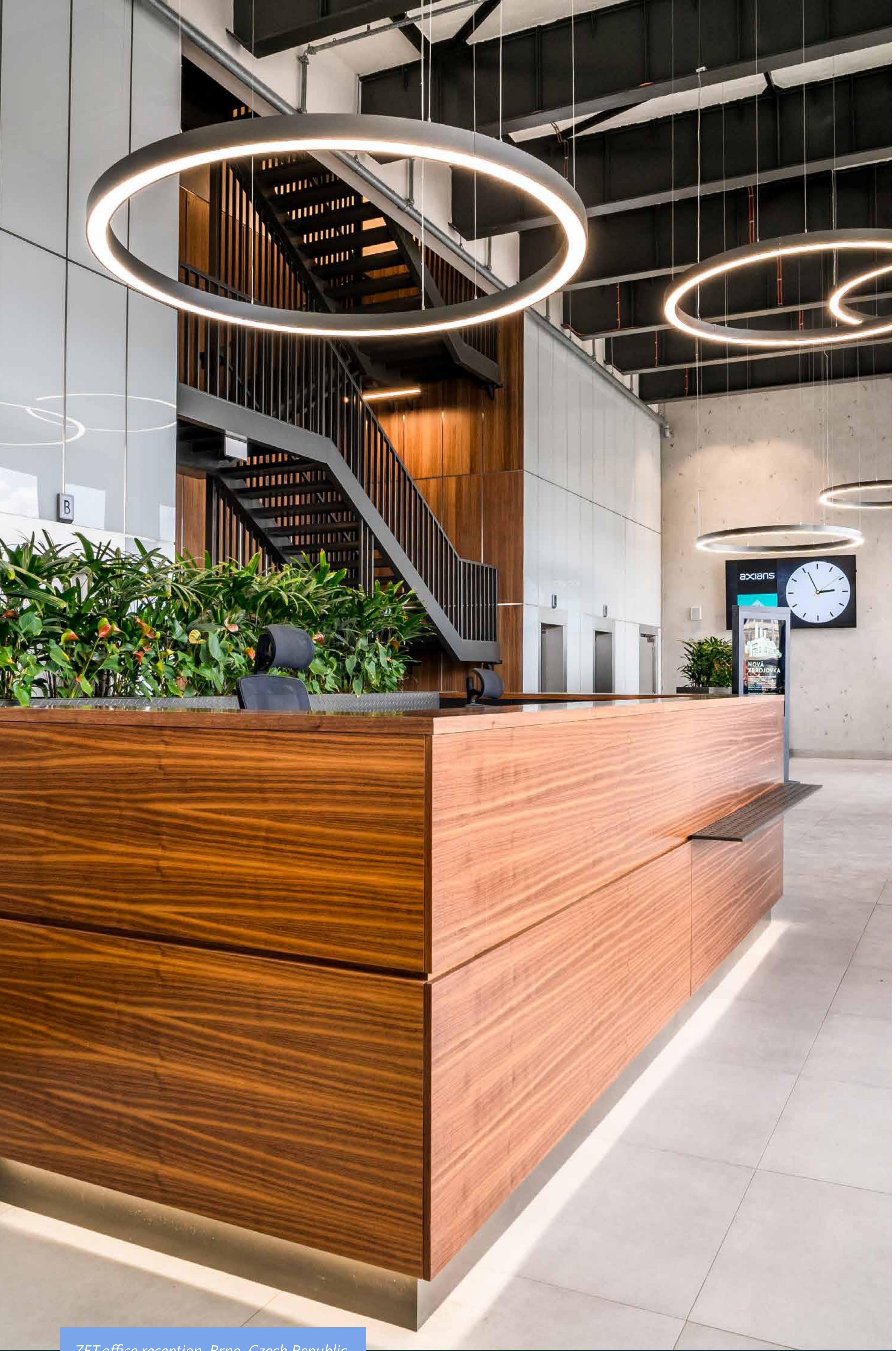


ZET.office reception, Brno, Czech Republic

Financial Reporting, Internal Control and Risk Management

The Company has organised our internal control environment by identifying the main risks to which we are exposed, determining the level of control over these risks, and strengthening the reliability of our financial reporting and communication processes. The Group's overall approach to risk is conservative. There are inherent risks determined by the nature of our business, such as fluctuations in the value of assets, vacancies, volatility in market rents or risks associated with development activities. Key risks are assessed by ranking exposure on the basis of probability and magnitude and are closely managed. Analysis of sensitivity to these key risks is conducted at Group level. The Group's management structure is designed to enable effective decision making. The periodic reviews of key performance indicators are conducted: tenants' turnovers, vacancies, rent collection, arrears and doubtful debtors, and review of performance against budgets and schedules. Internal audits of control functions are regularly performed. Strict procedures are also observed for the periodic production of quarterly and annual figures on the basis of the adopted policies. There are clearly defined guidelines and approval limits for capital and operating expenditures and other key business transactions and decisions. The internal management reporting system is designed to identify fluctuations in the value of investments, income and expenses. Capital projects, major contracts and business property acquisitions are reviewed in detail and approved by the Board of Directors where appropriate.

Financial Risk

The Group maintains a prudent financial policy. Foreign exchange risks and interest rate risks arising from the Group's operations, financial assets and liabilities are carefully managed and mitigated through the use of a range of hedging instruments. Tenant credit risk is managed by utilising a range of measures including credit rating scorecards. The Group has strong credit metrics supported by investment grade ratings, long-dated debt maturity profile, strong liquidity through cash and a large committed revolving credit facility from ten banks expiring in 2026, and access to multiple sources of capital, including international bonds issued across multiple jurisdictions under the Company's EMTN programme, private placements, Schuldschein, secured loans from its relationship banks and equity investment from its majority shareholder. For financial risk, comprising of credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk) please refer to Note 7 in Consolidated Financial Statements as of 31 December 2019.

Information Technology Risks

The Group has developed a strong information technology team, with dedicated information security specialists. The threat of data breach and loss or cyberattacks are taken very seriously. IT systems used across the Group are designed and developed in order to provide maximum security. Information security risk is carefully monitored and information security policies are reviewed and updated. Employees are regularly guided to be aware of potential IT and cyber security related risks. The Group makes use of electronic data processing within automated information systems. Offsite data back-up and recovery measures are in place.

Legal Risk

The Group has established a legal team at the central and local level to ensure proper implementation of legal services and compliance with applicable laws and regulations. Internal legal teams support management in daily operations with respect to ongoing transactions and legal relationships with clients, customers, banks, suppliers, administrative and governmental bodies, as well as courts. The legal teams monitor legislative changes and regulatory changes to minimise associated legal risks.

Complex transactions, litigation as well as certain legal services are outsourced to reputable law firms to ensure obtaining of the highest standards of legal services and minimization of legal risks.

Local legal departments provide regular litigation reports to the general counsel who reports directly to the CEO. Legal reports, including litigation updates, are provided to the Board on quarterly basis, with major legal issues being reported immediately.

Development, Construction and Refurbishment Projects

The Group employs construction and development experts and skilled project managers for its construction and refurbishment projects. The suppliers of architectural, permitting, construction and refurbishment works are always tendered from reputable companies with relevant experience and financial capacity.

Project timing, progress and budgets are carefully monitored, mostly with the support of external project monitoring organisations. Health, safety and environmental risks are monitored before and during construction.

Transaction and Asset Management Risk

Acquisitions of new assets are carefully examined through a detailed financial, legal, and operational evaluation prior to Board approval. Reputable external advisors are engaged to assist with acquisition processes starting from evaluation, due diligence, transaction negotiation and implementation.

Asset management initiatives are carefully scrutinized before implementation, taking costs and benefits into account. An experienced asset management team evaluates market pricing of lease transactions and also assists with acquisition processes.

An experienced property management team monitors retail tenants turnovers, vacancies, rent collection, arrears and doubtful debtors. Rent collection is closely monitored and enforced in cooperation with the legal team. The tenant base is well diversified and there is limited exposure to individual tenants.

Asset Protection/Insurance

The Group insures all income-producing properties with all-risk property insurance at reinstatement cost, business interruption (revenues for 24 months) and third-party liability insurance. Some properties are also insured against terrorist acts. Properties under development have construction all-risk insurance. Insurance is contracted from reputable international insurers. The Audit Committee and the Remuneration Committee have specific duties in terms of internal control.

Subsequent Events

Please refer to Note 11 of the Financial Statements as of 31 December 2020.

Financial Risks Exposure

For detail description of the principal risks and uncertainties, please refer to Note 2 Basis of Preparation of the Consolidated Financial Statements as of 31 December 2020.

Required information

In reference to the information required by paragraphs (a) to (k) of Article 11(1) of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the Board of Directors states as follows.

(a) *The structure of the capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents:*

The share capital of the Company is represented by 8,651,716,331 ordinary shares of one class, out of which 112,135,971 shares (approximately 1.3% of the total number of shares), registered under ISIN code LU0251710041, are admitted to trading on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. The remaining 8,539,580,360 Company shares (approximately 98.7% of the total number of shares) are currently not listed and are non-tradeable on a regulated market.

The Extraordinary General Meeting of the shareholders of the Company held on 26 June 2017 decided to introduce the possibility to create and issue up to ten billion (10,000,000,000) non-voting shares, having a par value of ten eurocents (€0.10) each, and also the possibility to create and issue up to ten billion (10,000,000,000) beneficiary shares without any voting rights and being under registered form only. None of these shares have not been issued by the Company yet.

(b) *Any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC:*

There are no restrictions on the transfer of Company's shares or other securities issued by the Company. However, final terms of certain series of the notes issued under Company's €8,000,000,000 Euro Medium Term Note (EMTN) Programme include a "Prohibition of Sales to EEA Retail Investors" legend. In such case these notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA, within the meaning of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

(c) *Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:*

Based on the latest shareholders' declarations received as at 31 December 2020, the following table sets out information regarding the ownership of the Company's shares:

Radovan Vítek (directly or indirectly)	7,847,502,824	90.70%
Others	484,911,259	5.60%
Treasury shares held by the Company's indirect subsidiary CPI FIM SA (directly or indirectly)	319,302,248	3.69%
Total	**8,651,716,331**	**100%**

(d) *The holders of any securities with special control rights and a description of those rights:*

None of the Company's shareholders has voting rights different from any other holders of the Company's shares. The Company respect the rights of its shareholders and ensure they receive equitable treatment. The Company has established a policy of active communication with the shareholders.

(e) *The system of control of any employee share scheme where the control rights are not exercised directly by the employees:*

The Company has no employee share scheme.

(f) *Any restrictions on voting rights, such as limitation on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities:*

There are no restrictions on voting rights of the securities issued by the Company, except for the own shares held by the Company, where the voting rights are suspended under law.

(g) *Any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC:*

To the knowledge of the Company, there are no shareholders or similar agreements entered into by and between shareholders that are in effect as at 31 December 2020 with similar effects.

(h) *The rules governing the appointment and replacement of board members and the amendment of the articles of association:*

The Company is managed by a Board of Directors appointed as a collegiate body by the general meeting of shareholders. The Board of Directors shall be composed of the number of members determined by the general meeting of the shareholders and shall amount to at least three members. The Directors are elected by the general meeting of shareholders for a period of maximum six years. The directors are eligible for re-election and may be removed with or without cause at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the Board of Directors, the remaining members may co-opt a new member. The Directors may be either natural persons or legal entities. The articles of association may be modified by an extraordinary general meeting of the shareholders, deliberating with a quorum of at least half of the corporate capital and deciding by a vote of at least a two-thirds majority of the votes cast.

(i) *The powers of board members, and in particular the power to issue or buy back shares:*

The Board of Directors is empowered to perform any acts necessary or useful in achieving the Company's objectives. All matters not expressly reserved to the general meeting by law or by Company's articles of association are within the competence of the Board of Directors. In particular, the Board of Directors has the following tasks and competencies, without such list being exhaustive:

- Setting the objectives and management policies of the Company;
- Preparing the annual operating and financing plans;
- Managing the Company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the Company;
- Representing the Company in or out of court;
- Acquiring or selling real estate;
- Incorporating companies;
- Adopting resolutions regarding the issuance of bonds, or borrowings;
- Approving issuance of new shares pursuant to the authorized share capital.

As at 31 December 2020, the authorized share capital of the Company amounts to €4,975,000,000, which would authorize the Board of Directors to issue up to 39,750,000,000 new ordinary shares and up to 10,000,000,000 new non-voting shares in addition to the shares currently outstanding. As at 31 December 2020, the Company is authorized to redeem/ repurchase up to 1,000,000,000 own shares under the buy-back programme approved in 2020. For more details on the authorized share capital and the buy back please refer to Note 6.10 of the Consolidated financial statements as of 31 December 2020.

