food and other service outlets, in the vicinity of residential infrastructure.
- ┌ Revitalization of post-industrial urban spaces, i.e. transforming public spaces that no longer meet the expectations of city users and adapting them to the current needs in order for the local community to recover a piece of urban space while respecting the decreasing availability of land for investment.



- ┌ All our projects are certified under the international BREEAM system (as Very Good or Excellent) and receive high scores in all environmental categories.
- ┌ For the purposes of BREEAM certification, climate change adaptation reports are produced for the buildings we construct. The reports are meant to predict the impact of extreme weather resulting from climate change and to encourage the implementation of measures to mitigate such impact over the life of a building.



Our investments stand out due to our focus on quality and water saving - all buildings are certified in accordance with the international BREEAM system, which confirms, among other things, the use of water-saving solutions. We achieve high scores in this category in each of our buildings thanks to the fittings used, the water leakage detection system or rain and soil moisture sensors used for optimum management of greenery watering.

The designs are tailored to allow for a safe and effective operation by users in case of pandemics, as evidenced by the WELL Health-Safety certification. It is awarded to office spaces that ensure minimization of the risk of disease transmission, and create safe workplaces designed to promote good health. We make sure that our buildings offer, among other things, high quality air and water, precise cleaning and decontamination procedures, emergency response strategies, transparent communication with tenants and access to medical supplies.



We select installations and solutions used in the facilities that we design and build with a view to maintaining the highest standards of energy efficiency. Our buildings are equipped with, among others, energy-efficient lifts, energy consumption monitoring systems, LED lighting only, motion and dusk sensors, as well as green roofs to increase the biologically active area and to improve the energy efficiency parameters.



In line with the BREEAM certification system, life cycle analyses have been developed for our projects, with the key aim to assess the construction materials used in terms of their environmental impact at each stage of use (from manufacture, through use to disposal).

On our construction sites, the general contractor is obliged to ensure that waste is managed in accordance with current legislation, construction materials are used efficiently and waste is disposed of properly.

# WE WANT TO REDUCE THE ENVIRONMENTAL IMPACT OF OUR INVESTMENTS

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 302-1  
GRI 302-3

Protection of environment is of particular importance to us. We are aware that every activity, including ours, involves the use of environmental resources. At the same time, we know that we must act in a sustainable and efficient manner because of the respect for the environment which is an inherent element of the investments carried out by Cavatina Holding and because of our concern for the planet climate. One of the methods we use to engage in environmental issues is to minimize our environmental impact, including proper waste management, reduction of pollution, lower energy and water consumption, use of high-grade building materials and other eco-friendly solutions at every stage of our projects.

The greatest environmental impact for the business of Cavatina Holding occurs during the construction works and the main measures to minimize such impact include:

- ▮ securing trees on construction sites and in their vicinity,
- ▮ regular cleaning of construction sites as well as entrances and exits of trucks and vans,
- ▮ reduction of light pollution: direct lighting and no lights directed into the sky,
- ▮ monitoring and reducing water consumption

- ▮ reduction of energy consumption thanks to energy-efficient solutions for lighting and works on the construction site,
- ▮ informed waste management: preparation of a Waste Management Plan, monitoring of waste generated, proper disposal and recycling.

## ELECTRICITY

**Respect for electricity and its efficient use is an important environmental aspect for us at every stage of a building life.**

In Cavatina Holding, electricity is primarily consumed for purposes related to construction of investments.

## ENERGY CONSUMPTION

Total electricity consumption in 2021:

**1,557.51 MWh**

Data derived based on CHSA documentation. Data refer to energy consumption during construction.

## ENERGY INTENSITY

### ENERGY INTENSITY

The energy intensity index for buildings put into service in 2021 was:

**139.69 kWh/(m<sup>2</sup> × YEAR)**

Data derived based on the building energy performance certificate methodology.

To compare, energy intensity index for buildings put into service in 2020 was higher and amounted to 175.34 kWh/(m<sup>2</sup> × year). The reduction of this parameter was possible, among other things, due to the use of equipment with even lower energy consumption and higher standards for HVAC (heating, ventilation, air conditioning) and sanitary equipment. The insulation of building partitions was also upgraded and buildings were adjusted to meet increasingly stringent energy efficiency requirements for equipment.

We strive to specify and design energy-efficient solutions for both the building systems and equipment. Priority is given to sustainable use of energy and sustainable management of building maintenance, with a view to improving the building's internal energy efficiency, encouraging reduction in carbon emissions and promoting effective management at the building operation stage. Deliveries are primarily from local suppliers and the distance from the manufacturer's location is monitored based on the number of kilometers travelled.

The use of energy-efficient solutions, as evidenced by the BREEAM certificates we hold, allows us to reduce energy consumption in the projects executed by Cavatina Holding.

Through the BREEAM certification process, the investor and the general contractor monitor the impact of the installations on energy use and carbon emissions and mitigate these effects by selecting energy efficient vehicles and installations. Monitoring is performed based on supplier invoices, and any above-normal consumption is accounted for.

Among other things, our facilities feature energy-efficient elevators, systems to monitor energy consumption by each tenant or at least on each floor. In each of our projects, we use only LED lighting, motion and dusk sensors, and design and make green roofs or terraces that increase the biologically active area and improve the project's energy efficiency parameters.

## EMISSIONS

**We know that reducing emissions in the construction sector is critical to attaining the EU's climate neutrality targets.**

In our business, the building process is the main source of gas emissions to air.

**INTENSITY OF GREENHOUSE GAS EMISSIONS**  
Intensity for buildings put into service in 2021:  
**0.04 T CO<sub>2</sub>/(m<sup>2</sup> × YEAR)**

**INTENSITY OF GREENHOUSE GAS EMISSIONS**  
Intensity for buildings put into service in 2020:  
**0.05 T CO<sub>2</sub>/(m<sup>2</sup> × YEAR)**  
Data derived based on building energy performance certificate methodology.

The reduction of this parameter (GRI 305-4) in 2021 as compared to 2020 was possible, among other things, thanks to higher standards of HVAC (heating, ventilation, air conditioning) equipment and sanitary equipment. The insulation of building partitions was also upgraded and buildings were adapted to meet increasingly stringent energy efficiency requirements for equipment.

We want to implement, to the greatest extent possible, the key elements of the 15-minute city concept, according to which the urban space is created in such a way as to allow the residents to satisfy their daily needs without having to travel long distances. In doing so, we take care to minimize the amount of pollutants generated into the air and work to improve air quality.

Furthermore, according to the sustainable procurement policy imposed on the general contractor and the investor, they are required to avoid cooling agents that contribute to global warming. This should be accomplished by purchasing and installing cooling systems using state-of-the-art cooling agents that have a marginal environmental impact.

GRI 305-4

GRI 301-1  
GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 306-1  
GRI 306-2  
GRI 306-3

## MATERIALS

Rational use of materials is one of important aspects of our approach to sustainability in our projects.

### MAIN MATERIALS USED IN 2021

MATERIALS / RENEWABLE MATERIALS	WEIGHT [t]	VOLUME [m <sup>3</sup> ]
concrete		65,779.34
steel	13,683.58	

Data for all construction sites in 2021.

Aside from the main materials listed in the table, we also use glass, aluminum (for facades), silicate blocks, XPS (extruded polystyrene), rock wool, HPL boards, ceramic tiles.

In line with our sustainable procurement policy and relevant contractual provisions, the investor and the general contractor are required to obtain materials compliant with ISO 14001, ETI or other applicable standards whenever possible. We are committed to ensuring that wood and wood-based materials are FSC certified. The policy of the investor and the general contractor is to identify, promote, and influence decision-making processes regarding the selection of more durable materials while considering the costs of full life cycle.

## WASTE

Comprehensive waste management is one of the environmental measures implemented on our construction sites.

Waste from our operations is mainly from construction work, and the total amount of such waste depends on the number of contracts and the stage of their completion. Waste management on construction sites is governed by the “Construction Waste Management Program” in which the general contractor agrees to take all available actions to manage construction site waste in accordance with applicable regulations so that construction materials are used efficiently and waste is properly disposed of.

### WASTE GENERATED

Volume of waste generated in 2021:

**2877.724 Mg\***,  
**OF WHICH 0.9 Mg**  
**HAZARDOUS WASTE**

\* Mg = metric ton





## BREAKDOWN OF WEIGHT OF WASTE GENERATED BASED ON COMPOSITION

WASTE CODES	WASTE TYPE	Mg
17 09 04	Mixed waste from the construction, disassembly, other than those listed in 17 09 01, 17 09 02 and 17 09 03	2619,484
17 01 01	Concrete waste and concrete rubble from demolition and refurbishment work	78.01
17 03 80	Waste roofing paper	4.7
17 06 04	Insulation materials other than those listed in 17 06 01 and 17 06 03	4.54
17 01 02	Brick rubble	7.52
17 01 07	Mixed concrete, brick rubble, ceramic materials waste and fittings elements other than those listed in 17 01 06	70.23
17 04 05	Iron and steel	5.79
17 02 03	Plastics	30.52
17 02 01	Wood	45.27
15 01 03	Wood packaging	9.86
15 02 03	Sorbents, filtering materials, wiping fabrics and protective clothing other than those listed in 15 02 02	0.9
15 01 10*	Packaging containing remains of hazardous substances or contaminated with such substances (e.g. with plant protection agents of toxic class I or II – very toxic or toxic)	0.9

Data derived based on annual reports submitted through the BDO (Database on Products, Packaging and Waste Management) system to the Marshall's Offices.

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 303-1  
GRI 303-2  
GRI 303-5

In order to limit the amount of waste generated and in view of the need to reduce its impact on the environment, we require the general contractor to follow the Waste Management Programs we have developed for construction sites. In line with those Programs, they are required to properly manage waste and materials so as to limit their consumption and minimize the amount of residual waste sent for disposal. On our construction sites, we also put in place the circular economy measures, i.e. soil and earth from excavation and brick rubble from demolition are most often used for resurfacing.

Once the construction stage is complete, the benefits that have been achieved through the implementation of the program are identified, such as:

- └ reduction of volume of specific waste generated,
- └ reduction of construction waste due to precisely calculated material requirements (e.g. the number of tiles is calculated on a per module basis).

We have also established a sustainable procurement policy. The general contractor and the investor are required, among other things to:

Purchase consumables in a manner that protects the environment and public health, saves natural resources, and reduces waste.

Every delivered material is checked for declaration of conformity and performance, hygienic approvals and certificates. There are appropriate procedures in place to this effect.

#### Reuse materials and use recyclable materials.

The investor and the general contractor are required to source materials that can later be reused or recycled and reduce the environmental impact of Cavatina Holding's projects. These measures can further stimulate the market and therefore have an impact on the industry as a whole.

#### Reduce waste generation and increase recycling levels.

Applying the waste hierarchy is, in our view, essential to the investor's and the general contractor's approach to waste management, particularly in order to reduce the amount of waste generated. The supply chain plays an active role by designing products in standard sizes, controlling packaging, managing deliveries properly, preventing damage, and by offering various options for taking back and reusing products.

#### Avoid toxic and hazardous materials.

We recommend avoiding exposure of employees, users, and other people to potentially toxic or hazardous materials. The investor and the general contractor are obligated to source and use non-toxic materials, or if that is not possible, to consider less hazardous materials.

#### Use durable materials.

Choosing durable materials can help reduce the impact that would otherwise occur due to the need for repair and maintenance work that could use natural resources. The policy of the investor and the general contractor is to identify, promote, and influence decision-making processes regarding the selection of more durable materials, taking into account the economic situation and life cycle costs.

Waste management is carried out in accordance with the binding environmental regulations, and construction waste is transferred to companies authorized to transport it on the basis of waste collection cards.

## WATER

**We consider water to be a valuable resource and are committed to minimizing its consumption in our buildings.**

We primarily use water in our operations during construction activities, including for:

- └ setting the mix in the processes of concreting, bricklaying and plastering,
- └ concrete maintenance in summer to ensure a correct cement hydration in order to guarantee the designed resistance parameters.

Water consumption on the construction sites is monitored on an ongoing basis and excess consumption is accounted for. Water is supplied by third party suppliers. Water from the construction sites is discharged in accordance with the water permit issued for the specific development.

## CONSUMPTION OF WATER

Total volume of water consumption in 2021:

**10,698.96 MI\***

Data derived based on CHSA documentation.  
Data refer to water consumption during construction  
\*megaliters

Water is also consumed by the users of our buildings; therefore we apply solutions minimizing its consumption, including among others: water-saving fittings, water leakage detection systems, rain sensors and soil moisture sensors for optimum management of watering the greenery in the vicinity of our investments.

We also recommend using rainwater to water the greenery.

## BIODIVERSITY

All works associated with the completion of our investments are carried out in such a manner and at such times so as to minimize the adverse impact on the flora and fauna habitats existing in the area of the investment and in its immediate vicinity, e.g.:

- tree felling is done outside the breeding season,
- we eliminate discharge of hazardous and oil-derived substances into the soil in the area of the construction site and administration and storage facilities.

In 2021, none of our construction sites were protected areas or habitat of protected species. Areas of our investments, due to their location in urban areas, are usually of low ecological value.

When preparing for the execution of a project, we take the following actions:

- identifying natural habitat types and mapping them,
- drafting a botanical inventory for particular habitats to determine the number of species in the area, with particular attention to naturally occurring protected species,
- determining potential occurrence of animal species based on habitat types,
- verifying animal presence in the specific area,
- identifying threats to biodiversity within and around the investment during construction.

We make recommendations to improve biodiversity during the facility construction stage so as to:

- establish within the site ecologically and biologically active areas with high biodiversity providing additional living space for a variety of animal species; reduce the negative heat balance of the site; improve the site microclimate and increase its water retention capacity,
- increase biodiversity of species of avifauna and entomofauna within the investment.

## PRECAUTIONARY PRINCIPLE

Before acquiring land, we analyze in detail the risk that claims for damages may arise and the potential obligation to cover remediation costs. We are currently developing two construction projects on land where historical contamination of the land surface has been identified. These are the WIMA

Widzewska Manufaktura in Łódź and the Palio Office Park in Gdańsk. Development in these areas required that plans for remediation of historically contaminated land surfaces be established and a decision to this effect be issued by the Regional Director of Environmental Protection. The Group submitted applications to establish a remediation plan for the Palio Office Park in Gdańsk and WIMA in Łódź, for which it has already received a decision.

GRI 304-2  
GRI 102-11



# SUSTAINABILITY AT EVERY STAGE OF INVESTMENT

WE ARE COMMITTED TO SUSTAINABLE DEVELOPMENT AT EVERY STAGE OF COMPLETION OF OUR INVESTMENT PROJECTS.



## Location

In view of the decreasing availability of land for development and the need to use urban areas in a sustainable manner, we are currently implementing two investment projects aimed at **revitalizing post-industrial urban areas**. These are Palio Office Park in Gdańsk (connected with revitalization of former shipyard areas) a post-industrial facility of Widzewska Manufaktura in Łódź. We believe that by taking this approach to site selection we contribute to the protection of urban ecosystems.



## Location

When designing our buildings and installations, we apply solutions with a view to **maintaining high standards** of energy efficiency, reducing water consumption, and carefully select the types of construction materials used.

We also **take care of the surroundings** and create green areas in the vicinity of our developments, which are friendly to local environments.



## Construction

On our construction sites we make sure that the general contractor is **obliged to perform waste management in accordance with the applicable legislation**, that construction materials are used efficiently and waste is disposed of properly so as to minimize the volume of residual waste sent for disposal. There are waste management plans in place to this effect.

We have also established a **sustainable procurement policy** to make sure that all suppliers and companies cooperating with Cavatina Holding purchase consumables in a manner that protects the environment and public health, saves natural resources, and reduces waste volumes and their toxicity.



#### Use

The comfort of our tenants is important to us, as is the use of technical solutions for the sustainable use of our projects. In our projects **we apply solutions that minimize energy consumption** and improve energy efficiency of an investment as well as optimize office space management, providing tenants with access to complete space plans, possibility of registration at reception desk, conference rooms management and available parking spaces.

## ENVIRONMENTAL CERTIFICATES

**Certificates are a tangible confirmation of our environmental responsibility** and guarantee that the developments of Cavatina Holding meet high standards as regards materials used, energy efficiency, water consumption and application of other solutions limiting the impact on the environment. All our projects are subject to BREEAM certification. All developments carried out by Cavatina Holding receive 'Excellent' or better scores. That means that they receive high marks in all categories – from location and transportation accessibility, through the water and energy saving solutions, to the quality and pro-environmental and eco-friendly nature of the materials. Thanks to the application of energy-efficient and ecological solutions, our buildings are friendly to both the users and the environment and are developed in accordance with the principles of sustainable construction.

**As of 31 December 2021, our investment portfolio included 12 certified buildings, which represented 100% of the value of our Group's property portfolio.**



## ENVIRONMENTAL COMPLIANCE

Compliance with environmental regulations and regulatory requirements is critical to the execution of our projects. We comply with environmental requirements at every stage of the life cycle of our buildings. This process is overseen by a BREEAM assessor.

The BREEAM assessor is qualified to advise on and promote sustainability in the projects carried out by Cavatina. He/she helps to achieve sustainability goals by assessing and delivering new BREEAM certified projects. The assessor focuses on mitigating the environmental impact and improving performance of new office buildings developed by the company.

A qualified external environmental specialist analyzes the building completion documentation and conducts a site visit. On those grounds, compliance with the applicable regulations is confirmed. Moreover, when drawing up a biodiversity management plan, we take into account all relevant aspects including the aforementioned legislation and regional and local ecological and natural conditions to ensure the best possible protection of natural diversity.

**In 2021, Cavatina Holding did not commit any violations of environmental laws or regulations. No penalties or sanctions were imposed on us for non-compliance with environmental regulations.**

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 307-1

Own indicator –  
Certified buildings in the  
real property portfolio

# WE MANAGE CLIMATE RISKS

RISK	RISK DESCRIPTION	IN WHAT WAY DOES THE RISK AFFECT THE ORGANIZATION	FINANCIAL CONSEQUENCES OF THE RISK BEFORE THE ORGANIZATION TAKES ACTION	RISK MANAGEMENT METHODS
<b>Inundations</b>	Increased load on the building's rainwater system, including drainage of spaces around the building and its roof, and increased exposure of a facade to rainwater (due to increased rainfall).	This may affect durability of the building structure, weather resistance of the building, and durability of the materials used. Too much rainwater in the sewer system can cause inundations and reduce durability of the building structure. Excessive rainfall can lead to dampness of a building envelope.	<b>High</b> High impact on financial and safety issues (direct impact on a building).	Emergency drainage systems in the form of e.g. storm overflows were used in the designs to ensure drainage of rainwater in case of disturbance of the main system and retention tank.
<b>Temperature</b>	Deterioration of indoor thermal comfort due to increased daily heat gains for a building (due to increased air temperature)	This may affect health and safety of users. Incorrectly selected heat transfer coefficients may pose a threat to comfort of building's users. Maximum allowable indoor conditions must not exceed the values specified in thermal comfort analysis for a facility.	<b>Medium</b> Inadequate installations reduce comfort (indirect impact on a building).	A maximum allowable heat transfer coefficient (U) for the building envelope is assumed in the designs. To calculate the capacity of the cooling system in a building, a higher outdoor temperature is assumed: +32°C or more..
<b>Wind</b>	Increased exposure of facades to extreme events, including windstorms and strong winds.	This may affect the building structure (facade stability) and safety of users. Facade of a designed building will be exposed to strong winds. Its elements may be damaged or torn off. Users and other people present in the vicinity of a building will also be exposed.	<b>Medium</b> Health and safety of users (indirect impact on a building).	Any exterior elements that could be detached during high winds and pose a hazard to users were eliminated in the designs.
<b>Air pollution</b>	In spite of educational and prevention efforts of local authorities to tackle air pollution, measures must be put in place to improve air quality in a designed facility.	All users and visitors of a building will be exposed to harmful effects of polluted air. Air pollution also leads to pollution of watercourses and soil.	<b>High</b> Health and safety of users (direct impact on a building and its surroundings - quality of air).	Solutions implemented in projects: <ul style="list-style-type: none"> <li>└ avoiding natural ventilation (opening windows) in winter,</li> <li>└ use of filters of F7 class or higher in the air handling units,</li> <li>└ local air purifiers,</li> <li>└ use of plants with air-purifying properties in offices.</li> </ul>

All solutions to prevent climate risks were integrated at the project design stage.

Additionally, a flood hazard analysis is prepared for each development. The purpose of such analysis is to demonstrate that every effort was made during the development planning process to eliminate or minimize the risk of inundations and local flooding. It takes into account the processes of natural surface water and groundwater flows, conditioned by morphological and geological features and climate conditions in the project location area. The assessment of analyzed risk also takes into account projected possible climate changes that may increase the risk of inundations and flooding, and analyzes potential inundations associated with water supply or sewer system failures.

A report was also drafted to identify the measures to mitigate impact of extreme weather resulting from climate change over the life of buildings. The report was drafted for the purposes of BREEAM certification.







# SOCIAL RESPONSIBILITY



# WE CREATE SOCIAL SPACES

Creating opportunities and space for growth for businesses and communities has always been a part of what we do. We are aware that the real estate development industry has a great influence on the functionality and aesthetics of public space, and that it bears great responsibility for the development of this space. **We therefore feel a shared responsibility for setting socially beneficial trends that meet the expectations of city users and our tenants in our approach to sustainable design and project development. Our efforts, which we refer to as extended responsibility, however, go beyond the basic impact on the environment that we can have as a developer. For years, we have been active in areas such as education, culture and arts.**

## KEY DIRECTIONS OF OUR ENGAGEMENT REFERRING TO THE SUSTAINABLE DEVELOPMENT GOALS IN TERMS OF SOCIAL RESPONSIBILITY IN 2021



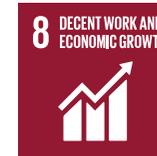
- All of our buildings have the WELL Health and Safety Rating certification. It confirms that the buildings are prepared for the new realities, guarantee the tenants' employees a sense of security and comfort, while creating healthy, ergonomic and friendly working conditions.
- We invest in employee health programs and policies and in designing and building health and wellness-focused spaces.



- We implement our diversity policy by hiring employees who are diverse in terms of gender, age, work experience, education or cultural background.