(j) *Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements:*

The base prospectus dated 27 April 2020, prepared in connection with the Company's €8,000,000,000 Euro Medium Term Note Programme, as amended (the "**Programme**") contains a change of control put clause, i.e. redemption at the option of the noteholders upon a change of control, provided certain other criteria defined in the Programme occur. Change of control event pursuant to the Programme occurs in case any person or any persons acting in concert (other than Mr. Radovan Vítek, any member of his immediate family or any entity directly or indirectly controlled by him or them) shall acquire a controlling interest in (A) more than 50 per cent., of the issued or allotted ordinary share capital of the Issuer or (B) shares in the issued or allotted ordinary share capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, subject to further conditions. For exact terms please refer to Condition 7.6. of the base prospectus of the Programme. Changes of control provisions are stipulated in the Revolving Credit Facility and Schuldschein agreements entered into by the Company in 2019. Certain credit facility documentation with financing banks of the Group contain market standard change of control.

(k) *Any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.*

Not applicable as of 31 December 2020.

Employees & stakeholder involvement

Employee development

Regular employee training and development is critical to ensure that our employees can continue to perform their roles optimally. The Group employs various tools to develop and motivate our employees, such as individual and team training sessions, mentoring sessions, and apprenticeship programmes.

Annual training per employee

In 2020, the Group undertook **annual average training of 7.9 hours per employee.** This compares with 16.4 hours in 2019; however, this is explained mostly by the fact that average training has historically been higher per employee in the Group's hotels division, which was closed for a significant portion of the year, and the headcount in CPI Hotels was cut significantly in 2020.

All employees across the Group undergo performance appraisals at least annually in order to support career development.

Training and development	Average hours per employee	7.9
Employee performance appraisals	Percentage of workforce with performance appraisals	100%

Training programmes

The Group provides a wide range of in-house training and mentoring opportunities for our workforce across the Group.

Regular functional training is provided to all employees relating to operational, legal, regulatory, accounting, health & safety, IT or other matters in order to ensure that staff can continue to perform their roles effectively. In addition, extra-curricular training is provided to provide the ability of our employees to enhance their skills and provide them with development opportunities, such as regular language courses.

CPIPG also strives to cater to the **continuous professional development** of all of its employees. For example, the Group became an "ACCA Approved Employer" in 2019 in recognition of the continuing professional development opportunities provided to ACCA members working at the company.

The Group provides **internship and apprenticeship programme**s across multiple platforms of the Group's portfolio, such as in Berlin, where trainees can receive hands-on experience across various parts of the business. Apprenticeship and internship programmes also help to provide equal opportunities to talented candidates who may not have come through the usual academic route.

Mentoring programmes

CPIPG also believes that sharing knowledge and expertise can significantly enhance recruitment, employee satisfaction, and retention. Therefore, we are embracing more mentoring programmes every year. For example, in 2020, CPI Poland's Country Manager, Barbara Topolska, won the award for "Top Woman in Real Estate" in the Polish Prime Property Prize 2020 awards. Following her award, Barbara provided a series of mentoring programmes to employees of CPI Poland, where participants could learn from Barbara about valuable career and personal development guidance.

Barbara Topolska mentoring CPI Poland employees

Employee engagement

The Group conducts firm-wide employee satisfaction surveys **every two years**. The Group aims to ensure that on a frequent basis, senior management is appraised of the views and feelings of the workforce – in order to understand what the Group is doing well, where we can improve and how to implement positive change into our strategy, operations, policies and practices.

Following the inaugural survey conducted in 2019, in March 2021, the Group conducted a new employee survey covering all permanent employees in the Czech Republic, Germany, Hungary, Slovakia, Poland and Croatia. **The response rate was 93%**, and the results were overwhelmingly positive. A snapshot of the results can be found below:

Percentage of employees that agree	
Employees are proud to work for the CPIPG	97%
Employees would recommend CPIPG as a good place to work	94%
CPIPG values employee diversity and equality in all forms	93%
CPIPG takes a proactive approach to sustainability and CSR activities	97%
Managers are positive role models for employees	94%
CPIPG always acts legally and honestly	97%
The company provides a safe and healthy working environment	96%
The company provides a good work and life balance for its employees	90%

CPIPG's Green Champions

As part of the Group-wide employee survey conducted in March 2021, employees were asked to nominate individuals for the contributions to the Group's environmental agenda and objectives. Gökhan Olkun from GSG Berlin and Gyula Győri from CPI Hungary were chosen by their peers in a close contest! Congratulations!

Being part of a strong and motivated team in Berlin that is focused on environmental matters gives me great pride, as well as the opportunity to make a positive impact in my role.

Gökhan Olkun, Energy & Sustainability Manager, GSG Berlin

Gökhan joined GSG Berlin as an Energy and Sustainability Manager in July 2020. Since then, he has been developing, coordinating and implementing strategies and projects to reduce energy consumption and increase the sustainability of GSG Berlin's Portfolio in line with the Group's environmental strategy.

Improving the energy efficiency of our buildings requires constant focus and the ability to work effectively in partnership with our tenants.

Gyula Győri, Director of Facility Management, CPI Hungary

Gyula has more than 20 years of experience in the facility management field and has been with CPI Hungary since June 2013. Since 2016, Gyula has been responsible for the professional management of CPI Facility Management Ltd. His task is the operation and fine-tuning of the buildings and the planning and implementation of long-term maintenance strategies to enhance operational efficiency.

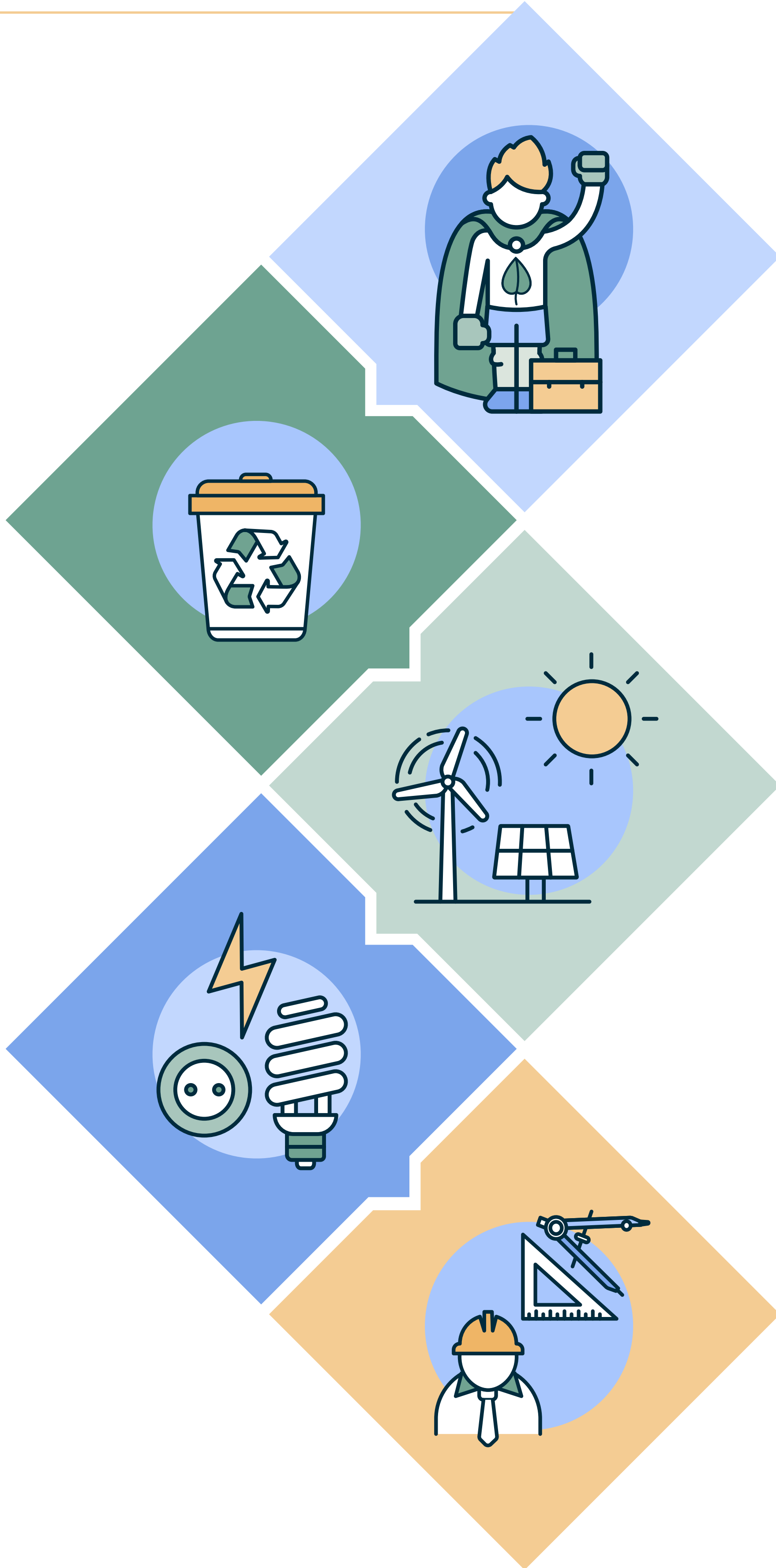


photo (left): GSG Berlin © Marc-Steffen Unger

Employee well-being

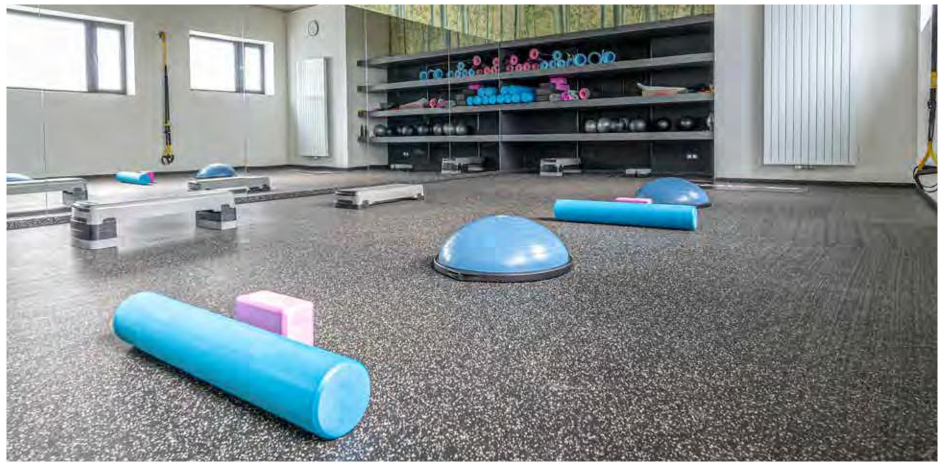
Working environment

The Group appreciates the value of the well-being of our employees and for them to have an optimal work-life balance – this has obvious benefits for our employees and CPIPG, generally improving employee satisfaction and productivity.

The Group has always adopted a flexible policy towards remote working and flexible work schedules, which meant that the switch to predominant home-working arrangements for parts of the year due to the COVID-19 pandemic were seamless, primarily due to the fact that the necessary infrastructure and IT arrangements were already in place.

The Group also offers various work/life balance programmes designed to enhance the well-being of our employees, such as:

- **Workplace health management;** many of our employees have access to gyms and exercise and yoga classes while in the office. Offices are also designed to allow employees to have recreational facilities such as ping-pong tables, bookshelves and relaxing areas. Weekly massages help to relieve tension and reduce stress and thus replenish employee energy reserves.
- **Sports and social events;** every year we participate in various company sports events. Whether running, football or golf tournaments – all employees are invited to prove their skills in the various disciplines. In addition to the joy and fun of sport, it is about the promotion of team spirit, collegiality and fairness and spending time together.
- **Employee Suggestions Systems;** promoting the submission of ideas and suggestions of employees, improving operational conditions within the workplace;



Employee remuneration and social benefits

To attract and maintain the best talent, the Group strives to provide employees with competitive wages and other employment-related benefits while ensuring equal pay for equal work. Employee benefits within the Group vary from region to region. They include but are not limited to: pension and life insurance schemes, mortgage loan support and coordination, discounts across the Group's hotel network, subsidised shopping, restaurant and sports e-cards, utility support plans, mobile phone family programmes, language education courses, bike leasing initiatives, car parking and discounts on public transportation.

For example, in GSG Berlin, we co-operate with a wide selection of partners to generate added value for our tenants from discounts and special conditions on selected products and leisure activities. For the benefit of our tenants, we are continuously expanding the range of services.

Health and safety protection for employees

The Group is committed to the well-being and safety of each and every one of its employees. Raising awareness and training our teams in health and safety issues and occupational risks is a high priority for the Group. We ensure all of our employees receive mandatory annual health and safety training, with additional training provided for specific roles where required.

In 2020, the Group recorded **64 workplace accidents and zero deaths.** The overall **average injury rate was just 0.01%, and the lost day rate was only 0.35%.**

The Group's Absentee rate was 7.9%, though this is inflated due to the hotels division and the impact of the COVID-19 pandemic in 2020 on sickness and absence. In addition, the rate excluding the hotels business would have been just 3.5%.