- In collaboration with the Fiducia Foundation, we have established a Holistic Think Tank consisting of experts focused on implementing change in education, analyzing the latest developments in educational science and practice, and conducting own empirical research in school settings. The think tank seeks to answer the question of what modern education is and promotes new ideas and systems of educational organization.



- As part of the sustainable procurement policy we have introduced among general contractors and investors, we are increasing accessibility for different suppliers, bearing in mind that it is increasingly challenging to do business in the right location by increasing accessibility to a variety of suppliers.



- Our projects are distinguished by unique and innovative architecture, awarded in Polish and international competitions.
- We use modern building technical solutions and technological tools to manage office space.



- We carry out mixed-use projects, combining numerous functions in one space, which fits the trend of the fifteen-minute city.
- By designing open spaces for rest and recreation, as well as numerous green areas and terraces, we ensure that the surroundings of our buildings are accessible to all users of the city and create places of respite from work and the hustle and bustle of the city.
- We make sure our buildings are accessible to everyone, including the elderly and those with disabilities.

One dimension of our responsibility is that we address important social topics in our communications. This way we want to draw public attention to important phenomena, contribute to development of positive social attitudes and change the world in which we live, therefore in our communication we often raise issues of urban management or revitalization of post-industrial facilities.



- We invest in regional projects in Poland, contributing to the development of local real estate markets - we have developed a leading position in providing workspace in the largest regional markets and strengthen the attractiveness of these markets in the country by offering facilities with attractive architecture and the highest quality.



Angażujemy się w inicjatywy wspierające społeczności lokalne, w tym poprzez:

- Organizing concerts and events in the modern concert facility, Cavatina Hall, in Bielsko-Biała.
- Activity of the recording studio in Cavatina Hall in Bielsko-Biała and the culture-forming project Cavatina Film Production dealing with the production and promotion of independent cinema.
- Undertaking the "Cavatina helps during the pandemic" initiative, in which we donated essential items worth 1 million zloty to the elderly and needy.

# WE CARE ABOUT THE CITY-FORMING NATURE OF OUR PROJECTS

SINCE THE BEGINNING OF CAVATINA HOLDING, WE HAVE PLACED SOCIAL ISSUES HIGH ON THE PRIORITY LIST OF OUR BUSINESS STRATEGY.

We make sure that our office projects are surrounded by adequate infrastructure, have good transport connections and are located next to residential buildings. We are committed to providing employees with a convenient and diverse commute, as we know that city dwellers increasingly value their time and do not want to waste it commuting. Hence, our strategy takes into account the location of our projects as an important factor that influences the attractiveness of the office, and a large part of our portfolio consists of projects developed within mixed-use facilities. **Mixed-use** projects, combining multiple functions in one space, are part of the trend of creating the so-called fifteen-minute city. It consists in planning the space in such a way that all the most necessary services are close to the place of residence, without the necessity of travelling longer distances every day. **The idea of multifunctional facilities is also guiding the execution of our projects.**

We also have a strong sense of responsibility for the sustainable shaping of urban space and a mission to positively impact it through our investments. We fulfill this mission by offering modern and aesthetic architecture, revitalizing industrial areas, creating open surroundings for our buildings (that

offers a place to meet and spend free time), and taking care of the expansion of green areas in cities.

**In the center of Katowice**, on the site of a former parking lot we are building a multifunctional Global Office Park. The project will consist of office, retail, residential and recreational space (the residential part is being developed by Resi Capital S.A.). The strengths of this project include easy access to public transportation and extensive infrastructure for cyclists, as well as proximity to the train station. In addition, all users of the development will gain space to relax from work and the hustle and bustle of the city on the green terraces. It is worth noting that the Global Office Park office towers towering over the center of Katowice apply for the international BREEAM certificate on Outstanding level.

**In Wrocław** we are developing Quorum, which combines modern offices with apartments and a retail part (the residential part is developed by Resi Capital S.A.). In combination with a very good location in the city center by the Oder River, an attractive place to live and work is created. The facility will also serve the residents of Wrocław and tourists as an attractive place to spend free time. On the top floor there will be a viewing terrace, from which on clear days you will be able to see not only Wrocław, but also the beautiful panorama of the region. It is currently the largest mixed-use development under construction in the city.

One of our largest mixed-use projects, which at the same time is part of the trend associated with the revitalization of post-industrial urban spaces, in this case port areas, is the **Palio Office Park in Gdansk**. According to the design approved by the conservation authority, the Young Town will gain a multifunctional space. In addition to office and retail space, there will be places for meetings, sports and relaxation, restaurants and cafes, and green areas. The project will not only fit into the historic landscape of the Shipyard, but will also meet the current and future needs of residents and contribute to the development of the urban fabric. The plans also include the reconstruction of the original road layout and a reference to the shipyard's urban layout with separate zones for various services and activities open to residents.





As part of our contribution to urban redevelopment, in Łódź work is underway on the former factory complex of Widzewska Manufaktura. The revitalized four post-factory buildings from the 19th century will house office, retail and residential space. It will be a modern multifunctional complex, maintained in the post-industrial atmosphere characteristic of Łódź. The revitalized 100-year-old park with a fountain will be a common meeting point for all users and guests and the green heart of the project.

## OFFICE DESIGN

In designing office areas, we find it important to adapt them to changing individual expectations. We analyze the latest trends and quickly implement the necessary changes. This approach is possible thanks to our flexibility as a developer and our own team of architects, who can efficiently prepare proposals for changes in the building under construction already at the stage of negotiations. Shared zones are gaining in importance, and face-to-face interactions foster the exchange of experiences and encourage creativity. We also pay attention to the availability of green terraces and landscaping around the building. A good example of this approach to office planning is one of our tenants in the Global Office Park in Katowice, ING Tech - in addition to the office zone, there will be a Gravity Point area, a place to meet, exchange experiences and work in an informal environment, open to the city and the residents.

**Implementation of such projects is possible thanks to our flexibility as a developer and our own team of architects, who can efficiently prepare proposals for changes in the building under construction already at the stage of negotiations.**

Our team additionally provides a full spectrum of solutions to meet diverse market needs and requirements. Providing a full service in design, planning and space arrangement (turnkey finishing), we offer services tailored to high requirements, ensuring not only cost optimization, but also responsible and efficient management of the entire project regardless of its complexity. The proposed solutions are tailored to both the space and the organizational culture of the companies. When a space is properly planned, researched and designed, the result is proper utilization as well as improved productivity and employee comfort.

# EXTENDED SOCIAL RESPONSIBILITY

SINCE THE BEGINNING OF OUR GROUP'S OPERATIONS, IN ADDITION TO BUSINESS OBJECTIVES, WE HAVE BEEN FOCUSING ON ASPECTS RELATED TO CORPORATE SOCIAL RESPONSIBILITY

In our approach we go far beyond the basic pro-social activities associated with the industry, which significantly distinguishes us from other office developers. We operate holistically and look at various aspects of community functioning in the locations where we conduct our investment activities. We stimulate and support their development through well thought-out, diverse charitable activities, sponsorships, and cultural projects. These are carried out at the corporate level within Cavatina and through entities with which we closely cooperate. One of such independent entities, whose initiatives we support in many fields of activity, is the Fiducia Foundation.

**The Fiducia Foundation was established in 2019 and operates with the support of the Cavatina Group, among others**

## FIDUCIA FOUNDATION

Its statutory objectives include tasks in the area of:

- └ Charitable activities and socially necessary initiatives,
- └ Equal opportunities and support for people excluded from social life due to age, gender, social status or unfavorable life circumstances,
- └ Providing access to culture and arts, education and activation of younger and older people.

The Foundation accomplishes these goals by:

- └ Extensive aid campaigns to support people excluded from social life,
- └ Research to create new systemic solutions for educating children and youth around the world, providing opportunities for valuable and accessible educational opportunities for all,
- └ Interdisciplinary grant programs in education,
- └ Financial and in-kind support for children and youth in the areas of artistic education, especially music.

## BROAD SPECTRUM OF EXPERIENCE

Music is about emotions. We give them space. At Cavatina Hall, we operate comprehensively, offering audiences exposure to music from all corners of the world in a comfortable space. We also open our interiors to young talents and interesting ideas. We ourselves are passionate about music and good company, therefore we create this place open for everyone.



Cavatina Hall is Poland's only private concert hall and recording studio that simultaneously combines commercial functions with the promotion of art in a unique and modern office building. It is also the first building of its kind in this part of Europe. The combination of these functions is a unique response to the region's demand, contributes to the city's development and increases its attractiveness. The goal of creating Cavatina Hall is to give the audience an experience of the highest quality sound and visual feast, and to create unforgettable memories in a modern and comfortable space. Its activities are also intended to increase access to culture and the arts for both local residents and tourists visiting the

city. Through execution of targeted projects, the institution works for people who have no access or who have difficult access to culture and art as well as those excluded (e.g. people with disabilities, seniors, people with lower social and economic status) by including them in social life and giving them access to cultural education. The Cavatina Hall concert hall is operated by the Fiducia Foundation. The facility has its own website <https://cavatinahall.pl/>, which includes a calendar of events and the possibility to purchase concert tickets. So far, artists such as Alchemik Big Band and Ewa Bem, Grzegorz Turanu, Czesław Mozil and Krzysztof Zalewski have performed at Cavatina Hall.



## CAVATINA HALL IN NUMBERS

**8,100**

sqm of office space

**280**

sqm of retail space

**830**

sqm of green terraces

**3,300**

sqm of concert hall and recording studio space

**11,400**

sqm total usable area of the facility





## CAVATINA STUDIO

Advanced technical solutions, spacious and acoustically diverse rooms, professional and experienced staff and an unforgettable atmosphere provide the guarantee of the highest quality, which we have been taking care of for years. The full dimension of sound is the idea according to which we created Cavatina Studio.



Cavatina Studio is the heart of the Cavatina Hall facility. It is responsible for the execution of concerts and recordings on the main stage through the use of direct connection with the hall, which gives the possibility to execute recording sessions with the participation of large musical ensembles, mix broadcasts from the concert hall for TV and the Internet - in comfortable technical and acoustic conditions. It also offers extensive and professional recording studio facilities for musicians - 5 studio rooms are at their disposal.



The studio operates on a non-profit basis. The aim of developing this place was to create and promote valuable projects from different areas of music, enabling young, unknown artists to record for free with substantive support and professional technical facilities, as well as to organize concerts and music meetings, free training and workshops for musicians and to finance own releases of the hosted musicians. The studio has already hosted several hundred performers from all over Poland and beyond. The results of this cooperation are, among others, own music releases, music videos and "live session" recordings, the production costs of which are fully covered by the recording studio. The unique ambience and professional production have been appreciated by numerous artists. It is a mix of noble sounds and different genres. Each album is a separate story, style and emotions and, for us, shared experiences and wonderful memories.

### Music productions made in Cavatina Studio



#### **Cavatina vol. 1**

The album features 10 tracks selected from the pieces submitted by artists who recorded at Cavatina Studio between October 2017 and July 2018.



#### **Cavatina Palio jazz**

The album features some of the most interesting jazz compositions donated by guest jazz musicians for the release. Each piece is a distinct story, style and emotions. Jazz at its best thanks to unrestricted freedom of creation.