We continue to ensure that all our workplaces are compliant with all European Union and national health and safety legislation and standards. We structure employee tasks so that any potential risk to their health is eliminated or reduced. In general, there are no positions in the Group with a high risk to specific diseases.

Employee health & safety	Injury rate	0.01%
	Lost Day rate	0.35%
	Absentee rate	7.90%
	Work-related fatalities	0
Asset health & safety assessments	Percentage of assets undergoing health & safety assessments	100%
Asset health & safety compliance	Incidents of non-compliance concerning the health and safety impacts of products and services	0

The Group is committed to protect the health and safety of contractors and fully complies with local regulations and best practices (deliveries that fall under No. 591/2006, No. 309/2006 or other local relevant legislation requirements). The Group screens contractors for their safety performance and risk assessment, prepares operating guidelines and/or design documentation that complements contractors' safety management plans and which takes part of the contractual agreement. During the delivery process the Group monitors contractor safety performance and records its safety management. The Group requires all suppliers to align with CPIPG's Code of conduct for suppliers.

Caring for tenants and local communities

Tenant well-being

The Group is committed to the health and well-being of the employees of tenants within our commercial properties and has implemented a number of initiatives across various countries to support this, such as:

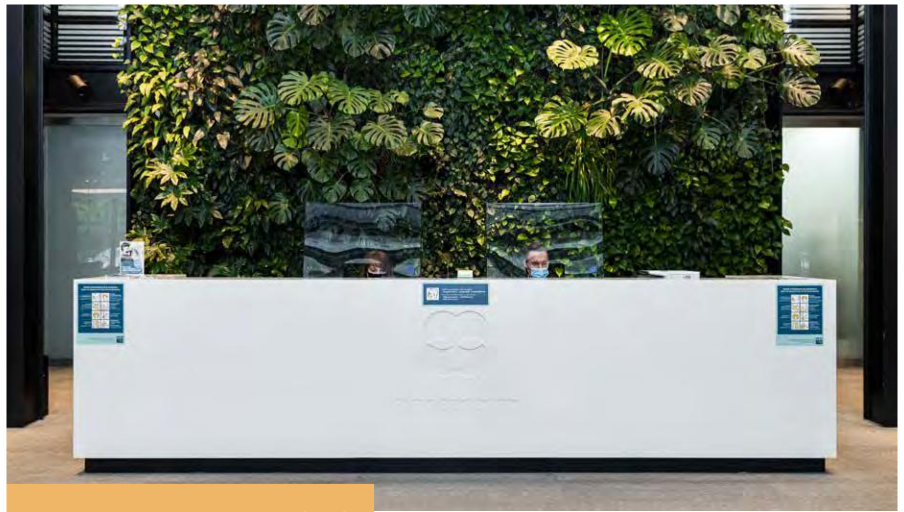
- **Human Innovation Program** – CPI Hungary continues to develop its HIP (Human Innovation Program) aimed at tenants in the company's office buildings. Communicating online, they provide tenants with a range of exercise sessions, home delivery discounts, and quality children's leisure programs.

- **CPI Retail Akademie** – 2020 marked the second year of our Akademie Retail development and educational programme to help managers in retail stores within our Czech shopping centres better respond to the evolving retail market and create an enhanced customer experience at the point-of-sale. 13 shopping centres across the country participated in this initiative in 2020.

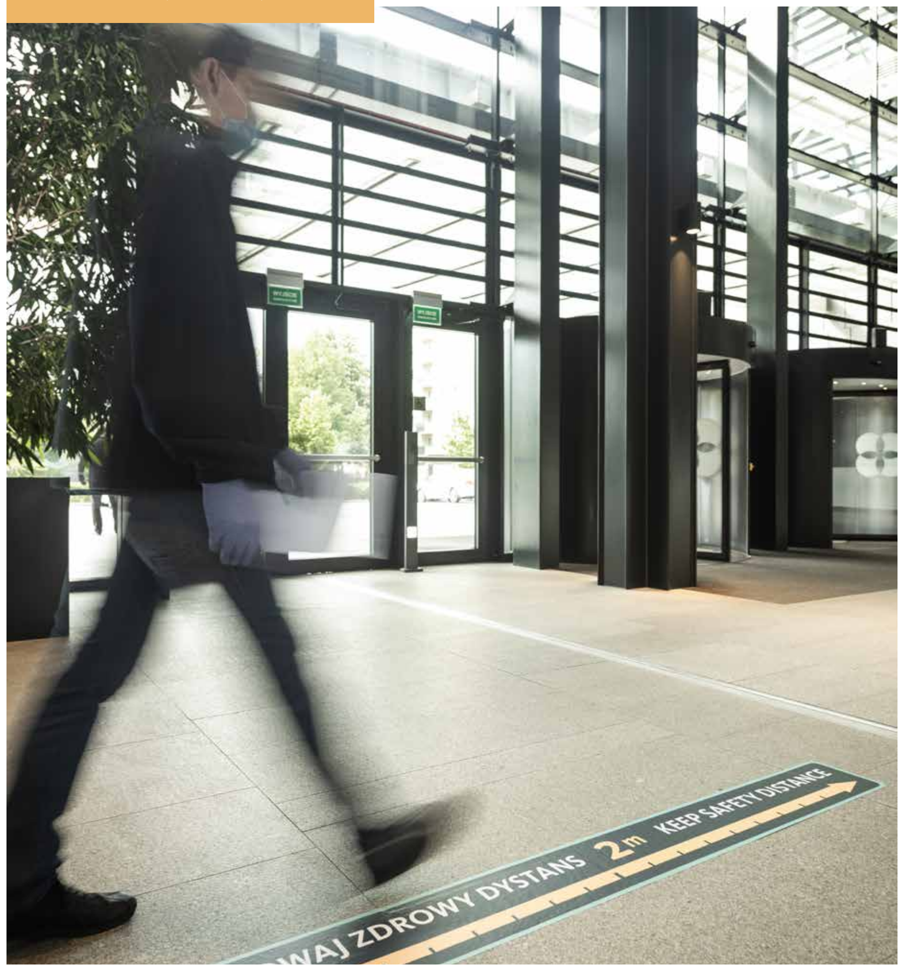
CPI AKADEMIE | RETAIL

- **Warsaw introduces OfficeME** – Our office buildings in Warsaw introduced a new programme called OfficeME. Its purpose is to strengthen relationships with tenants and improve their comfort in the office. The programme aims to implement practical solutions and amenities that enhance the safety and quality of work in the buildings while also making everyday life easier and more enjoyable.

- **"Safe in the Office" programme** – CPI Poland also developed and implemented a programme in 2020 aimed to ensure the highest safety standards for tenants returning to offices in terms of hygiene measures, social distancing, cleaning and decontamination of common areas, ventilation and air conditioning systems.



Eurocentrum, Warsaw, Poland



- **Healthy Home Project** – CPIPG has worked with The Czech Green Building Council on a project aimed to rehabilitate Czech homes by providing solutions to improve the living environment of tenants within all properties in our residential portfolio in the Czech Republic.

Local community engagement and development initiatives

The Group is committed to contributing to the engagement and development of local communities where we operate. Our activities in this regard span a wide range of initiatives across the entire Group. In 2020, CPIPG was involved in the following initiatives:

- **Nová Zbrojovka redevelopment** – local residents, had a say in the redevelopment of Nová Zbrojovka in Brno, where we are creating a central public space focused on bringing together and enhancing the experience of residents in the community, with workout zones, sports pitches and the planting of more than 200 trees.

- **Chance 4 Children (C4C)** – we provide hotel work experience and job opportunities for socially disadvantaged children over 16 years of age.

- **Rooftop bee-keeping initiatives** – we offer rooftop habitat management for globally significant honey bees throughout the Group's office, retail and hotel portfolios.

- **Tree planting programmes** – we engage in tree-planting programmes across the portfolio. Our latest project in Berlin, in partnership with Treedom, supports small farmers in Cameroon through the planting of 200 cocoa trees.

treedom let's green the planet

- **Affordable housing** – CPIPG, in coordination with municipalities, supports affordable housing across regions of the Czech Republic. In 2020, 94 of CPI BYTY's residential units were classified as affordable housing, representing a total of 3.86 million CZK in revenues.

- **Shared bike facilities** – Selected shopping centres in the Czech Republic struck up a partnership with nextbike, a company that provides shared bicycles in cities.

- **Caring for the health of our retail customers** – our shopping centres in Hungary received COVID-19 compliance certifications in order to provide visitors with confidence that the operational procedures implemented a safe shopping experience. Similar hygiene programmes have been introduced in the Czech Republic through the use of screening stations.

Commitment to diversity and equality

Diversity

CPIPG greatly values diversity in the workplace. The Group's Human Capital and Employment policy outlines the obligations of our employees in this regard. We are committed to creating and preserving an environment that embraces and encourages diversity and promotes appropriate conduct among all persons regardless of their differences and respect for individual values. Although we do not set specific diversity targets, we seek to ensure that our policies and corporate culture create an inclusive work environment that encourages our employees.

All companies of the Group are required to subject their human resources and employment related policies to continuous assessment in order to examine how they affect protected groups and to identify whether their policies achieve equality of opportunity for all these groups. Employees are encouraged to speak to their managers or contact CPIPG's whistleblowing hotline if any concerns are observed.

As part of continuous efforts to improve diversity, CPIPG's Board of Directors approved the Diversity and Non-Discrimination Policy, a policy further encouraging environment of respect for and appreciation of individual differences that is free from direct or indirect discrimination, harassment, retaliation and/or sexual assault, and the close monitoring and enforcement of these actions by the management.

Diversity initiatives

The Group promotes a range of initiatives to address diversity issues. Examples include:

- **Gender diversity** – Barbara Topolska, Country Manager of CPI Poland, is one of the Group's senior leaders. Barbara hosted a series of mentoring sessions for female employees in order to help encourage the development of women in the Group's workforce.
- **Accessibility – CPI Hungary was the first recipient in the country of the Access4You certification,** which aims to ensure the right to equal access to our own buildings for everyone, regardless of disability. Properties comprising 295,000 m² of GLA in Hungary have so far received the certification. In addition, **GSG Berlin works alongside the VIA Blumenfisch organisation, providing jobs to people with physical disabilities or psychological issues.**

Access4You, Hungary

At the end of 2020, the Group comprised of 2,278 full-time, permanent employees across the Czech Republic, Luxembourg, Germany, Hungary, Poland, Switzerland, Slovakia, Croatia, Romania, the UK and Italy, of which 48.7% are female, and 51.3% are male. In terms of new hires in 2020, 57.1% were women. The gender split between employees in senior management roles within the Group (defined as employees with responsibility for planning, directing or controlling activities in each of the Group's countries of operation) is split 38% female and 62% male, respectively. These figures represent the extent and success of the Group's efforts in continuing to promote gender diversity across all its regions.

Employee gender diversity	Female senior management members	38.0%
	Females as a percentage of all employees	48.7%
	Females as a percentage of new hires	57.1%

Employee hiring and turnover

The Group's turnover rates are significantly affected by its large hotel employee base and also due to the significant changes and volatility in the size and make-up of the workforce in the hotels business in 2020 as a result of the COVID-19 pandemic. Excluding our hotel staff in order to provide a more representative measure, the Group's turnover rate was 19.1% in 2020. The majority of this relates to redundancies made across the portfolio, especially in the Czech Republic, as a result of the COVID-19 pandemic. The relatively high number of new joiners was in part due to the expansion of the team in Warsaw during the year.

Employee turnover and retention	Total number of new hires	212
	New hires rate	22.0%
	Total number of leavers	184
	Leavers rate	19.1%

New Hires	No. of Hires	% of hires FY20
Female	121	57.1%
Male	91	42.9%

In 2020, 21.3% of employees were under 30 years old, 53.4% were between 30-50 years, and 25.3% were 50 or over. This reflects a substantial age diversity throughout the company, expressing the Group's ability to bridge the workforce over a large scale of age groups, ensuring the transfer of knowledge and experience set to continue for future generations.

Employee age bracket	%
Under 30 years	21.3%
30-50 years	53.4%
50 years and over	25.3%

The Group cares for special needs and the inclusion of disabled persons. In 2020, the Group employed a total of 36 disabled people, representing 1.6% of total employees. Our Berlin subsidiary employs six disabled people representing 5.9% of its workforce.

Disabled employees	36	1.6%

Discrimination

The Group rejects all forms of discrimination. Unlawful discrimination, harassment and victimisation based on protected characteristics, irrespective whether actual, perceptive or associative, is forbidden. Protected characteristics include origin, nationality, religion, race, language, gender, age, health condition, sexual orientation, political views, membership in political parties and associations or in trade unions or any other characteristics of the candidate or employee not related to their working skills.

Compliance with ILO Conventions

The Group operates in regions that are all ILO members and respects all ILO conventions and recommendations. As a result, ILO's regulations are implemented within all local labour laws where we operate. Through the policies and official acts of the Group we respect, promote and realise all ILO principles, specifically freedom of association, the elimination of all forms of forced labour and the elimination of discrimination in employment and occupation, health and safety, segregation, equal treatment and human rights.