#### **Drawings from caves**

This is a two-disc album of instrumental music. The album was produced by Michał Dziuda, Joachim Mencil and Krzysztof Maciejowski. A number of leading instrumentalists participated in the recordings; this mix of personalities, versatile skills, and various stylistic forms resulted in a composition that has consistently attracted many listeners over the years.



#### **It's coming on Christmas**

The album is a record of a recording session by singer Julia Kania. The album features songs that are inextricably associated with the Christmas atmosphere, with a nod to Polish and foreign tradition. The fresh, slightly jazzy sound of the musicians and Julia's warm voice make this a perfect album for winter, not just Christmas evenings.

Selected projects at Cavatina Studio



**CAVATINA FILM PRODUCTION**

The Group has also developed its activities in the area of production, resulting in the creation of Cavatina Film Production in 2016. It deals with the production and promotion of independent cinema. The aim of its activity is to support valuable projects from different areas of cinematography. Its cinematic co-production credits include such productions as:

**Master (2020, directed by Maciej Barczewski)** - the story of the legendary fighter Tadeusz "Teddy" Pietrzykowski, who saved his life in the German Nazi concentration and extermination camp Auschwitz-Birkenau thanks to his fights in the ring.



**The Best (2017, directed by Lukasz Palkowski)** - the life story of Jerzy Górski, who despite numerous adversities, became the world champion in double triathlon.



**Sto lat (Cent'anni, 2020, directed by Maja Prelog)** - the story of a filmmaker and cycling enthusiast, once aspiring to take part in the great Italian cycling race, from which he was stopped by illness. The film won the Docs-in-Progress award, at the 74th Cannes Film Festival in 2021.





## HOLISTIC THINK TANK FOR EDUCATION

The Holistic Think Tank (HTT) was established in 2021 as part of the Fiducia Foundation and operates on a non-profit basis. It is made up of a team of academics, researchers and education experts from around the world focused on implementing change in education, analyzing the latest developments in educational science and practice, and conducting own empirical research in school settings. At the heart of the organization's efforts is a list of values and skills about what a school should teach. Today's schools teach many skills and provide students with a wealth of information. At the same time, they often

do not explain how to put these skills and information into practice. The goal of HTT is to promote a new way of thinking about education and provide schools with modern and concrete systemic solutions and to develop a new interdisciplinary subject that integrates the school with the real world outside the classroom and to design an appropriate textbook compliant with the requirements. The broader school environment can and should be inclusive. Then the new subject will become a space to flourish for both students and teachers, as well as for anyone who cares deeply about children and youth.

We believe that the new interdisciplinary school subject will contribute to changing the current image of school, and its introduction is expected to serve young people in:

- ┌ strengthening their competences in the area of conscious and active participation in social life,
- ┌ teaching them how to find themselves in relation to the world, nature and their own body,
- ┌ enabling self-development in terms of personality, intelligence, sensitivity and worldview,
- ┌ showing them how to plan their own life path and manage inevitable changes,
- ┌ introducing the idea of teaching and learning through the ability to manage data and formulate conclusions,
- ┌ pointing to a tool to deal with the aggression of the world and redefine what it means to be successful.

The results of HTT's work are presented at an annual educational conference that brings together the most prominent researchers and educators.

In 2022, the Holistic Think Tank will be executing 3 major projects:

1. **“What Schools Teach Vs What Schools Ought to Teach: A phenomenography of the school environment”** – qualitative research on school environments around the world. The research was planned in 12 countries around the world, namely Brazil, United States, India, South Korea, Lebanon, Senegal, Zimbabwe, Nigeria, Kenya, South Africa, United Arab Emirates and Poland. It will consist of observations, in-depth individual and group interviews, and a diary panel study of students, teachers, parents, and relevant actors in the school environment. The research will result in a comprehensive study and analysis to better understand and design solutions for teaching at the elementary school level.

2. A short documentary film accompanying the research "What Schools Teach Vs What Schools Ought to Teach: A phenomenography of the school environment" conducted in the schools studied in seven selected countries, namely Brazil, US, Poland, Senegal, Lebanon, India and Kenya.
3. Oversight over the implementation of 3 projects pertaining to preparation of the Interdisciplinary School Subject (IDS) syllabi under Holistic Think Tank's grants awarded in early 2022.

**Three independent teams, i.e.:**

- ┌ Human Restoration Project - NGOs from the United States
- ┌ University of Sheffield - UK university
- ┌ Fab Foundation - NGOs from the United States are working on projects that will provide fully developed syllabuses and materials for teaching interdisciplinary subjects that will focus on key values and skills from the HTT list of what a modern school should teach.

## CAVATINA HELPS DURING THE PANDEMIC

At the beginning of the pandemic, during its most difficult time, we decided to launch the #CavatinaHelps campaign. We wanted to show with it how to get through the difficult times while trying to cope with what was happening in Poland in connection with the spread of covid. It was aimed at the elderly and needy, for whom simply going to the store could be dangerous, and to protect those vulnerable to the severe course of the disease. Cavatina supported these individuals by funding their most necessary shopping made by volunteers. The entire campaign was meticulously executed thanks to the involvement of our employees and associates as well as business partners and contractors. Everyone was able to purchase groceries, cleaning supplies, and other necessities such as medicine and pet food and donate them to those in need, convincing them to stay in their homes. The campaign was implemented nationwide during the first few months of the restrictions imposed due to the spread of the SARS-CoV-2 virus. Almost 1,500 beneficiaries were taken care of, and the total amount of funds allocated for the needy amounted to PLN 1,000,000.



## NOBLE PACKAGE

We participate in a nationwide social project organized by the Spring Association, whose main goal is to help families and individuals in difficult life situations. Each year, Group employees prepare 2 large packages for needy families or lonely people.



## REVITALIZATION OF THE CENTER OF BIELSKO-BIALA

**Revitalization of the center of Bielsko-Biala is another example of the exceptional activity of Cavatina Holding for the benefit of local communities, taking into account the needs of the city's development on many levels.** We decided to present a concept of revitalization and reconstruction of the historic center of Bielsko-Biala and we financed the preparation of the conceptual design documentation, together with the necessary documents. The Group's architects cooperated in this area with the Department of Urban Development and Spatial Planning of the Faculty of Architecture at the Silesian University of Technology. The aim of the project was, among others, to transform the current transit road cutting through the city center into a city promenade and to transform the area of Wojska Polskiego Square into a representative city square. According to the assumptions of the concept, if implemented, it would create a unique urban space surrounded by well-known buildings such as the Sułkowski's Castle, the Polish Theatre, or the Old Factory Museum, all connected by a complex of Karol Korn's tenement houses. These activities are aimed at restoring the representative nature of the historical market square in Bielsko-Biala. The project is based on multithreaded analyses of communication, city transport, accessibility, greenery, historical conditions, development structure and urban composition. The initiative was primarily intended to encourage the local community to discuss possible changes to the space in Bielsko-Biala.

## WE TAKE CARE OF OUR EMPLOYEES

IT IS THANKS TO THE COMMITMENT AND RESPONSIBILITY OF EMPLOYEES THAT CAVATINA HOLDING CAN CONTINUE TO GROW. AND THE EMPLOYEE HEALTH AND WELL-BEING HAS A DIRECT IMPACT ON THE COMPANY'S IMAGE.

We take an equal responsibility to ensure proper working conditions for both our own employees and the employees of the tenants of our developments. We invest in robust employee health programs and policies and in designing and building health and wellness-focused spaces. From the very beginning, Cavatina Holding's mission has been to provide building occupants with a healthy and comfortable place to work and feel good. Consequently, we made the decision to certify all of our buildings with the WELL Health and Safety Rating. It is awarded to office spaces that minimize the risk of disease transmission and create a safe workplace conducive to good health.

The main health promotion goals implemented among our employees include:

- Investing in programs and policies that support the overall health and well-being of employees,
- Achieving a WELL Health and Safety Rating,



- Aligning health and wellness initiatives with the company culture,
- Promotion of healthy lifestyles, private health care and cards allowing access to sports and recreation facilities.

At Cavatina Holding, the benefits we offer our employees are an important part of our company culture. Although their scope depends on seniority and position, they cover all employees.

Out of our concern for the health of Group employees, we have made premium private medical insurance one of the benefits. Any employee/associate, regardless of seniority, is eligible for medical coverage for themselves and immediate family members. The cost of this arrangement is borne entirely by Cavatina. Internal activities aimed at encouraging Group employees to take care of their own and other people's health include support for the COVID-19 vaccination campaign and blood donation campaigns. The second benefit is the Specialized Health Assistance Program: if an employee/associate (or a member of his/her immediate family) falls chronically or seriously ill or suffers an accident, he/she may be reimbursed for the costs of treatment and rehabilitation, also in foreign facilities. We are committed to ensuring that our employees who find themselves in a difficult illness-related situation have financial aid for treatment supporting prompt recovery.

We also strive to promote an active lifestyle and care for physical and mental condition among our employees. Therefore, among the benefits, we also offer a sports card for each of them and their immediate family members. Furthermore, the company runs the Cavatina Bike Club, which organizes biking trips and makes it possible to use the company electric bicycle fleet for individual trips.

Our care for our employees' well-being is also reflected by the trips we organize every year with participation of an ever-changing group of employees/associates. Each time we choose an interesting location in Europe, planning sports activities and additional special attractions.

Our employees also receive occasional benefits, including on the occasion of holidays, and recently we have introduced a child-birth allowance for parents.

Information on the above activities are communicated to employees, among others, in internal newsletters.

There is a procedure in place for granting benefits for Cavatina Holding employees. It defines which benefits are available to Group employees and specifies the rules for granting them. These rules concern, among others, the sports card or private health insurance.

## TRAINING AND EDUCATION

**We are committed to raising the competence of our employees and associates.** We believe that affording opportunities for personal development of the staff representing Cavatina Holding contributes directly to their work satisfaction and work efficiency as well as motivation, creating a good atmosphere in our company. We finance, among others, language courses and training courses associated with performed duties, e.g. on labor law, changes in taxes, and amendments to construction law. Employees can also participate in training courses regarding the so-called soft skills, e.g. public speaking or assertiveness.

### AVERAGE NUMBER OF TRAINING HOURS (1 HOUR = 60 MIN.) BY GENDER IN 2021

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE	27
Average number of training hours used by women	27
Average number of training hours used by men	27

### AVERAGE NUMBER OF TRAINING HOURS BY STRUCTURE

BREAKDOWN BY STRUCTURE:	WOMEN	MEN	TOTAL
Upper-level management	27	30	29
Middle-level management	26	26	26
Other employees	26	25	27

GRI 102-8  
GRI 405-1

## DIVERSITY AND EQUAL OPPORTUNITY

The main aim of our diversity policy is to ensure fair treatment of anyone regardless of position. We do not use any formally adopted document in respect of the above but we put these assumptions into practice by hiring employees diverse in terms of gender, age, professional experience, education and cultural background. We require showing respect to employees – it is part of our diversity-oriented culture. Our Group companies have a zero-tolerance policy towards discrimination and harassment. In case of unacceptable behaviors, we initiate an internal investigation in accordance with the procedure for reporting violations of law, procedures and ethical standards. Any cases of discrimination and harassment are reported in a manner which guarantees full anonymity of personal data of potential witnesses, victims and perpetrators until the case is resolved. All internal investigations are brought to the attention of the management or supervisory body. An internal investigation is conducted in a manner that allows for the collection of evidence that is the basis for management's decision on how to proceed with the case.