Freedom of Association

In accordance with the European Convention on Human Rights, the Group guarantees all employees freedom of association. We preserve and promote good relations with all labour organizations, trade unions, works councils, some which represent our employees across our regions.

Collective Bargaining Agreements

We comply fully with applicable human rights legislation in the countries in which we operate, and we respect the right of all workers to form and join a trade union without fear of intimidation or reprisal. Furthermore, all our employees are free to collectively bargain, if they so desire.

Currently, we have collective bargaining agreements in certain regions where we operate, such as Croatia and Italy. The collective bargaining agreement defines the rights and obligations of the signatories and regulates the rights and obligations of the employees and the employer, salaries and other material rights of the worker and all other matters related to employment. The collective bargaining agreement also specifically defines the prohibition of discrimination, health protection, privacy and dignity of employees.

Mask donation project, Kralovo Pole Shopping Centre, CZ

Charitable contributions

The Group is active in contributing to local charities, hospices and children's welfare centres. We support sports and cultural activities alongside welfare and education programmes to help children with disabilities all over the Czech Republic and CEE region.

In 2020, the Group donated approximately €220,000 to various charities and charitable causes.

Some of the key examples of are:

Dobrý Anděl children's foundation – Every year, the Group supports the Dobrý Anděl children's foundation helping socially disadvantaged children with terminal illnesses. This year, the Group raised CZK 400,000 towards the foundation.

Hospice Foundation support – The Group signed an annual support contract with regional children hospice foundations to care for disadvantaged children.

Charity collections and charity days – The Group organises frequent ad hoc charity collections throughout the year for employees and tenants to participate. During the charity day for "Let's give children a chance", our employees and tenants contributed almost CZK 20,000 towards supporting children in homes.

Christmas charity trees – CPIPG employees and employees of our tenants donated gifts to 106 children from children's homes and 36 children from 19 disadvantaged families.

Food donations – CPI Hotels donated food from closed hotel restaurants to children's homes in the Czech Republic, amounting to meals worth more than CZK 80,000, while our Group's longstanding partner, the endowment fund Chance for Children, helped with distribution in and around Prague. During the peak of the pandemic in 2020, CPI Poland, together with a host of other real estate companies, delivered food to 11 hospitals and healthcare facilities in Warsaw, amounting to almost 1,000 meals per day.

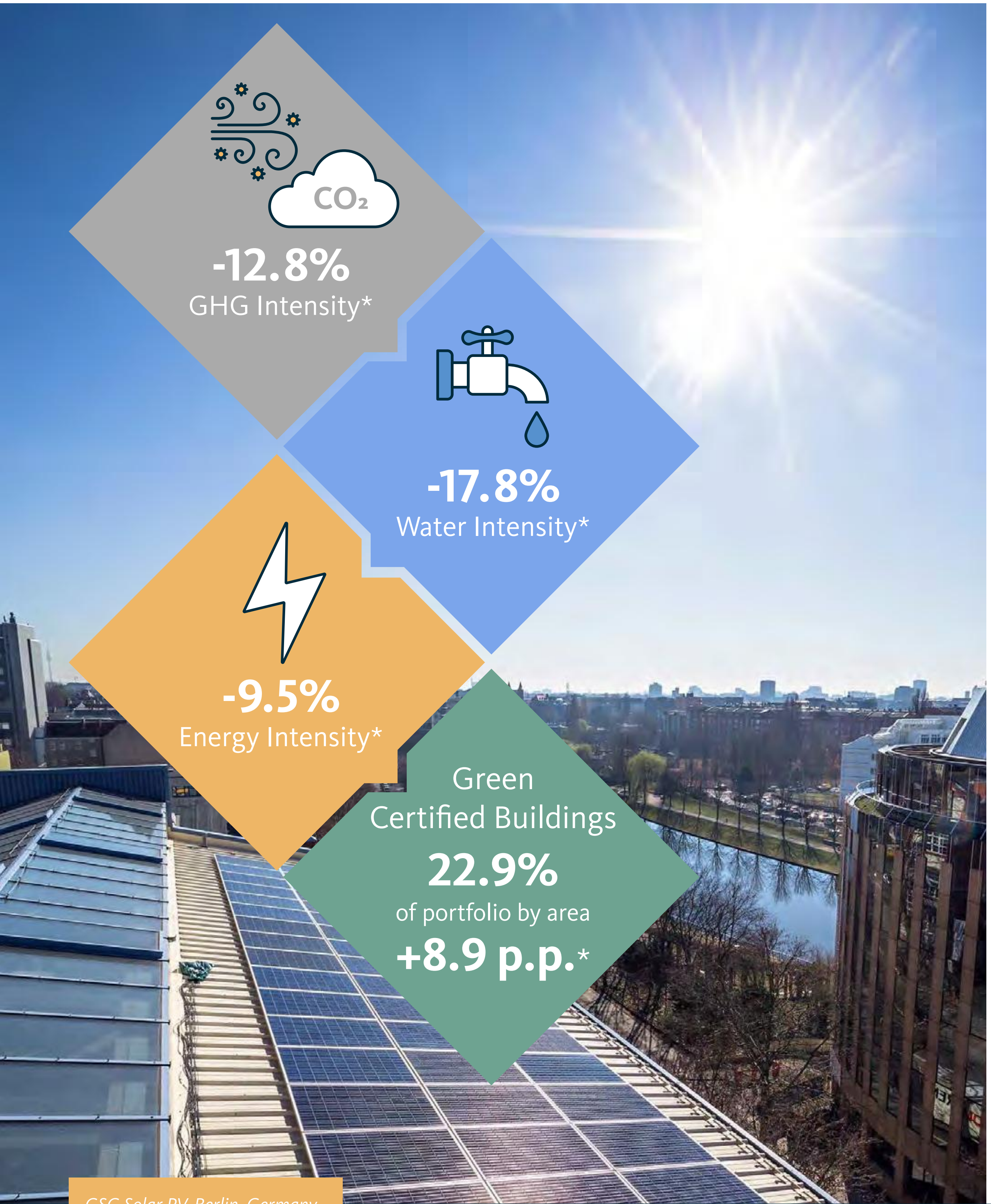
#gaszynchallenge – Our colleagues in Poland took part in the #gaszynchallenge initiative arranged by a nonprofit organisation in support of ill children in need of surgical interventions.

Shopping centre donations – Vending machines were used to dispense face masks in five of our shopping centres in the Czech Republic. The project was delivered in partnership with Coca-Cola HBC Česko a Slovensko, and all proceeds from mask sales were donated to the charity that supplied the masks.

Charity Christmas tree project, Bondy Shopping Centre, CZ

Face mask vending machine at Futurum Hradec Králové Shopping Centre, CZ

Environmental strategy & performance



GSG Solar PV, Berlin, Germany

CPIPG endorses the UN Sustainable Development Goals

CPIPG backs all the 17 Sustainable Development Goals (SDGs), as defined by the United Nations for 2015–2030. CPIPG sees the SDGs as part of the business decision-making processes at all levels within the Group.

In addition, the Group endorses the 2015 Paris Agreement within the United Nations Framework Convention on Climate Change.

CPIPG has identified priority goals for which it intends to play a key and increasing role:

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL BEING

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

15 LIFE ON LAND

CPIPG has made strong progress against ambitious, long-term targets

In 2020, the Group reported strong reductions in GHG intensity (-12.8%), water intensity (-17.8%) and energy intensity (-9.5%).

CPIPG has been making rapid progress against the environmental targets that we initially set only two years ago in early 2019 to **reduce greenhouse gas ("GHG") emissions intensity by 20% and water consumption intensity by 10% by 2030, versus baseline 2018 levels.**

CPIPG is committed to climate change mitigation and focuses on the environmental impact of its operations. The Group closely monitors new EU legislation and standards, including the development of the EU Taxonomy and how the Group will need to implement its proposals in the future.

We have recently aligned our targets and strategy to Paris Agreement goals

CPIPG tightened its environmental targets for the future – in March 2021, the Group announced its commitment to reduce GHG intensity by 30% by 2030 (across all emissions scopes 1-3) and transition all electricity purchased by the Group to 100% renewable sources by 2024.

Switching electricity purchases to 100% renewable sources is expected to have a marked impact on reducing our overall GHG emissions and intensity in the future since this comprises a significant portion of the Group's energy mix and today is mostly derived from fossil fuel sources. The switch will also contribute materially to our revised 2030 GHG reduction target.

Based on analysis undertaken with our external consultants CI2 and UCEEB, **the Group's new GHG reduction target aligns the Group to Paris Agreement climate goals to limit the global temperature increase versus pre-industrial levels to well below 2 degrees centigrade.**

** Refers to like-for-like performance FY20 versus FY19*

Environmental highlights

CPIPG is integrated into Czech Green Building Council initiatives and signed up to the New Green Deal Declaration

The Group is a member of a key industry body in the Czech Republic, the Czech Green Building Council ("CZGBC"). The Council, established in 2009, brings together companies from various sectors of the economy to support new construction and renovation of sustainable properties in the country. The CZGBC is a member of the European Regional Network of the World Green Building Councils and can influence EU legislation in its initial phase. It also closely cooperates with global and local certification bodies such as LEED and BREEAM.

In September 2020, CPIPG signed up to the New Green Deal Declaration. Drawn up by the CZGBC, the Declaration aims to support a revival of the country's economy and building sector through sustainable measures such as brownfield development, the utilisation of local alternative energy sources, and efforts to promote subsidy programmes and energy-efficient investments. Close to 100 companies joined the Declaration in 2020.

Petra Hajná, CPIPG's Sustainability Officer, was directly involved in the preparation of the New Green Deal Declaration, following her appointment to the CZGBC's Board of Directors in 2019. Petra was appointed as CPIPG's Sustainability Officer in January 2021. During her time working at CPIPG, Petra has been closely involved with project management and property certifications in the Group's Czech portfolio. Prior to joining CPIPG, Petra worked at Skanska for 13 years.

Petra Hajná, Sustainability Officer

The Group reported climate-related disclosures in CDP for the first time in 2020

CPIPG reported on climate disclosures via CDP for the first time in August 2020, receiving a 'C' score, in line with the European regional average and in line with the Land & property ownership & development sector average. The Group belongs amongst 29% of companies that reached "Awareness" level in this Activity Group. CPIPG intends to improve our CDP score over time.

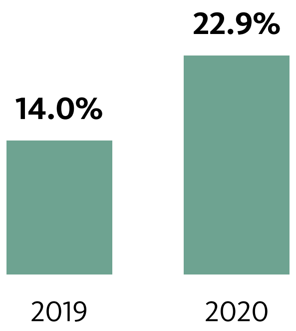
CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. In 2020, more than 9,617 companies provided environmental information via CDP, including CPIPG.

The proportion of green-certified buildings increased significantly in 2020

At the end of 2020, the share of certified buildings in our portfolio had increased to **25.8% of total value and 22.9% of total GLA, which represents a significant improvement of 5.5 p.p. and 8.9 p.p. respectively over 2019 figures.**

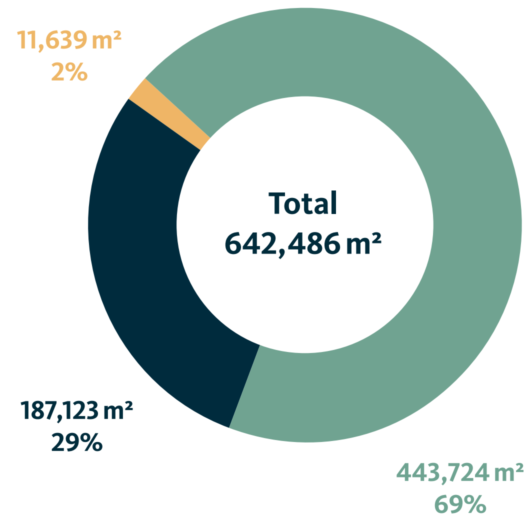
At the end of 2020, CPIPG's portfolio included 30 certified assets, increasing by 91,795 m² and €249.1 million in value since 2019. The increase relates primarily to acquisitions in Warsaw, where nearly all assets acquired in 2020 hold either strong LEED or BREEAM certifications. In addition, the recently-developed Balance Hall office in Hungary achieved a BREEAM "Very Good" certification.

Total GLA certified



For 2019 GLA of residential portfolio is excluded, for 2020 included.

Certified buildings GLA split by segment



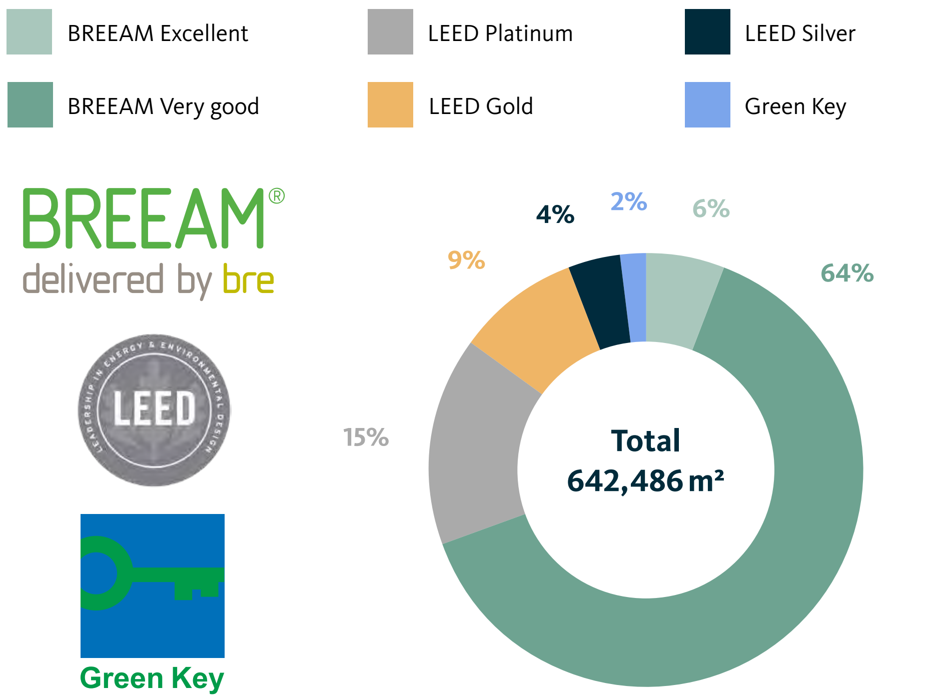
Over 90% of CPIPG's green buildings have very strong certifications

At the end of 2020, **93.3% of CPIPG's green-certified buildings were BREEAM "Very Good" and above and LEED "Gold" and above.**

BREEAM or LEED certification is considered for every new development and significant refurbishments as well as for buildings in operation wherever possible. We have "in-use" certifications on our properties, reflecting their performance under current operation.

In order to improve the efficiency benchmarking of non-certified properties in the portfolio, the Group considers other measures to benchmark the energy efficiency of properties in local markets. In the Czech Republic and Hungary, a statistical analysis of the top 15% most energy-efficient commercial buildings has been developed. In Berlin, we focus on properties in compliance with the Low Carbon Trajectory methodology set by the Climate Bond Initiative.

Certification type per GLA



10.7 MWh of renewable energy produced and 5.6k t CO_2 eq of carbon emissions saved in 2020

Through our subsidiary GSG Solar Berlin, the Group is the largest producer of solar energy in Berlin, owning 45,000 m² of photovoltaic (PV) area (25,360 solar modules, 6.2 MWp output), spanning across 29 assets and 65 separate buildings. **Annual production of renewable energy amounted to 4,883 MWh, representing savings of 2,486 t CO_2 eq in 2020.**

Spojené farmy acquired a biogas renewable energy plant with a power output of 600 kWp and **annual production of 5,114 MWh which represents a savings of 3,082 t CO_2 eq in 2020.**

Green building portfolio

Certified Assets (as at 31 December 2020)

Office

Shopping centre

Hotel

Note: CPIPG has 30 certified assets. 25 individual properties are shown – Eurocentrum in Poland consists of 3 buildings, City West in the Czech Republic consists of 2 buildings, while Quadrio and Zlatý Anděl in the Czech Republic are counted twice for separate retail and office elements.

SC Nisa
Location: Liberec, CZ
Year Built: 1999
PP value: €102 million
GLA: 50,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Shopping Centre Ogrody
Location: Elbląg, PL
Year Built: 2015
PP value: €115 million
GLA: 42,000 m²
BREEAM 2009 Europe Commercial – Very Good
Year Certified: 2016

Olympia Plzeň
Location: Plzeň, CZ
Year Built: 2004
PP value: €152 million
GLA: 41,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Eurocentrum
Location: Warsaw, PL
Year Built: 2002
PP value: €248 million
GLA: 85,000 m²
LEED BD+C – Platinum
Year Certified: 2017

Zlatý Anděl
Location: Prague, CZ
Year Built: 2000
PP value: €139 million
GLA: 21,000 m²
BREEAM In-Use – Very Good
Year Certified: 2019

Quadrio
Location: Prague, CZ
Year Built: 2014
PP value: €244 million
GLA: 25,000 m²
LEED BD+C – Silver
Year Certified: 2015

Atrium Centrum
Location: Warsaw, PL
Year Built: 2001
PP value: €48 million
GLA: 18,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Equator II
Location: Warsaw, PL
Year Built: 2011
PP value: €61 million
GLA: 23,000 m²
BREEAM In-Use – Very Good
Year Certified: 2021

Equator IV
Location: Warsaw, PL
Year Built: 2018
PP value: €60 million
GLA: 21,000 m²
BREEAM 2009 Europe Commercial – Very Good
Year Certified: 2019

Arena Corner
Location: Budapest, HU
Year Built: 2007
PP value: €72 million
GLA: 30,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Warsaw Financial Center
Location: Warsaw, PL
Year Built: 1998
PP value: €274 million
GLA: 50,000 m²
LEED O+M – Gold
Year Certified: 2020

Atrium Plaza
Location: Warsaw, PL
Year Built: 1998
PP value: €38 million
GLA: 15,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Gateway Office Park
Location: Budapest, HU
Year Built: 2008
PP value: €83 million
GLA: 36,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Ostrava City Hotel
Location: Ostrava, CZ
Year Built: 2008
PP value: €10 million
Hotel beds: 370
Green Key
Year Certified: 2020

Equator I (myhive Equator)
Location: Warsaw, PL
Year Built: 2008
PP value: €43 million
GLA: 19,000 m²
BREEAM In-Use – Very Good
Year Certified: 2021

Futurum Hradec Králové
Location: Hradec Králové, CZ
Year Built: 2000
PP value: €125 million
GLA: 39,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Balance Tower
Location: Budapest, HU
Year Built: 2001
PP value: €21 million
GLA: 9,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Quadra – B30
Location: Budapest, HU
Year Built: 2006
PP value: €31 million
GLA: 13,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

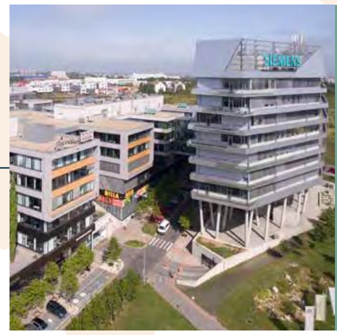
Green Corner A
Location: Warsaw, PL
Year Built: 2012
PP value: €53 million
GLA: 15,000 m²
LEED BD+C – Platinum
Year Certified: 2013

Moniuszki Tower
Location: Warsaw, PL
Year Built: 2002
PP value: €35 million
GLA: 10,000 m²
BREEAM In-Use – Excellent
Year Certified: 2020

Balance Loft
Location: Budapest, HU
Year Built: 1996
PP value: €13 million
GLA: 7,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Balance Hall
Location: Budapest, HU
Year Built: 2019
PP value: €47 million
GLA: 16,000 m²
BREEAM Int NC 2016
Year Certified: 2020

Concept Tower
Location: Warsaw, PL
Year Built: 2012
PP value: €26 million
GLA: 9,000 m²
LEED BD+C – Gold
Year Certified: 2016



City West B2 + B3
Location: Prague, CZ
Year Built: 2010
PP value: €81 million
GLA: 29,000 m²
BREEAM In-Use – Excellent
Year Certified: 2020

Andrássy Palace
Location: Budapest, HU
Year Built: 1997
PP value: €23 million
GLA: 8,000 m²
BREEAM In-Use – Very Good
Year Certified: 2020

Environmental reporting approach & methodology

CPIPG works closely with technical experts and consultants

Since 2018, the Group has been working closely with the University Centre for Energy Efficient Buildings ("UCEEB") of the Czech Technical University in Prague ("CTU"). UCEEB acts as a technical support provider and adviser to the Group, supporting the preparation and review of CPIPG's reporting, ensuring alignment with the requirements of ISO standards, GRI, EPRA and CDP. UCEEB has also supported the Group in establishing and quantifying the Group's environmental targets as part of our long-term strategy.

Rigorous environmental reporting, with an emphasis on continuous improvement

CPIPG has continued to enhance the tools used to monitor the Group's environmental performance through greater robustness, scope (activity and geography), efficiency and automation. The data collection process has become more efficient, as well as the ability to track and analyse performance across multiple levels (site, segment, region, group) on a regular basis, assess results against targets, and implement suitable corrective measures.

In 2020, we expanded the scope of the Group's collection, monitoring and reporting of GHG emissions – we now also consider business trips, employee commuting, investments and refined calculations of GHG emissions relating to certain activities.

Innovative tools ensure the robustness of our data collection and reporting

CPIPG has developed and enhanced a robust online Environmental Impact Reporting Tool ("ERT") CPIPG's objective is to continually improve the detail, accuracy and quality of our environmental performance reporting, as well as to improve the tools used to collect data at our properties. Considering the diversity of our portfolio, an effective system for data collection and evaluation is essential. The ERT allows disclosure across the Group and all its segments and is tailored to report in line with GHG Protocol/ISO 14064-1: 2018, with the help of CI2.

Environmental KPI reporting complies with relevant reporting frameworks

Since 2019, the Group has reported on KPIs that are composed of Global Reporting Initiative ("GRI") standards as well as EPRA core indicators. These measures allow the Group to track its environmental performance across segments and Group's core processes: operation, acquisition, development & refurbishment and impact reporting. KPIs cover climate change and resource use.

This 2020 environmental report fully complies with EPRA Best Practices Recommendations ("BPR") on Sustainability Reporting. The Group integrated GRI Guidelines and reports against GRI G4 with a core approach for the reporting on the assets. In addition, since CPIPG started to report the company's GHG emissions through CDP in 2020, the scope of GHG emissions monitoring was increased to include business trips, fuel consumption related to company cars and emissions from employees commuting.

Our reporting is aligned with the GHG Protocol/ISO standard 14 064-1: 2018. The ISO standard deals with specific principles and requirements at the organisational level for quantification and reporting of greenhouse gas (GHG) emissions and removals. It includes requirements for the design, development, management, reporting and verification of an organisation's GHG inventory. The standard has been updated, and the division of GHG into individual groups has changed significantly. **The previous scopes 1-3 have now been divided into six categories:**

Category 1 relates to direct GHG emissions and removals. Categories 2-6 relate to indirect GHG emissions from (category 2) imported energy / (category 3) transportation / (category 4) products and services used by CPIPG / (category 5) associated with the use of products from CPIPG / (category 6) other sources.

Reporting methodology and scope

Reporting values

Data in this report comprises the following categories of KPIs:

- Absolute values (energy and water consumption, GHG emissions, waste production);
- Intensity measures (energy, GHG emissions and water consumption per m² of corresponding floor space);
- Measures regarding specific use of buildings (such as intensity per average occupancy, visitor rates, guest-nights etc.) and the intensity of use relating to financial performance, and;
- Core EPRA KPIs

Changes in reporting scope

In 2020, the scope of the portfolio subject to collection, monitoring and reporting of environmental data was expanded as follows:

- To include the Group's operations in the United Kingdom and Russia;
- Total GHG emissions include the Group's proportional share of Globalworth's emissions, corresponding to the Group's 29.6% stake in the company;
- The only part of the portfolio not in-scope for reporting is France, which represents less than 0.2% of total leasable area ("GLA")

Changes in the reporting scope frequently occur as a result of acquisitions or disposals, development of new assets or completions of major refurbishments etc. In order to accurately reflect these situations:

- Developments are out of reporting scope until the first full calendar month after a building goes into operation. The asset will be in-scope for like-for-like analysis following the second full rolling calendar year in operation;
- Assets that are owned and/or operated for less than a full year are excluded from the calculations of intensities and like-for-like reporting in the reported year;
- Major refurbishment is defined as any alteration that affects more than 50% of the total building floor area or causes relocation of more than 50% of regular building occupants. Absolute consumptions are included for major refurbishment, while for intensity calculations, GLA values are proportionately reduced to reflect the actual period of full operation in the year.

Disclosure calculations and categorisation

- Buildings in operation, Ski resorts (Crans-Montana) and Farms are reported separately in our disclosures due to having different operating characteristics;
- Distinction is made between disclosures of fuels consumed by company cars, business trips, employee commuting and our proportional share of Globalworth's emissions. EPRA disclosures exclude these categories, while they are included for GHG, CDP, and ISO-compliant disclosures;
- Our calculation of the Group's share of Globalworth's emissions represents 29.6% of 2019 emissions as per the company's Sustainable Development Report 2019. This is used as a proxy despite the fact that the Group did not own this stake for the entire year of 2020;

Reported area

Definitions of area in the Group's reporting differs between segments as follows:

- Retail, Offices, Logistics and Residential segments are reported on the basis of Gross Leasable Area ("GLA");
- Hotels are reported based on the area that represents space leased to hotel operators;
- Farms are calculated based on agricultural land area;

Intensities per area are not reported for Ski resorts.