## DIVERSITY OF EMPLOYEES AND GOVERNANCE BODIES

As at the end of 2021 women made up over 40% of our company's employees, over 50% of upper- and medium-level management and 60% of the Supervisory Board composition.

### TOTAL NUMBER OF EMPLOYEES BY GENDER AS AT THE END OF 2021

TOTAL NUMBER OF EMPLOYEES	253
Number of women	114
Number of men	139

### PERCENTAGE OF EMPLOYEES BELONGING TO GOVERNANCE BODIES AS AT THE END OF 2021

MANAGEMENT BOARD	WOMEN	MEN	TOTAL
under 30 years old	0%	0%	0%
30 to 50 years old	14%	86%	100%
over 50 years old	0%	0%	0%
<b>Total</b>	<b>14%</b>	<b>86%</b>	<b>100%</b>

SUPERVISORY BOARD	WOMEN	MEN	TOTAL
under 30 years old	20%	0%	20%
30 to 50 years old	40%	20%	60%
over 50 years old	0%	20%	20%
<b>Total</b>	<b>60%</b>	<b>40%</b>	<b>100%</b>

## PERCENTAGE OF EMPLOYEES BELONGING TO UPPER- AND MEDIUM-LEVEL MANAGEMENT AND OTHER EMPLOYEES AS AT THE END OF 2021

UPPER-LEVEL MANAGEMENT	WOMEN	MEN	TOTAL
under 30 years old	4%	0%	4%
30 to 50 years old	22%	74%	96%
over 50 years old	0%	0%	0%
<b>Total</b>	<b>26%</b>	<b>74%</b>	<b>100%</b>

MIDDLE-LEVEL MANAGEMENT	WOMEN	MEN	TOTAL
under 30 years old	4%	4%	7%
30 to 50 years old	48%	44%	93%
over 50 years old	0%	0%	0%
<b>Total</b>	<b>52%</b>	<b>48%</b>	<b>100%</b>

OTHER EMPLOYEES	WOMEN	MEN	TOTAL
<b>Total</b>	<b>46%</b>	<b>54%</b>	<b>100%</b>

## COUNTERACTING DISCRIMINATION AND HARASSMENT

In Cavatina Holding we have a zero-tolerance policy towards discrimination and harassment and counteract such behaviors. We have adopted an equal treatment of employees procedure (a procedure for reporting violations of law, procedures and ethical standards), in accordance with which employees have equal rights for the performance of the same

duties, regardless of their gender, age, disability, race, religion, nationality, political convictions, union membership, ethnic origin, denomination, sexual orientation, employment for a specified or unspecified term or on a full-time or part-time basis. In accordance with this procedure, we also counteract workplace harassment, understood as actions or behaviors pertaining to an employee or against an employee, involving persistent and continuing harassment or intimidation of the employee, resulting in lowering his/her professional adequacy



GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 406-1

evaluation, causing or intending to cause humiliation or derision of the employee or his/her isolation or elimination from a team of co-workers.

**No case of discrimination or harassment was found at Cavatina Holding in 2021.**

## REMUNERATION

In 2021, the Cavatina Holding Supervisory Board adopted a Remuneration Policy with regard to remunerating management board members. The Policy stipulates that management board members are compensated based on the achievement of their goals, regardless of gender. Within variable remuneration components, management board members may receive task-based bonuses for effective management of environmental issues connected with the Company's operations and effective management of the Company while taking into consideration social responsibility associated with the Company's activity.

We also do not differentiate employees' salaries by gender, but by the scope of work performed.

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 412-2  
GRI 401-1

## HUMAN RIGHTS

Respecting human rights in the Cavatina Holding Group is an important issue, especially in the supply chain. **We make every effort to cooperate with verified subcontractors who declare respect for human rights, employee rights and who apply high ethical standards.**

In addition, all of our employees have been trained in the area of human rights policies and procedures taking into account aspects of human rights relevant to the conducted activity.

### EMPLOYEES TRAINED IN THE AREA OF HUMAN RIGHTS POLICIES AND PROCEDURES TAKING INTO ACCOUNT ASPECTS OF HUMAN RIGHTS RELEVANT TO THE CONDUCTED ACTIVITY AS AT THE END OF 2021.

# 100%

Percentage of employees trained in the area of human rights policies and procedures taking into account aspects of human rights relevant to the conducted activity.

## EMPLOYMENT

Our company is growing rapidly and every year we increase the headcount, therefore the employment rate is high. Women make up almost a half of the total number of our employees and associates.

### NEW EMPLOYEE HIRES

TOTAL NUMBER OF NEW EMPLOYEES BY GENDER AND AGE	WOMEN	MEN	TOTAL
under 30 years old	35	28	63
30 to 50 years old	25	30	55
over 50 years old	—	—	—
<b>Total</b>	<b>60</b>	<b>58</b>	<b>118</b>
<b>Employment rate</b>	<b>53%</b>	<b>42%</b>	<b>47%</b>
<b>Total</b>	<b>114</b>	<b>139</b>	<b>253</b>

# 46

people left work

# 118

persons were hired, so over 2.5 times as many new employees were recruited

# 18%

employee turnover rate



## EMPLOYEE TURNOVER IN 2021

GRI 102-41  
GRI 401-3

TOTAL NUMBER OF EMPLOYEES LEAVING WORK BY GENDER AND AGE	WOMEN	MEN	TOTAL
under 30 years old	8	10	18
30 to 50 years old	9	19	28
over 50 years old	-	-	-
<b>Total</b>	<b>17</b>	<b>29</b>	<b>46</b>
<b>Turnover rate</b>	<b>15%</b>	<b>21%</b>	<b>18%</b>
<b>Number of all the employees</b>	<b>114</b>	<b>139</b>	<b>253</b>

## COLLECTIVE BARGAINING AGREEMENTS

No collective bargaining agreements have been entered into in Cavatina Holding.

## PARENTAL LEAVES IN 2021

# 11

11 employees took parental leaves, of which nearly a half returned to work after the leave ended.

## NUMBER OF EMPLOYEES TAKING PARENTAL LEAVES IN 2021

	WOMEN	MEN	TOTAL
The number of employees who were entitled to a parental leave from 1 January 2021 to 31 December 2021	10	1	11
The number of employees who took a parental leave from 1 January 2021 to 31 December 2021	10	1	11
The number of employees who returned to work after parental leave from 1 January 2021 to 31 December 2021	4	1	5
<b>Return to work rate</b>	<b>40.00%</b>	<b>100.00%</b>	

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 403-1  
GRI 403-2  
GRI 403-3  
GRI 403-4  
GRI 403-5  
GRI 403-6  
GRI 403-7  
GRI 403-8  
GRI 403-9  
GRI 403-10

# WE SAFEGUARD SAFETY, HEALTH AND WELL-BEING

FROM THE POINT OF VIEW OF CAVATINA HOLDING, IT IS ESSENTIAL TO ENSURE A HIGH STANDARD OF SAFE AND HEALTHY WORK FOR EMPLOYEES AND ASSOCIATES.

We are bound by occupational health and safety regulations. For each construction project, the Contractor's Environmental Policy has been prepared. The aim of such a policy is to prove that the general contractor took into consideration the environmental impact of the project and measures implemented to prevent and mitigate that impact. The scope of the policy includes safe and adequate access to the construction site and a friendly work environment. Guidelines and advice can be also found in a construction project's rules and regulations and Safety and Health Protection Plan.

Construction works are performed in accordance with the Polish occupational health and safety laws and regulations and we comply with all the employer's duties in that regard. OHS inspections are regularly conducted on our construction sites.

Furthermore, comprehensive weekly reports and OHS analyses are prepared and presented on weekly industry coordination meetings which involve:

- presentation of conclusions and recommendations based on detailed photographic record from the construction site,

- discussion of the progress of preparatory works in connection with planned tasks,
- familiarization of contractors with the scope of tasks to be commenced (threats, adopted protection measures, information on secure manner of performance).

Risk assessments are performed and regularly updated for all positions. During induction and periodic training, employees are informed of threats in the workplace.

All newly recruited employees go through induction training (general and position-specific training) and then periodic training courses are performed on a timely basis in accordance with the occupied position. Such training is also provided to people cooperating under mandate and B2B contracts. We cooperate with an external company specializing in the OHS area which knows very well the uniqueness of our industry. In addition to training, each employee has access to an OHS professional and the opportunity to obtain the information necessary to perform work safely.

**The personnel's health is also important to us**, therefore our employees and associates are covered by private health insurance. In addition, the company has a specialized Health Support Program, under which employees or associates, in

**In 2021, we did not record any accidents at work involving the personnel of Cavatina Holding.**

the event of a serious illness or accident, may use funds to finance medical procedures, treatment and rehabilitation, also in foreign centers.

## WELL HEALTH AND SAFETY CERTIFICATE

Especially in times of pandemic, when many companies are adapting their working models to current realities based on the experiences of the past months, it is so important that their office spaces also satisfy new expectations. More importance was attached to such aspects as inspections of air and water quality, contactless movement around the building or introduction of new rules for maintaining cleanliness. In Cavatina Holding, we focus on the quality of our investment projects and improve the solutions used in them.

**We value safety and health of our employees and all of those who work or will work in our office buildings.** We make every effort so that our facilities are constructed to meet the highest standards. This is confirmed by the WELL Health and Safety Rating certification of all the buildings in our portfolio. It is the cutting-edge safety standard developed by the renowned International WELL Building Institute (IWBI) based on the guidelines from the World Health Organization (WHO). This is one of the most important market responses to the time of the pandemic. This way, we want to guarantee to the users of our facilities that after moving to a building with a WELL HSR logotype, they will be able to feel safe and be sure that the designers took care to ensure the highest possible quality of air and water supply systems and that the building satisfies the strict standards of cleaning and disinfection of all spaces. In addition, appropriate safety devices are used (e.g. contactless hand sanitizer dispensers, touchless flush toilets, baskets and toilet paper dispensers), procedures of conduct (specification of areas accessible only to couriers, food suppliers and visitors) as well as procedures for information and response in case of an emergency. In addition, our offices and site offices are equipped with personal protective equipment: face masks, gloves and disinfectants and disinfection lamps.

To familiarize our employees and tenants with actions taken in buildings with WELL certificates, we prepared a **Guide for beWELL! tenants**, which includes a description of cleaning and disinfection procedures, crisis preparedness plan, health aspects, water and air quality management, and engagement and communication building issues.





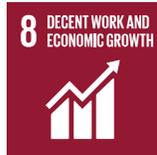


# CORPORATE GOVERNANCE

# WE HAVE ADOPTED A MISSION OF SUSTAINABLE MANAGEMENT



We believe that our company's growth must be based on a sustainable approach to organizational management, which will ensure that we maintain our position as the largest developer of office space in Poland and continue our mission to be among the trailblazing companies in the industry in contributing to the achievement of sustainable development goals.



We hire employees who are diverse in terms of gender, age, work experience, education or cultural background.



The introduced sustainability model allows us to reduce our carbon footprint and energy consumption.

We effectively manage waste on construction sites and use raw materials in a sustainable manner.