KPI definitions

- Absolute values – includes assets that were owned or operated by the Group in any period of the reported year. Assets entering the portfolio (e.g. acquisitions, completed developments, major refurbishments etc.) are included beginning from the first complete month following the entry into the portfolio, while assets exiting the portfolio (e.g. disposals) are included up to the last complete month prior;
- Like-for-like values – the change in an indicator between the reported year and the preceding year on a constant portfolio basis. This scope includes only assets owned or operated by CPIPG throughout an entire two-year comparison period;
- Only properties held in the portfolio for a full year and without ongoing major refurbishment are included in the calculations of intensities;

Operational control

The Group's reporting on the environmental performance of its assets differentiates between certain operational control situations:

- Assets and/or areas under operational control where data on energy consumption and resources use can be measured and verified;
- Assets and/or areas that are operated by tenants with limited operational control by CPIPG (metering);
- Assets or spaces that are leased in full with independent operation (measurement provided by tenants)

"Operational control" is assessed depending on whether full authority to introduce and implement policies at the operation exists.

Reporting Period

CPIPG publishes environmental KPIs each calendar year, including all data available up to and including 28 February 2021. Certain information pertaining to 2020 was not available within this period. This information is taken from the Group's 2019 environmental report as a proxy. Data will be updated in subsequent reporting once available.

Revisions to historical disclosures

Revisions to our environmental disclosures in 2019 were made where relevant and based on updated information for correctness and consistency:

- Change in consumption or GLA of some assets due to updated information;
- Refinement of the calculation of GHG production from water preparation and treatment. Water from on-site sources is now considered with a zero-emission factor (treatment-related consumption is included in the respective asset);
- GHG emission factors have been updated according to the latest information.

All EPRA KPIs for 2019 were recalculated according to updated GHG emission factors. Buildings are reported as a whole, but we make a distinction based on the level of operational control between landlord and tenant.

EPRA environmental performance disclosure

Due to disparity in operational characteristics, EPRA environmental disclosures reported below relate only to built assets in operation, which comprise the majority of the Group's assets. Ski resorts (Crans-Montana) and farms (Spojené farmy a.s.) are reported separately.

EPRA key environmental performance indicators by asset type

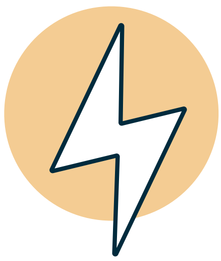
EPRA Sustainability Performance Measures – Environment impact per segment					Office			Shopping centres			Retail			Residential			Hotels			Logistics			Total		
					Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like	
Impact area	EPRA Code	Units	Indicator		2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Building operation	200,812	154,305	-5.5	114,719	114,719	-16.7	61,389	59,027	-6.1	41,448	33,448	-0.1	25,834	22,335	-44.8	24,894	2,465	-46.2	469,096	386,298	-12.7
				Proportion of electricity from renewable sources	0.037	0.048	19.9	0	0		0.105	0.109	2974.3	0	0		0	0		0	0		0.029	0.036	134.7
	DH&C-Abs, DH&C-LfL		District heating and cooling	Building operation	130,165	93,763	-4.7	16,864	16,864	-9.5	11,126	10,849	-7.6	88,830	88,830	0.7	17,659	14,976	-30.3	0	0		264,643	225,282	-5.5
				Proportion of district heating and cooling from renewable sources	0	0		0	0		0	0		0.0051	0.0051	-0.7	0	0		0	0		0	0	5.9
	Fuels-Abs, Fuels-LfL		Fuels	Building operation	30,482	29,063	-0.9	23,524	23,524	-0.6	18,029	17,162	-2.7	27,861	27,861	-0.3	13,611	11,986	-27.7	7,795	1,725	-7.9	121,302	111,322	-4.9
				Proportion of fuels from renewable sources	0	0		0	0		0	0		0.342	0.342	-0.6	0	0		0	0		0.079	0.086	4.2
	Energy-Int	kWh/(m^2 pa)	Intensity	Whole building (combined Landlord and indirect operation)	197	186	-5.0	318	318	-13.8	203	204	-5.6	202	203	0.3	142	149	-37.3	68	76	-35.1	206	205	-9.5
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO_2 eq pa	Direct	Fuels, Refrigerants	7,570	6,751	-2.0	3,868	3,868	5.3	715	706	-11.2	14	14	-0.6	1,366	937	-43.5	274	229	-0.2	13,807	12,505	-5.7
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	DH&C & Elec, Gen., Trans. & Distri., Water & Waste, Refrigerants (replacement)	155,804	102,482	-8.7	81,814	81,814	-16.2	39,418	37,684	-14.5	66,742	63,138	1.5	25,554	22,335	-38.5	16,837	1,547	-39.7	386,170	309,000	-13.0
	GHG-Int	t CO_2 eq/(m^2 pa)	Intensity		0.087	0.073	-8.6	0.176	0.176	-15.4	0.090	0.090	-14.4	0.086	0.085	1.5	0.067	0.070	-38.8	0.029	0.032	-36.5	0.095	0.091	-12.8
Water	Water-Abs, Water-LfL	m^3 pa		Building operation	596,303	480,639	-12.9	352,307	352,307	-25.7	125,377	120,280	-14.9	751,059	739,665	11.0	375,158	325,253	-45.8	39,819	11,189	-8.6	2,240,022	2,029,334	-17.0
				Proportion of water obtained from other sources	0	0		0	0		0	0		0	0		0.047	0.054	48.0	0.075	0.199	706.0	0.009	0.010	7.6
	Water-Int	m^3/(m^2 pa)	Intensity	Whole building	0.335	0.323	-13.1	0.723	0.723	-25.7	0.282	0.281	-14.9	1.006	1.001	11.0	0.912	0.985	-45.8	0.186	0.204	-8.7	0.564	0.575	-17.1
Waste	Waste-Abs, Waste-LfL	tons pa		Building operation	4,257	3,651	-25.8	5,613	5,613	-27.8	5,231	5,224	-32.4	10,788	9,244	5.5	3,430	2,969	-54.4	2,533	215	-2.2	31,852	26,916	-25.1
				Proportion of waste diverted from landfill	0.525	0.519	-14.3	0.641	0.641	-1.6	0.672	0.672	-8.7	0.072	0.0002		0.236	0.234	9.1	0.960	0.618	-1.6	0.420	0.365	-14.1
Certifications	Cert-Tot			Number of sustainably certified assets	23	12		6	6		0	0		0	0		1	0		0	0		30	18	
				Percentage of the portfolio's total floor area and levels of certification attained	24%	13%	-0.5	38%	38%	-0.1	0%	0%		0%	0%	0.0	3%	0%		0%	0%		15.8%	11%	-0.3

EPRA key environmental performance indicators by geography

EPRA Sustainability Performance Measures – Environment impact per segment					Czech Republic			Germany			Poland			Hungary			Romania			Slovakia			Others*			Total		
					Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like	
Impact area	EPRA Code	Units	Indicator		2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y	2020	2020	% Y-o-Y
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Building operation	234,561	206,564	-12.5	84,768	84,768	1.6	70,882	26,264	-19.4	49,430	47,962	-17.5	3,126	3,126		12,216	12,144	-6.9	14,113	5,471	-65.1	469,096	386,298	-12.7
				Proportion of electricity from renewable sources	0.045	0.051	142.9	0.039	0.039	81.8	0	0		0	0		0	0		0	0		0	0		0.029	0.036	134.7
	DH&C-Abs, DH&C-LfL		District heating and cooling	Building operation	141,354	138,639	-5.6	75,418	75,418	-5.5	46,538	10,369	-4.7	0	0		0	0		856	856	-4.2	477	0		264,643	225,282	-5.5
				Proportion of district heating and cooling from renewable sources	0.0032	0.0033	6.0	0	0		0	0		0	0		0	0		0	0		0	0		0.0017	0.0020	5.9
	Fuels-Abs, Fuels-LfL		Fuels	Building operation	91,570	82,619	-2.8	724	724	-62.3	322	288	-14.5	18,325	17,660	-5.0	1,670	1,670	3.5	5,124	4,809	6.7	3,567	3,553	-30.7	121,302	111,322	-4.9
				Proportion of fuels from renewable sources	0.104	0.115	1.9	0	0		0	0		0	0		0	0		0	0		0	0		0.079	0.086	4.2
	Energy-Int	kWh/(m^2 pa)	Intensity	Whole building (combined Landlord and indirect operation)	218	223	-8.6	164	164	-2.9	294	268	-16.2	194	208	-14.4	427	427	1.7	223	223	-3.4	97	106	-56.7	206	205	-9.5
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO_2 eq pa	Direct	Fuels, Refrigerants	8,772	8,168	1.3	194	194	-62.3	770	217	13.6	3,179	3,046	-3.6	334	334	3.5	326	326	-10.2	233	221	-65.6	13,807	12,505	-5.7
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	DH&C & Elec, Gen., Trans. & Distri., Water & Waste, Refrigerants (replacement)	211,687	191,480	-11.5	52,326	52,319	-5.5	81,896	30,207	-19.0	24,835	24,092	-15.3	1,351	1,351	-1.1	4,123	4,035	-6.8	9,950	5,515	-53.8	386,170	309,000	-13.0
	GHG-Int	t CO_2 eq/(m^2 pa)	Intensity		0.102	0.104	-11.0	0.054	0.054	-6.4	0.210	0.221	-19.2	0.081	0.086	-14.1	0.150	0.150	0.3	0.055	0.055	-7.1	0.073	0.067	-54.4	0.095	0.091	-12.8
Water	Water-Abs, Water-LfL	m^3 pa		Building operation	1,456,504	1,396,717	-11.8	234,327	233,848	-11.2	160,665	61,803	-29.6	172,826	165,167	-30.1	30,954	30,954	-29.2	15,918	15,675	-17.8	168,828	125,170	-40.9	2,240,022	2,029,334	-17.0
				Proportion of water obtained from other sources	0.012	0.012	-9.0	0	0		0	0		0.022	0.014	953.2	0	0		0	0		0	0		0.009	0.010	7.6
	Water-Int	m^3/(m^2 pa)	Intensity	Whole building	0.712	0.728	-11.8	0.238	0.238	-11.5	0.434	0.449	-30.0	0.494	0.523	-30.0	2.753	2.753	-28.8	0.196	0.196	-17.8	1.480	1.468	-40.9	0.564	0.575	-17.1
Waste	Waste-Abs, Waste-LfL	tons pa		Building operation	21,327	18,945	-18.3	1,422	1,420	-12.3	1,360	815	-34.8	1,963	1,847	-34.7	172	172	-16.9	1,449	1,449	-5.8	4,158	2,267	-57.1	31,852	26,916	-25.1
				Proportion of waste diverted from landfill	0.429	0.359	-23.6	0.276	0.276	-17.6	0.522	0.473	76.8	0.590	0.586	-25.7	1.000	1.000		0.682	0.682	0.7	0	0	132.9	0.420	0.365	-14.1
Certifications	Cert-Tot			Number of sustainably certified assets	10	9		0	0		13	3		7	6		0	0		0	0		0	0		30	18	
				Percentage of the portfolio's total floor area and levels of certification attained	10.2%	10.7%	-0.2	0%	0%		77.9%	53.9%	-0.8	33.6%	32.9%	0.0	0%	0%		0%	0%		0.0%	0.0%		15.8%	10.8%	-0.3

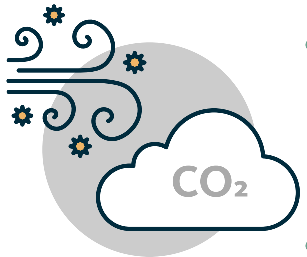
* *Includes regions: Croatia, Italy, the United Kingdom and Russia*

LfL energy intensity -9.5%



- Savings were realised across all categories of energy consumption
- Reductions in energy intensity were recorded in all countries except for Romania and in all segments besides Residential

LfL GHG emissions intensity -12.8%

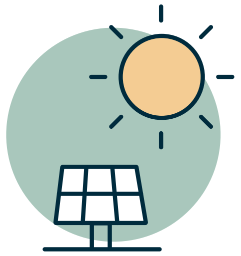


- Reductions in GHG intensity were recorded in all countries except for Romania and in all segments besides Residential
- Strong reductions were recorded, especially in the Czech Republic, Poland and Hungary

LfL water consumption intensity -17.1%

- Strong reductions in water intensity were recorded in all countries
- Water intensity reduced in all segments besides Residential

LfL electricity from renewable sources +135%



- Several assets commenced purchases of electricity from renewable sources in 2020, resulting in a significant increase versus 2019
- The Group aims to increase this proportion significantly in future, especially in light of the recently-announced **target to transition to 100% purchases of electricity from renewable sources**

2020 environmental performance across the Group was heavily impacted due to the COVID-19 pandemic, given the limited operation of parts of the portfolio during certain periods of closure. Consumptions decreased in most of the buildings in the portfolio, in particular Hotels & Resorts.