We focus on the development of our investment portfolio based on the construction of office spaces holding BREEAM certification. It is one of the most widely used methods for assessing the environmental performance of buildings in Europe, and satisfaction of its high standards makes it possible to reduce the costs of usage of the buildings, reduce their adverse environmental impact and create a place friendly for users and conducive to their health.

**Sustainable development is an integral part of our Corporate Governance.**

# OUR AUTHORITIES AND CORPORATE GOVERNANCE PRINCIPLES

GRI 102-18  
GRI 102-22  
GRI 102-23  
GRI 102-24  
GRI 102-26  
GRI 102-32

Cavatina Holding S.A. was established in 2017 and operates on the basis of provisions of the Commercial Company Code and other laws generally applicable in Poland as well as the Articles of Association and other internal regulations. Since 2021, we are a public company whose shares are admitted to trading on the regulated market operated by the Warsaw Stock Exchange. The Company, as an Issuer of bonds introduced to trading on the Alternative Trading System, also operates on the basis of regulations for the operation of the capital market, including the Act on Public Offering, Act on Trading in Financial Instruments and MAR. At <https://ir.cavatina.pl/obligacje/program-publicznej-emisji-obligacji/> we have published a generally available prospectus for the issue of bonds, which includes both important information on our activity and a detailed description of selected risk factors affecting our Group.

## MANAGEMENT BOARD

The governing body of Cavatina Holding S.A. is the Management Board. The scope of powers, rules for appointment and dismissal of members and operating rules of the Management Board are defined by provisions of the Commercial Company Code, provisions of the Articles of Association and the Management Board Bylaws. According to our company's Articles of Association, the Management Board consists of two to five members appointed and recalled by the Supervisory Board, which also sets the number of the members for a given term of

office and the functions of individual members. The Articles of Association provide for a joint 5-year term of office for Management Board members. Each Management Board member may be reelected for next term of office, without limitation.

To achieve the highest standards of the performance of duties by the company's Management Board and Supervisory Board and ensure their effective performance, only persons having appropriate competences, skills and experience are appointed as members of these bodies.

## AS AT 31 DECEMBER 2021, THE MANAGEMENT BOARD CONSISTED OF TWO MEMBERS



**Rafał Malarz**  
President  
of the Management Board



**Daniel Draga**  
Vice-President  
of the Management Board

Management Board members act in the interest of the Company and incur responsibility for its operations. In particular, the Management Board's tasks include leadership in the Company, involvement in setting its strategic objectives and their performance, and ensuring effectiveness and security in the Company.

The Management Board is responsible for the strategy and operating activity, including:

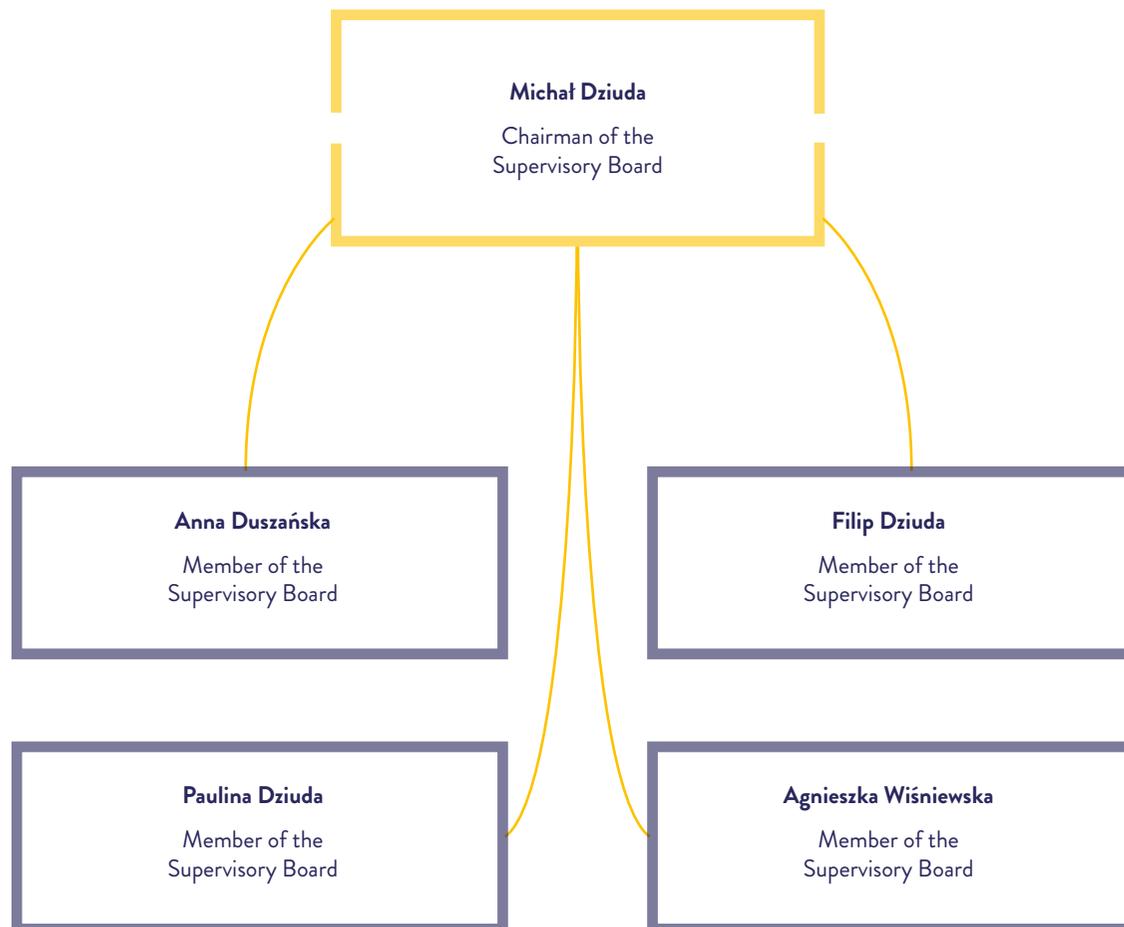
- supervising the performance of the strategy and defining assumptions for a plan for further development,
- approving operating actions and monitoring their execution,
- managing and disposing of the Company's movable assets and properties,
- being responsible for preparing activity reports and complying with reporting duties to shareholders and investors,
- presenting the Supervisory Board with information about the Company's standing, risk and strategy,
- recommending paying out dividends for a given financial year to the Shareholder Meeting,
- adopting resolutions and making decisions in any cases not reserved for the Shareholder Meeting or the Supervisory Board by generally applicable laws or the Company's Articles of Association.

Transparency of the Group's activity is of key importance to us. We want to provide reliable financial and non-financial information which will facilitate an assessment of our activity. In connection with this and to fulfill our ambition to be among the companies paving the way for others in the industry and to make a real contribution to achieving the sustainable development goals, we have started, with this report, by the Management Board's decision, to report ESG issues. The Management Board participated in identifying material topics for reporting and attaching priorities to them as well as specifying the scope of disclosed information.

## SUPERVISORY BOARD

The Supervisory Board is a supervisory body which exercises permanent supervision over Cavatina Holding's activity in all areas of its operations. According to the Articles of Association, Supervisory Board members are appointed and dismissed by the Shareholder Meeting. Furthermore, the Articles of Association provide for personal rights granted to the Controlling Shareholder to appoint and dismiss Supervisory Board members. The term of office of Supervisory Board members is a joint term of five years. Supervisory Board members may be reelected for next terms without limitation. Two Supervisory Board members should meet the criteria of being independent from the Company and entities with significant connections with the company following from the corporate governance principles in force on the regulated market in the territory of the Republic of Poland on which shares of Cavatina Holding are listed. Independent Supervisory Board members are appointed by the Shareholder Meeting or the Controlling Shareholder in exercising his or her personal rights.

## SUPERVISORY BOARD COMPOSITION AS OF 31 DECEMBER 2021





The Supervisory Board members, within the scope of their functions and responsibilities, are guided in their conduct, including decision-making, by the independence of their opinions and judgments, acting in the interest of the Company. In particular, the Supervisory Board gives its opinion on the Company's strategy and verifies the work of the Management Board with respect to achieving the set strategic objectives, as well as monitors the results achieved by the Company.

In accordance with the Company's Articles of Association, the Supervisory Board may appoint committees from among its members and define their tasks and powers. In Cavatina Holding, there is an **Audit Committee** operating within the Supervisory Board. It is composed of three members, most of whom meet the criteria for independence set out in the Act on Statutory Auditors. Two members have knowledge and skills in accounting and auditing financial statements and one has knowledge and skills in the industry in which the Company

operates. The Committee's responsibilities include monitoring the financial reporting process and the effectiveness of internal control systems and risk management as well as internal audit systems.

At present, we do not have a diversity policy in place for the Management Board and the Supervisory Board. However, in the next years, we plan to draw up such a regulation, defining diversity goals and criteria, including in such areas as gender, educational background, expertise, age and professional experience.

The Supervisory Board defines for the Management Board environmental objectives to be achieved by Cavatina Holding. These tasks include:

- taking actions to reduce emissions, recycle resources efficiently, replace or reduce the use of environmentally harmful substances in the Company's operations,

- taking actions aimed to ensure that raw materials used in production come from responsible sources and promoting ecological attitudes among the Company's domestic and foreign clients,

- contributing to the sustainable development of the Company, including the health and well-being of the Company's employees and associates, which translates into an increase in their commitment to work and more effective performance of their duties,

- managing the Company in a manner compliant with all corporate governance rules applicable at the Warsaw Stock Exchange.

GRI 102-16  
GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 206-1  
GRI 419-1

# WE BUILD VALUE BY ACTING ETHICALLY

We believe that ethics and responsibility are among the fundamental principles of any business and we therefore require compliance with such standards from both our business partners and our employees/associates.

As far as the business ethics is concerned, we comply with the Commercial Company Code, the principles enshrined in the Best Practice for WSE Listed Companies 2021, the Articles of Association, as well as internal regulations and procedures.

Dedicated policies, internal regulations and procedures regarding Cavatina Holding's ethical standards are available to every employee in HR newsletters.

A coherent system of rules and practices consists of:

- ┌ equal treatment and promotion of diversity in the workplace,
- ┌ occupational health and safety,
- ┌ compliance with social coexistence standards,
- ┌ protecting and safeguarding confidential information,
- ┌ countering corruption and violations of laws.

## COMPLIANCE OF OUR ACTIVITIES WITH THE LAW

We are a public company listed on the Warsaw Stock Exchange and supervised by the Polish Financial Supervision Authority. We are committed to ensuring that our operations comply with the law in various areas, which is why we have implemented a number of internal regulations dedicated to, among other things, protecting and safeguarding confidential information and preventing corruption, discrimination and harassment. We also have in place an internal procedure for anonymous reporting of potential violations of the law and ethical standards (whistleblowing).

### In 2021:

- ┌ We did not identify any cases of non-compliance of our operations with the law or generally accepted principles of social coexistence.
- ┌ No legal proceedings were pending against us for violations of the principles of free competition or monopolistic practices.
- ┌ No non-financial penalties or sanctions were imposed on us for non-compliance with the law in the social and economic areas.
- ┌ During the on-boarding, all employees and members of the management and supervisory bodies were informed about the Company's policies.
- ┌ We did not identify any substantiated complaints regarding our operations or complaints concerning breaches of customer privacy and loss of customer data.
- ┌ We did not record any cases of corruption.
- ┌ We comply with the applicable regulations related to taxes and social security. Any salaries, benefits or other allowances that our employees receive are legal, properly accrued, accounted for and reported.