EPRA key environmental performance indicators for Farms and Ski resorts

EPRA Sustainability Performance Measures – Environment impact					Farms			Ski resorts		
					Absolute	Like-for-Like		Absolute	Like-for-Like	
Impact area	EPRA Code	Units	Indicator		2020	2020	% Y-o-Y	2020	2020	% Y-o-Y
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Farm or Resort operation	2,251	1,256	2.3	2,251	2,251	10.4
				Proportion of electricity from renewable sources	0.422	0		0.346	0.346	-8.3
	Fuels-Abs, Fuels-LfL		Fuels	Farm or Resort operation	13,727	10,143	1.0	5,729	5,729	-0.7
				Proportion of fuels from renewable sources	0.0058	0.0070	8.1	0.0600	0.0600	0.7
	Energy-Int	kWh/(ha pa)	Intensity	Whole building (combined Landlord and indirect operation)	831	630	1.6	N/A	N/A	N/A
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO_2 eq pa	Direct	Fuels, Refrigerants, Agricultural production	36,003	26,431	22.9	1,287	1,287	-0.7
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	DH&C & Elec, Gen., Trans. & Distri., Water & Waste, Refrigerants (replacement)	2,917	2,510	5.4	702	702	-7.5
	GHG-Int	t CO_2 eq p/(ha pa)	Intensity		2.024	1.600	21.8	N/A	N/A	N/A
Water	Water-Abs, Water-LfL	m^3 pa		Landlord operation	91,084	73,350	-6.7	278,200	278,200	-6.6
				Indirect operation	0	0		0	0	
				Farm or Resort operation	91,084	73,350	-6.7	278,200	278,200	-6.6
				Proportion of water obtained from other sources	0.627	0.616	2.0	0.988	0.988	0.2
	Water-Int	m^3/(ha pa)	Intensity		4.736	4.054	-6.2	N/A	N/A	N/A
Waste	Waste-Abs, Waste-LfL	tons pa		Farm or Resort operation	45,839	41,925	16.5	125	125	-24.1
				Proportion of waste diverted from landfill	0.995	0.997	0.05	0.976	0.976	-0.6
Certifications	Cert-Tot			Number of sustainably certified farms	46	46		0	0	
				Percentage of the portfolio's total agricultural land of certification attained	94%	100%		0%	0%	

Aberdeen Angus & Limousine cattle, Spojené farmy, North Bohemia

Climate change

CPIPG is working to mitigate the impact of its operations on the climate. **The Group's GHG emissions reduction strategy is to reduce GHG emissions intensity by 20% by 2030 versus the 2018 baseline and subsequently increased to 30% in March 2021.**

- Successfully hitting our targets will require a combination of measures, including:
- improved operating efficiency of the properties;
- energy-efficient behaviour (through co-operation with landlords and tenants);
- energy-efficient CAPEX investments utilising new technologies;
- optimising the energy mix by greater utilisation of low carbon and renewable energies.

The Group is also focused on preparing its assets against the risk of long-term climate change. The possible effects of climate change on CPIPG's portfolio in the coming years will vary by region and by asset, and may depend on factors such as age, location, construction methods, operational efficiency, local infrastructure quality, and capacity.

Risks to the Group's activities could include: government regulation, higher costs such as insurance premiums or operating costs for energy, water and maintenance; a higher chance of flooding; and a higher risk of disruption to commercial activity from extreme weather events, including problems affecting local infrastructures that are outside the Group's control. However, thanks to CPIPG's strategic focus on major cities in continental Europe, there is a low likelihood of significant changes to the Group's activities due to extreme weather, temperature or demographic shifts etc. Nevertheless, the Group complies with all regulatory requirements across the entire Group with regard to climate and weather-related risks.

CPIPG's due diligence process for CAPEX investments, acquisitions and new development projects considers these risks in terms of potential financial, operational, legal, technical, regulatory, environmental, or health and safety impact.

New and increased scope of emissions categories reported in 2020

Category 3 – Indirect GHG emissions from transportation: K3.6a – Employee Commuting: includes emissions from the transportation of employees between their homes and their worksites. Emissions from employee commuting may arise from: automobile travel, bus travel, rail travel, air travel, other modes of transportation (e.g., subway, bicycling, walking). CPIPG reports scope K3.6a utilizing distance-based method, which involves collecting data from employees on commuting patterns and calculated into emissions by applying appropriate emission factors for the modes used.

Category 3 – Indirect GHG emissions from transportation: K3.8a – Business Travel: includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and private passenger cars. Emissions (refrigerants, oils, maintenance etc) from leased vehicles operated by the reporting company (CPIPG's company car fleet) not included in K1 are reported in K3.8a category. Business trips by private cars are reported in K3.8a category.

Category 5 – Indirect GHG emissions associated with the use of products from the organisation: K5.4 – Investments: CPIPG reports proportional Category 1 and Category 2 emissions from equity investments in the reporting year in category K5.4 (Investments). Proportional emissions from equity investments is allocated to the investor based on the investor's proportional share of equity in the investee.

Dual reporting of GHG emissions from the electricity consumption is obligatory in the framework of the GHG Protocol/ISO 14 064-1: 2018 – location-based and market-based methods. CPIPG is reporting both values separately. Location-based emission factors are sourced from the European Environmental Agency (EEA) database for a given country of operation. Marked-based factors are sourced from electricity suppliers. In case emission factors from suppliers were not available, residual mix values or location-based factors were used as proxies.

GHG Emissions

The reporting of GHG emissions is aligned with CDP. The GHG emissions are reported in absolute values per Categories 1-6. Each Category is split down into the main subcategories as in the following table.

Category 1 – Direct GHG emissions and removals	
K1.1	Stationary combustion sources
K1.2	Mobile combustion sources
K1.3	Direct process emissions and removals from industrial processes
K1.4	Direct fugitive emissions from the release of GHGs in anthropogenic systems
K1.5	Direct emissions and removals related to land use, land use change and forestry (LULUCF)
Category 2 – Indirect GHG emissions from imported energy	
K2.1	Electricity
K2.2a	District heat supply
K2.2b	Long-distance supply of cooling
K2.2c	Long-distance steam supply
K2.2d	Remote compressed air supply
Category 3 – Indirect GHG emissions from transportation	
K3.1	Indirect emissions from fuels and energy
K3.2	Refrigeration gas leaks (mobile)
K3.3	Purchasing of transport equipment (cars, infrastructure)
K3.4	Upstream transportation of goods
K3.5	Downstream transportation of products
K3.6a	Employee commuting
K3.6b	Home office
K3.7	Client and visitor transport
K3.8a	Business travel
K3.8b	Hotel stays
Category 4 – Indirect GHG emissions from products and services used by the company	
K4.1	Purchased raw materials and products
K4.1a	Number of refrigerators
K4.1b	Bottled CO_2 purchases
K4.2	Capital goods
K4.3	Liquid and solid water
K4.4	Leased assets (CPIPG as lessee)
K4.5	Emissions from used services
Category 5 – Indirect GHG emissions associated with the use of products from the organisation	
K5.1	Emissions or removals related to the use of CPIPG's products
K5.2	Emissions related to the end of the product life cycle
K5.3	Leased property (CPIPG is the lessor)
K5.4	Investments
Category 6 – Indirect greenhouse gas emissions from other sources	

Quadrio, Prague, Czech Republic

GHG impact (division of GHG according to ISO standard)

		t CO_2 eq pa		% of total (MB)
		MB Emissions	LB Emissions	
Category 1	Direct GHG emissions and removals	14,902	14,902	3.0
Category 2	Indirect GHG emissions from imported energy	123,763	123,070	24.5
Category 3	Indirect GHG emissions from transporation	2,241	2,241	0.4
Category 4	Indirect GHG emissions from products and services used by CPIPG	36,603	37,050	7.3
Category 5	Indirect GHG emissions associated with the use of products from CPIPG	113,478	113,063	22.5
Category 6	Indirect greenhouse gas emissions from other sources	213,612	212,168	42.3
Total		**504,600**	**502,493**	

- Ski resorts and Farms are reported simultaneously with other parts of the operation of buildings in Category 6
- Category 6 includes the majority of GHGs (42.3%), of which Farms and Ski resorts constitute only 19%
- 60,379 t CO_2 eq relating to the Group's equity stake in Globalworth is reported under Category 5
- The table contains market- and local-based emissions. Market-based emissions factors aren't reported for all buildings. Market-based emissions factors for 2020 were not available at the time of data collection, hence data as per 2019 disclosures were applied as proxies.

GHG intensity target through 2030

Year	2018	2019	2020	2030
	0	1	2	12
Target (t CO_2 eq/m²)	0.123	0.121	0.119	0.099
Actual performance (t CO_2 eq /m² pa)	0.123	0.108	0.102	
Performance vs. target (%)	0.0%	10.7%	14.3%	

The intensity target relates to the Group's buildings in operation, excluding Farms and Ski resorts. It also reflects the expanded scope of emissions categories included in our reporting for 2020: fuels consumed by company cars, business trips, employee commuting and our equity stake in Globalworth. In light of the Group's revised GHG emissions intensity target announced in March 2021 (30% by 2030 versus 2019 baseline), the intensity target by 2030 would be 0.076 t CO_2 eq/m² pa.

In 2020, total GHG intensity across the entire portfolio outperformed the required 2020 target by 14.3% on a like-for-like portfolio basis.

GHG intensity in 2020 per region

Region	GHG Intensity (t CO_2 eq/m² pa)
Czech Republic	0.109
Germany	0.054
Poland	0.219
Hungary	0.081
Romania	0.150
Slovakia	0.051
Others	0.095
Whole portfolio	**0.102**

Note: GHG calculated with market-based emission factors

Third-party independent verification

CPIPG's GHG reporting has been verified by CI2 as complying with ISO 14064-1: 2018 and the GHG Protocol.

This report is prepared in cooperation with and through advisory services provided by the University Centre for Energy Efficient Buildings ("UCEEB") of the Czech Technical University in Prague ("CTU").

Since 2019 the Group has been in cooperation with CI2. CI2 is a non-profit organisation focused on sustainable development, education, publishing, science and research. Its aim is to promote sustainable development in cooperation. CI2 is a regional partner for CDP reporting.

CI2 acts as a third party and monitors, reviews and independently validates the Group's GHG disclosures and methodology used. **Through the review process CI2 advised on compatibility with the GHG Protocol and ISO 14064-1: 2018 and compatibility with CDP reporting standards.**

As the result of this cooperation, CPIPG's GHG footprint was verified, confirmed according to the procedures defined in the ISO 14064 and GHG Protocol and awarded CI2 conformity certificate. Recommendations and guides were prepared and will be incorporated into subsequent environmental reporting.

Energy

The Group has identified measures to mitigate energy consumption

Energy consumption from buildings in operation is identified as the main contributor to GHG production across the Group. The Group develops and introduces specific measures to improve energy efficiency (and also reduce GHG emissions) throughout the portfolio, including:

- Switching electricity from fossil fuel to renewable sources;
- Operating efficiency improvements;
- Tenant involvement and cooperation;
- Energy efficient CAPEX, and;
- New developments complying with net zero energy buildings regulations

Energy-efficient improvements in our properties enhance day-to-day energy performance, extend the longevity of building systems and reduce future CAPEX requirements. The cost to achieve efficiencies is usually fully offset and in many cases outweighed by energy savings.

Potential reduction in energy consumption through close cooperation and alignment of strategic objectives with tenants is an additional measure to optimise energy efficiency. Tenant involvement is encouraged through engagement programmes, green leases and green memorandums.

Regular reviews of efficiency utilising reporting systems and energy audits

The Group regularly reviews the operation of buildings to identify efficiency opportunities. Regular checks on consumption patterns take place throughout the majority of the portfolio, utilising the recently-implemented energy management system in line with ISO 50001: 2019. The Group also regularly conducts energy audits across the portfolio – for example, in 2020 an energy audit was conducted in the Berlin portfolio, which resulted in a number of efficiency measures being implemented, including demand-based digital heat management systems, single room heat regulation systems and LED lighting replacement – combined, these measures are expected to save approximately 10 tons of CO_2 eq annually.

Green CAPEX investments improve energy and water efficiency of properties

Gradual modernisation of aging core building systems through CAPEX is critical to ensure optimal energy and cost efficiency. Typical examples of such measure implemented by the Group in select properties include advanced ventilation systems regulated based on current CO_2 levels, intelligent lighting control systems, LED lighting with daylight and motion sensors etc.

Life Cycle Cost Analysis ("LCCA") is part of the decision-making process for all CAPEX projects and new developments

LCCA is implemented for all CAPEX projects and new developments in order to identify solutions that meet environmental and economic targets. The Group conducts LCCA with external consultants for new real estate projects over 10,000 m² or new real estate projects that would be subject to assessment in sustainability certification schemes (BREEAM, LEED). For other CAPEX and development projects, the LCCA is carried out in-house.

Energy mix – renewable energy

CPIPG considers options for reducing the environmental impact of the energy it consumes, by purchasing low-carbon or renewable energy from suppliers and generating low-carbon or renewable energy onsite. The energy mix is a key focus in regions which have carbon-intensive national energy infrastructure.