## COMPLIANCE SYSTEM

The Cavatina Holding Group has in place a **compliance management system** to identify and manage risks of non-compliance with the law, internal regulations and generally applicable practices and ethical standards. A Compliance Department has been established and a Compliance Officer has been appointed in the rank a Director, reporting directly to the Company's Management Board. The Compliance Officer supervises implementation of anti-corruption procedures within the Company.

We have transparent procedures for reviewing and approving costs and expenses, and for engaging with third parties (including intermediaries, agents, subcontractors and suppliers), in order to exclude the possibility of occurrence of mechanisms for granting benefits using the Group's assets. Employees are informed of applicable policies during the on-boarding process. Appropriate anti-corruption clauses are included in the contracts with our contractors and business partners.

We are developing a culture of intra-organizational whistleblowing. In 2021, a Data Protection Officer was appointed and an internal whistleblowing procedure in respect of violations of the law, procedures and ethical standards was implemented to govern the handling of reports, review and conduct of internal investigations carried out by the Whistleblowing Team, as well as follow-up activities. There is also a log in place in which any reports concerning potential cases of corruption are recorded.

The Compliance system also applies to our investment projects. We have internally developed model contracts, which guarantee a range of rights and obligations for both parties, allowing for proper and timely performance of the contracts. Already at this stage of controlling, optimum solutions regarding costs, technology and project execution time are adopted. Next, qualified engineers perform regular reviews of the designs for the given project in order to detect potential errors or solutions that are not optimum at the design stage. The final approved bill of quantities allows for a more streamlined bidding and contracting process. Our experience shows that thanks to this approach Cavatina Holding has repeatedly achieved significant investment savings and is not exposed to corruption or fraud. Our Central Procurement Department is constantly looking for new suppliers, products and replacements, so we can be sure to order materials at the optimum price and high quality at all times.

In addition to control at the stages of designing, offering and ordering materials and services for our projects, at every stage of execution our engineering staff at the construction site supervises the quality and correctness of work performed, takes care of the proper use of materials, ensures their correct storage and controls materials management. Materials are each time checked by qualified employees to exclude cases of assembly of elements not allowed for sale in the country, incompatible with the project or lacking the appropriate quality documentation.

## COUNTERACTING CONFLICTS OF INTEREST

Cavatina Holding S.A.'s Management Board and the Supervisory Board members avoid undertaking professional or non-professional activities that could lead to a conflict of interest. In accordance with the internal rules of procedure, if any conflict of interest arises that could affect the way in which a management or supervisory body member fulfils his or her mandate or casts doubt on the appropriateness of his or her actions, such person should immediately inform the other members of the conflict of interest and refrain from taking part in discussions or voting on matters to which the conflict of interest relates. In addition, a Supervisory Board member is obliged to promptly inform the Management Board on any relationship with a shareholder who holds Company's shares representing no less than 5% of all votes at the Shareholder Meeting. This obligation applies to economic, family, or other relationships that may have an impact on a Supervisory Board member's position with respect to a matter considered by it.

## PREVENTION OF CORRUPTION

We are committed to complying with generally applicable anti-corruption laws. Every material contract, including contracts with our subcontractors, includes anti-corruption clauses. Since its floatation in 2021, the Company has systematically implemented the standards recommended for compliance management system in respect of anti-corruption and whistleblower protection in companies listed on the Warsaw Stock Exchange.

GRI 102-25

GRI 205-2

GRI 205-3

Our contracts with business partners contain appropriate anti-corruption clauses requiring the parties to exercise due diligence and comply with all applicable anti-corruption laws issued by authorized bodies in Poland and in the European Union. Business partners acknowledge that they will comply with all applicable requirements and internal regulations that establish standards for ethical conduct, anti-corruption, lawful accounting of transactions, costs and expenses, conflicts of interest, giving and receiving gifts, whistleblowing and investigations of irregularities. In order to properly perform the obligation, it is possible to report irregularities anonymously via e-mail as part of the Whistleblowing System.

**In 2021, we implemented a Procedure for reporting violations of law, procedures and ethical standards within the Cavatina Holding S.A. Group. We also established a Whistleblowing Team and set up a path for whistleblowing.**



## CONFIDENTIALITY

We perceive information as a sensitive resource of every organization and we are aware of the threats resulting from the ongoing development of technologies for processing personal data in IT systems. **Security of information, including personal data, as well as of information processing systems, is our priority and guarantee of continuous development of the organization.** At Cavatina Holding, we are committed to ensuring security of personal data, among other things, through the data protection policy and detailed rules of data processing introduced in 2021. This policy is a key document of the personal data protection system, in which the rules for processing personal data and methods of data protection are defined, with a view to, among others, ensuring security of the personal data processed, raising awareness of employees and associates and involving them in the protection of personal data. The rules, powers and responsibilities described in the policy apply to all employees and other persons performing work under mandate contracts, contracts for specific work or other civil law contracts, as well as persons working as volunteers, trainees or apprentices. It complies fully with the requirements of applicable laws and regulations and will be monitored and improved on an ongoing basis. A Data Protection Officer is also appointed to monitor the application of good practices on a regular basis and to mitigate potential irregularities in the area of data security.

Furthermore, rules of circulation and protection of access to confidential information and performance of disclosure obligations in Cavatina Holding were introduced to ensure that we properly perform our disclosure obligations and that confidential information is properly processed within the Group.

There are also additional internal regulations in place to ensure responsible management of the customer data protection area.

These are, among others:

- └ rules of conduct in the event of a personal data protection breach,
- └ security of personal data,
- └ security of IT systems,
- └ exercise of data subjects' rights,
- └ detailed rules of personal data processing,
- └ terminology related to personal data protection,
- └ duties of persons dealing with personal data processing.

The results of our actions are evaluated in annual audits of the data protection system.

Audits are followed with recommendations included in the Implementation Plan, the performance of which is reported to the Management Board.

Our approach to managing the data protection system within an expanding organization is to appoint a Data Protection Officer within the meaning of GDPR and to standardize the works carried out as part of the organization's data protection system.

## TAXES

As part of our general tax strategy, we strive to maintain full compliance with the tax laws and to submit information to the relevant public authorities, as required.

Cavatina Holding and its group are entirely subject to taxation in Poland. We do not participate, and do not plan to participate, in any partnership or joint venture structures or arrangements that are based in or involve entities located in countries that engage in unfair tax competition or are established solely for tax purposes.

We take all necessary steps to ensure that our tax obligations are properly fulfilled, and in particular that the employees and associates of the Finance Department who perform accounting and tax activities have the necessary knowledge and skills to ensure proper performance of their duties. An important element of this strategy consists of training the existing staff and recruiting suitable candidates for new positions. We also take efforts to monitor changes in tax laws and the practice of their application to ensure that our duties are properly performed. We also use tax advisory services provided by tax advisors with appropriate expertise. A dedicated tax manager oversees all of these matters within Cavatina Holding.

Our approach is to align our tax strategy with the group's commercial business activities, with final decisions based on the group's business needs. In connection with the floatation, we are making serious efforts to develop tax management approaches that will allow us to effectively communicate our strategy and tax transparency to the public and policymakers. In doing so, we want to build an appropriate basis of trust and have a positive impact on the perception of our investments and operations.

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 418-1  
GRI 207-1

# WE BUILD A RESPONSIBLE SUPPLY CHAIN

Supply chains in the construction sector are quite complex. The Cavatina Holding's supply chain consists of material suppliers and service providers, including consultants and subcontractors, who perform work at construction sites. This sector is primarily of regional nature, with contractors ranging from large companies to sole proprietors. **We understand the importance of managing the cooperation with service and product providers, and the need to build mutual relationships in a responsible manner as well as to make sure that the business is as local as possible.**

Our organization has implemented regulations to ensure responsible supply chain management, including procurement guidelines, contractor selection procedures, and guidelines regarding the content and form of as-built documentation of buildings. With respect to risks in this area, the provisions of our contracts always provide for the possibility of termination in the event of serious violations.

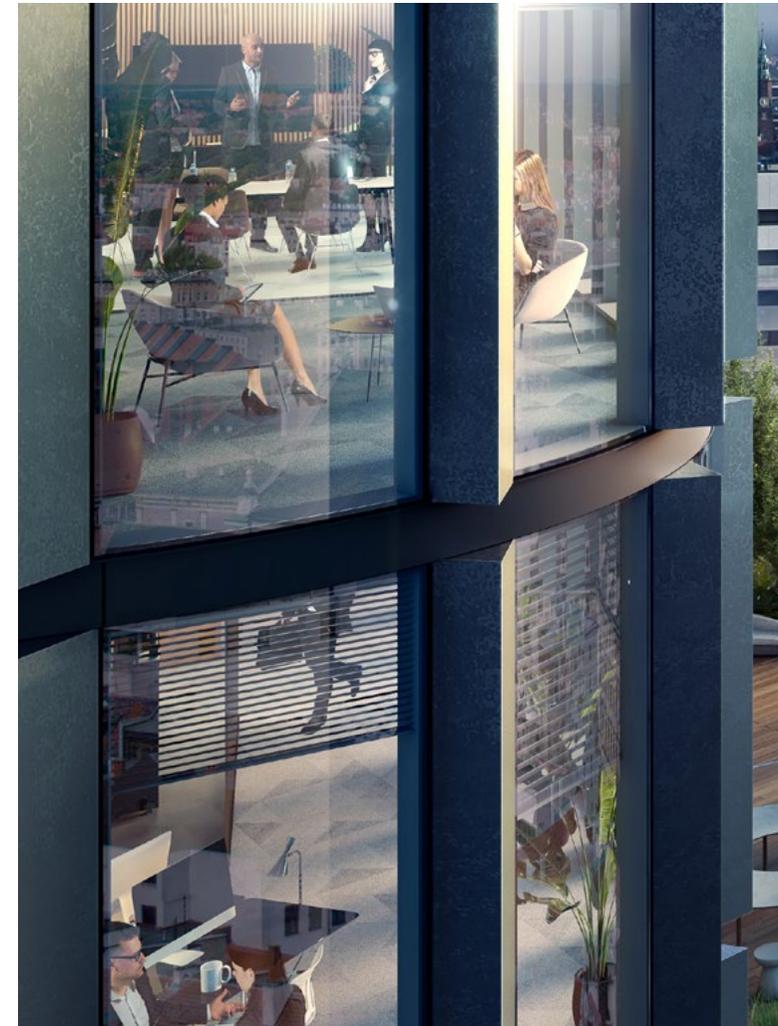
Due to the scale and complexity of our projects we cooperate on a regular basis with many third parties providing construction, assembly and finishing services. Based on many years of experience and know-how developed by the Group's engineering staff, we divide each project into approximately one hundred standardized and precisely defined budget items; and we hire entities specializing in the execution of such works. We seek a narrow specialization of subcontractors to achieve, among other things, the best quality and to optimize costs.

In accordance with our business model, we are also responsible for the purchases of key construction materials, whereas subcontractors are responsible for materials which are of lesser value and do not affect the design and visual effects. We also have in a place a Sustainable Procurement Program.

The adoption and consistent use of such procurement model ensures, among other things:

- ┌ optimization of the costs of materials thanks to a large scale of orders and diversification of suppliers of materials necessary for the work in individual projects carried out by various subcontractors,
- ┌ an optimum value for money of the materials purchased,
- ┌ competitive business terms.

**With a view to supporting local communities, most purchases are made from Polish entities, and we import only certain selected materials whose availability in Poland is limited or which are not available.**









# ABOUT THE REPORT, GRI TABLE



- GRI 102-46
- GRI 102-47
- GRI 102-48
- GRI 102-49
- GRI 102-50
- GRI 102-51
- GRI 102-52
- GRI 102-53
- GRI 102-54
- GRI 102-56

**This report is our first ESG publication and presents the activities of Cavatina Holding carried out in social, environmental and corporate governance areas in 2021, and provides a comprehensive summary of our activities in this respect.**

The report was prepared in accordance with the GRI (Global Reporting Initiative) Core version standards. It was not subject to external review. We plan to issue similar publications in the following years on an annual basis.

### MATERIALITY PRINCIPLE

The process of drafting the report was divided into several stages so that we could select any material issues to present in the report and engage our stakeholders in the process. A consulting company, Go Responsible, provided support in developing the document and selecting the topics to be covered. As the first step, we organized a workshop and invited employees to identify topics material from the company’s perspective. Next, we invited our stakeholders to assess the relevant issues to be described in the report. All potential topics to be addressed in the report were ranked on a scale from 1 to 5, with 5 corresponding to the greatest interest. Out of those, we selected a list of key issues for presentation in the report that were rated highest by external stakeholders in the online survey and identified as most important in the company’s internal analysis. This allowed us to identify the most material sustainability and corporate responsibility matters related to our business. Additionally, given the guidelines and industry disclosures, we made the decision to present other complementary topics in the report.



### REPORTED TOPICS IDENTIFIED AS MATERIAL IN OUR BUSINESS IN 2021

MATERIAL TOPIC	ESG AREA
Financial performance	
Maintaining confidentiality in customer relations	<b>Social responsibility</b>
Employee health and safety	
Mitigation of potential discrimination	
Human rights	
Minimization of waste volume	<b>Natural environment</b>
Consumption and measures to reduce energy consumption	
Company’s climate impact and actions to prevent climate change	
Prioritization of investments in energy-saving and sustainable construction	
Compliance with environmental regulations, prevention of fraud, violations of environmental laws and regulations	<b>Corporate governance</b>
Consumption and measures to reduce water consumption	
Compliance with laws and regulations, including prevention of violations of free competition and monopolistic practices	
Tax management	



## SUPPLEMENTARY TOPICS

### ADDITIONAL TOPIC

### ESG AREA

Indirect economic impacts, infrastructure development, local market development

Anti-corruption

Employee training and education

Diversity and equal opportunity in access to jobs

Employment in the company: new employees and employees from the local market, remuneration, employee turnover, benefits

Assistance and charitable activity

Resources and materials used by the company and their recycling and reuse

Greenhouse gas emissions and means of reducing them

Biodiversity

Sustainable supply chain

### Social responsibility

### Natural environment

### Corporate governance

**IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS REPORT, PLEASE CONTACT US**

### Contact details

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# TABELA GRI

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
GRI 101: Foundation 2016	101	It does not include any indicators		■ full
				□ partial
<b>PROFILE DISCLOSURES</b>				
GRI 102: General disclosures 2016	102-1	Name of the organization	8	■
	102-2	Primary brands, products or services	8-10	■
	102-3	Location of the organization's headquarters	11	■
	102-4	Number of countries where the organization operates and names of the countries	10	■
	102-5	Ownership and legal form	13	■
	102-6	Markets served	10	■
	102-7	Scale of operations	11	□
	102-8	Information on employees	54	■
	102-9	Value chain	70	□
	102-10	Significant changes to the organization and its supply chain	70	■
	102-11	Precautionary principle	35	■
	102-12	External initiatives adopted by the organization	46-51	■
	102-13	Membership of associations	24	■
	102-14	Statement from senior decision maker	2-3	■
	102-16	Values, principles, standards and norms of behavior	66	■
	102-18	Governance structure	64	■
102-22	Composition of the highest governance body and its committees	63-64	■	
102-23	Chair of the highest governance body	63	■	

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
GRI 102: General disclosures 2016	102-24	Nominating and selecting the highest governance body	63	■
	102-25	Conflicts of interest	67	■
	102-26	Role of highest governance body in setting purpose, values and strategy	63-64	■
	102-32	Highest governance body's role in sustainable development reporting	64	■
	102-40	List of stakeholder groups	21	■
	102-41	Collective bargaining agreements	57	■
	102-42	Identifying and selecting stakeholders	21-22	■
	102-43	Approach to stakeholder engagement	21-22	■
	102-44	Key topics and concerns raised	21-22	■
	102-45	Entities included in the consolidated financial statements	13	■
	102-46	Defining report content	74	■
	102-47	A list of material topics identified in the process for defining report content	74-75	■
	102-48	Restatements of information made from previous report and reasons for the restatements	74	■
	102-49	Significant changes compared to the previous report	74	■
	102-50	Reporting period	74	■
	102-51	Date of most recent report	74	■
	102-52	Reporting cycle	74	■
	102-53	Contact point for questions regarding the report	75	■
	102-54	Claims of reporting in compliance with the GRI Standards	74	■
	102-55	GRI content index	76-82	■
102-56	External assurance	74	■	

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
<b>DETAILED DISCLOSURES ABOUT MATERIAL AND SUPPLEMENTARY TOPICS</b>				
<b>Economic topics</b>				
<b>Material topics</b>				
<b>Financial results</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	13	■
	103-2	Management approach and its elements	13	■
	103-3	Evaluation of management approach	13	■
GRI 201: Economic results 2016	201-1	Direct economic value generated and distributed	13	■
<b>Environmental topics</b>				
<b>Material topics</b>				
<b>Impact on climate and actions to prevent climate change</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	38	■
	103-2	Management approach and its elements	38	■
	103-3	Evaluation of management approach	38	■
GRI 201: Economic results 2016	201-2	Financial implications and other risks and opportunities for the organization's operations resulting from climate changes	38-39	■
<b>Consumption and measures to reduce energy consumption</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	30-31	■
	103-2	Management approach and its elements	30-31	■
	103-3	Evaluation of management approach	30-31	■
GRI 302: Energy 2016	302-1	Energy consumption	30	□
	302-3	Energy intensity	30	■

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
<b>Consumption and measures to reduce water consumption</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	34-35	■
	103-2	Management approach and its elements	34-35	■
	103-3	Evaluation of management approach	34-35	■
GRI 303: Woda i ścieki 2018	303-1	Interactions with water as a shared resource	34-35	■
	303-2	Management of water discharge-related impacts	34-35	■
	303-5	Consumption of water	35	■
<b>Minimization of waste volume</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	32-34	■
	103-2	Management approach and its elements	32-34	■
	103-3	Evaluation of management approach	32-34	■
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	32-34	■
	306-2	Management of significant waste-related impacts	32-34	■
	306-3	Waste generated	32	■
<b>Compliance with environmental regulations</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	37	■
	103-2	Management approach and its elements	37	■
	103-3	Evaluation of management approach	37	■
GRI 307: Environmental compliance 2016	307-1	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	37	■
<b>Prioritization of investments in energy-saving and sustainable construction</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	37	■
	103-2	Management approach and its elements	37	■
	103-3	Evaluation of management approach	37	■
	wskaźnik własny	Number of certified buildings	37	■

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
<b>Supplementary topics</b>				
<b>Resources and materials used by the company and their recycling and reuse</b>				
GRI 301: Materials 2016	301-1	Resources/materials used by weight and volume	32	□
<b>Biodiversity</b>				
GRI 304: Biodiversity 2016	304-2	A description of significant impact of activities, products and services on biodiversity on protected areas and areas valuable in terms of biodiversity found outside protected areas	35	■
<b>Greenhouse gas emissions and means of reducing them</b>				
GRI 305: Emissions 2016	305-4	Intensity of greenhouse gas emissions	31	■
<b>Social topics</b>				
<b>Material topics</b>				
<b>Employee health and safety</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	58-59	■
	103-2	Management approach and its elements	58-59	■
	103-3	Evaluation of management approach	58-59	■
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	58	■
	403-2	Hazard identification, risk assessment and incident investigation	58	■
	403-3	Occupational health services	58	■
	403-4	Worker participation, consultation, and communication on occupational health and safety	58-59	■
	403-5	Worker training on occupational health and safety	58	■
	403-6	Promotion of worker health	58	■
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58-59	■
	403-8	Workers covered by an occupational health and safety management system	58	□
	403-9	Work-related injuries	58	■
	403-10	Work-related ill health	58-59	■

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
<b>Mitigation of potential discrimination</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	55	■
	103-2	Management approach and its elements	55	■
	103-3	Evaluation of management approach	55	■
GRI 406: Non-discrimination	406-1	Total number of incidents of discrimination (incidents of discriminatory nature) and corrective actions taken	55	■
<b>Human rights</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	56	■
	103-2	Management approach and its elements	56	■
	103-3	Evaluation of management approach	56	■
GRI 412: Human rights assessment 2016	412-2	Total number of hours of employee training on human rights policies and procedures	56	□
<b>Maintaining confidentiality in customer relations</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	69	■
	103-2	Management approach and its elements	69	■
	103-3	Evaluation of management approach	69	■
GRI 418: Customer privacy 2016	418-1	Total number of substantiated complaints concerning breaches of customer privacy and loss of customer data	66	■
<b>Supplementary topics</b>				
<b>Indirect economic impacts</b>				
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	44-45	■
<b>Anti-corruption</b>				
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures (governance bodies, employees, business partners)	67-68	□
	205-3	Confirmed incidents of corruption and actions taken	66-67	■

NAME OF GRI STANDARD	INDICATOR NUMBER	INDICATOR NAME	PAGE NUMBER	DEGREE
<b>Headcount in the company</b>				
GRI 401: Employment 2016	401-1	Total number and rate of new employee hires and employee turnover by age group, gender and region	56-57	■
	401-2	Benefits provided to full-time employees	52-53	■
	401-3	Return to work and retention rates of employees that took parental leave, by gender	57	■
<b>Employee training and education</b>				
GRI 404: Employee training and education 2016	404-1	Average hours of training per year per employee by gender and employment category	53	■
<b>Diversity and equal opportunity</b>				
GRI 405: Diversity and equal opportunity 2016	405-1	Composition of governance bodies and human resources by gender, age, minority affiliation and other diversity indicators	54	□
<b>Corporate governance</b>				
<b>Material topics</b>				
<b>Compliance with law and regulations</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	62	■
	103-2	Management approach and its elements	62	■
	103-3	Evaluation of management approach	62	■
GRI 206: Anti-competitive behavior 2016	206-1	Total number of legal actions against the organization for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	66	■
GRI 419: Socioeconomic compliance 2016	419-1	Amount of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	66	■
<b>Tax management</b>				
GRI 103: Management approach 2016	103-1	Explanation of topics identified as material and their boundaries	69	■
	103-2	Management approach and its elements	69	■
	103-3	Evaluation of management approach	69	■
GRI 207: Taxes 2019	207-1	Approach to tax	69	■