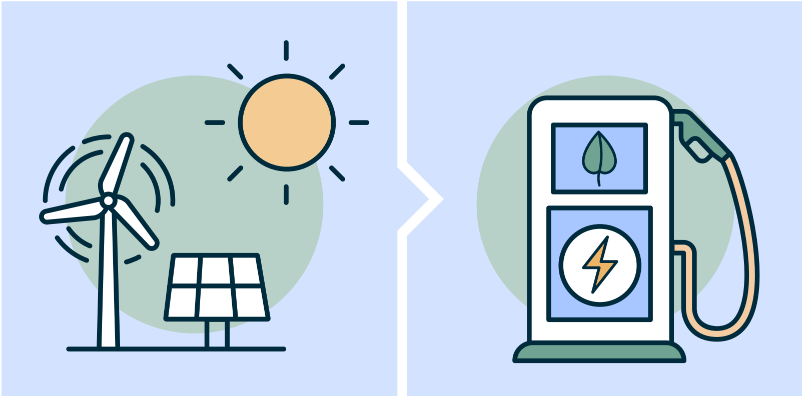
The Group produced 10.68 MWh of renewable energy and saved 5,568t CO_2 equivalent of carbon emissions in 2020. Renewable electricity purchases are underway

GSG Solar Berlin is the largest producer of solar energy in Berlin, owning 45,000 m² of photovoltaic (PV) area (25,360 solar modules, 6.2 MWp output), spanning across 29 assets and 65 separate buildings. Annual production of renewable energy amounted to 4,883 MWh, representing a savings of 2,486 t CO_2 eq in 2020. The energy produced is sold to the grid.

Spojené farmy acquired a renewable energy plant on biogas with power output of 600 kWp and annual production of 5,114 MWh which represents a savings of 3,082 t CO_2 eq in 2020. Surplus electricity of 4,165 MWh was sold to the grid and heat is utilised on the farm.

Some of CPIPG's assets already commenced green electricity purchases through green electricity contracts in 2020, utilising Guarantees of Origin. In light of the Group's commitment to transition to 100% renewable energy purchases in future, the Group expects to increase the volume of contracts across the portfolio in 2021.

GSG Berlin supported small farmers in Cameroon with a special social-ecological reforestation project, through which planting 200 cacao trees helped to offset 9,200 kg of CO_2. 240 trees were also planted at Nová Zbrojovka in Brno, the Czech Republic.



Green transportation

Our properties cater to clean modes of transport

The Group supports green mobility by actively promoting bike transportation, access to public transport and proximity to key amenities and clean modes of individual transportation. A majority of assets (87% of all built assets in operation) are located in urban areas within a reasonable distance to public transportation which applies for over 90% of offices, shopping centres and hotels.

Cycling is supported at the Group's properties with bike racks fitted as standard. Sport facilities providing necessary background (showers, lockers and restrooms) are available at most office buildings in order to encourage bicycle commuting among our tenants and employees.

E-vehicle charging points increased by 147% in 2020

At the end of 2020, the electric vehicle charging infrastructure in the portfolio comprised of 164 charging points mostly in the office segment, with plans for further extension in the future.

In Berlin, for example, 26 charging stations within 38 charging points for electric cars were implemented in 14 properties in 2020, the majority of which were installed through a project in partnership with Parkstrom. A further 83 charging points will be installed by the end of 2021, including 13 DC fast chargers at various locations. In future, the electricity for the charging process will be supplied completely by green electricity with zero emissions.

Electromobility infrastructure across the CPIPG portfolio

Building type	% of buildings equiped with charging points	Number of charging points	Installed charging capacity (kW)
Office	24.5%	134	2,261.6
Shopping centres	30.4%	19	539
Retail	0.7%	2	44
Hotels	11.5%	9	134
Total	**12.5%**	**164**	**2,978.6**

Charging station and EV company car, GSG Berlin

Use of resources

Water

The Group's target for the reduction of the specific consumption of the fresh water sourced from municipal grids and water sourced on site is a 10% reduction compared to 2018 baseline levels by 2030.

The Group reports consumption of municipal water separately from water sourced on site (extraction or capture) and water re-used. Buildings in operation represent the largest source of water consumption in the portfolio, with water sourced from grid representing 85.8%, while consumption from on-site sources represents below 0.9%.

Summary of absolute water consumption across the portfolio

Type of source	Buildings in operation	Ski resort	Farms	Total
	m3 pa	m3 pa	m3 pa	m3 pa
Municipal source	2,218,769	3,200	34,007	2,255,976
On-site extraction	21,253	275,000	57,077	353,330
% of total	85.8%	10.7%	3.5%	2,609,306

Note: Buildings in operation represent all operating reported assets.

Water intensity target through 2030

Year	2018	2019	2020	2030
	0	1	2	12
Target (m^3/m^2 pa)	0.682	0.676	0.671	0.614
Actual performance (m^3/m^2 pa)	0.682	0.691	0.567	
Performance vs. target (%)	0.0%	-2.1%	15.5%	

The intensity target relates to the Group's buildings in operation, excluding Farms and Ski resorts.

In 2020, total water intensity across the entire portfolio outperformed the required 2020 target by 15.5% on a like-for-like portfolio basis.

Water intensity in 2020 per region

Region	Water Intensity (m^3/m^2)
Czech Republic	0.714
Germany	0.239
Poland	0.426
Hungary	0.497
Romania	2.753
Slovakia	0.183
Others	1.579
Whole portfolio	**0.567**

Buildings in operation are included, farms and ski resort are excluded.

Waste

The Group is increasing its focus on waste management

In 2020, the Group conducted waste analysis across the Czech Republic portfolio. The study involved review of physical waste samples and identified potential for waste reduction, material reuse and diversion from landfills. The analysis found that over 70% of mixed municipal waste consists of potentially recyclable components, largely relating comprising biodegradable waste.

In the near term, the Group plans to put in place targets to reduce the share of waste sent to landfill and increase our recycling rate.

CPIPG cooperates with the Institute of Circular Economics and Cyrkl to optimise its waste management. All CPIPG assets fully comply with local legislation and allow for waste separation into streams relevant to building operation, recycling and occupant's needs beyond local legal requirements.

Waste Diverted from Landfills

	Czech Republic		Germany		Hungary		Poland		Romania		Slovakia		Other		Total	
	t pa	%	t pa	%	t pa	%	t pa	%	t pa	%	t pa	%	t pa	%	t pa	%
Total waste production	21,327		1,422		1,963		1,360		172		1,449		4,158		31,852	
Waste diverted from landfill	9,392	44.0	393	27.6	1,242	63.3	766	56.3	172	100.0	1,019	70.3	787	18.9	13,771	43.2
Share of waste sent to landfill	11,936	56.0	1,029	72.4	721	36.7	594	43.7	0	0.0	431	29.7	3,371	81.1	18,081	56.8
Share of recycled waste	6,727	31.5	393	27.6	375	19.1	708	52.1	74	42.7	850	58.7	787	18.9	9,914	31.1
Avg. number of waste streams	4		4		3		4		3		3		1		4	

Data collection was completed before complete waste data for 2020 could be obtained. For this reason, waste disclosures in 2020 for 23% of assets has been based on 2019 data.

Biodiversity

Most of the Group's assets in operation are located in urban zones where there is limited potential for improving ecological value and biodiversity on site. However, ecology is an area that is being reviewed in cooperation with experts. Green features are considered as they naturally improve the working environment, such as by adding new green terraces and relax zones to increase flexibility for building users. An accredited ecologist is typically part of the design team for new developments.

The Group constantly reviews options how to integrate green solutions and promote ecology within its sites and properties. We operate several solutions such as beehives and green roof gardens across the portfolio in the Czech Republic and Poland. Some of CPIPG's projects have been nominated for regional awards.

Sustainable agriculture

The Group's agricultural activities under Spojené farmy a.s. consist mostly of 46 organic farms located in North and West Bohemia, in the Czech Republic. Our farmers have been producing sustainable and healthy organic food since 1996. The Group breeds cattle, chickens, and sheep according to sustainable farming practices.

We actively use active herd health management as a key part of our animal husbandry production so that we sustain the reproduction and health of our cattle.

Total organic pasture and arable land (agro-enviro-climate-biodiversity)	16,231 ha
Pesticide Consumption	0
Industrial Fertilizer Consumption	0
Veterinary Antimicrobials Consumption	78,382 ml pa
Livestock dairy cattle	301
Livestock other cattle	9,800
Livestock poultry	25,910
Organic meat produced	358,000 kg pa
Organic milk produced	364,360 l pa
Organic animal feed produced	48,709 t pa
Feed self – sufficiency	99%

In addition, we employ a range of soil remediation and organic soil fertility measures to sustain optimal crop yields. Our sustainable farming practices ensure a positive relationship with animals, soil, plants and nature, the production of natural and healthy foods, an improvement of groundwater quality, and protection of biodiversity, ecosystems and the environment.

The entire organic production chain (cultivation, breeding, storage, processing and packaging) – is strictly controlled according to the Act on Organic Farming No. 242/2000 Coll., that complies with strict international requirements and Commission Regulation No. 889/2008 laying down implementing rules to Council Regulation (EC) No 834/2007 on organic production and labelling of organic products. The labelling of organic food is independently controlled by KEZ ops. The authenticity of organic food is guaranteed by a certificate and a trademark for products from controlled organic farming.

Health and safety, environmental risks & pollution

Environmental criteria represent important aspects of the Group's development and construction projects. Before each potential investment, the Group examines the environmental opportunities and risks. Project timing, progress and budgets are carefully monitored, mostly with the support of external project monitoring advisors. Health, safety and environmental risks are monitored before and during construction. Health and safety, as well as technical and security installations, are periodically inspected for conformity with relevant local legislation and regulations.

Fines for environmental breaches

In 2020, the Group was not subject to any fines relating to environmental damage. Fines resulting from failure to adhere to administrative requirements amounted to a total of €2,625.

Green bond financing

CPIPG is a leader in Green Bond financing

The Group believes that sustainable financing is a critical tool that integrates our overarching environmental objectives into our financing strategy, as well as serving to highlight to our stakeholders the resolute focus CPIPG has on ESG matters.

CPIPG has issued four Green Bonds:

Oct 2019 – €750 million, 7-year maturity;

Jan 2020 – GBP 350 million (€411 million-equivalent), 8-year maturity;

May 2020 – €750 million, 6-year maturity, and;

Aug 2020 – HUF 30 billion (€86 million-equivalent), 10-year maturity

Having now issued four Green Bonds in three currencies, the Group is **one of only ten other companies globally to have matched this accomplishment.** Following the Green Bond issuance in Hungary, **CPI Hungary won the Real Estate Innovation award at The Portfolio Property Awards 2020.**

Green Bond Framework

CPIPG's Green Bond Framework (the "Framework") is in accordance with the ICMA Green Bond Principles 2018. It stipulates that the total amount of net proceeds received from the issuance of Green Bonds will be exclusively used to finance or refinance in whole or in part, eligible projects or equity investments in four main categories:

- Certified Green Buildings
- Energy Efficiency Projects
- Renewable Energy
- Promotion of Sustainable Farming

The Framework, available on the Group's website and updated from time to time, has a **Second Party Opinion ("SPO") provided by Sustainalytics** originally published April 2019 and subsequently updated in August 2019 and June 2020. The latest update accounted for the inclusion of eligible equity investments, as well as the ability to report on a portfolio basis going forward.

CPIPG's Framework is **aligned to the core components of the EU Green Bond Standard,** as proposed in June 2019. CPIPG is monitoring the EU Green Bond Standard and EU Taxonomy on sustainable activities and Technical Screening Criteria and may make further updates to the Framework in the future, accordingly subject to future developments.

At least on an annual basis, until full allocation, CPIPG reports on issued Green Bonds in line with the ICMA GBP 2018 Harmonised Framework for Impact Reporting.

Use of proceeds

Proceeds of CPIPG Green Bonds are allocated to finance or refinance projects that meet the following eligibility criteria:

Eligible sector	Eligibility criteria
Green buildings	Acquisition, construction or refurbishment of buildings which meet recognised standards, such as: • BREEAM (Very good and above) • LEED (Gold and above)
Energy efficiency	• Renovations or refurbishment of existing buildings, delivering a minimum 30% reduction in carbon emissions intensity or two letter grade improvements according to local Energy Performance Certificate • New or existing commercial buildings belonging to top 15% most energy-efficient buildings in the local market
Renewable energy	• Installation of photovoltaic solar • Dedicated support infrastructure for photovoltaic solar across building management systems
Environmentally sustainable management of living natural resources and land use	Promotion of ecological value, biodiversity and organic agriculture such as: • Farmland certified against EU standards on organic farming production • Installation of green roof gardens • Facility and infrastructure new build or upgrades that contribute to the protection of living natural resources, including for instance beehive rooftop installations and artificial nesting sites for birds

Project selection and evaluation process

The Project Evaluation and Selection Process ensures that the proceeds of CPIPG Green Bond(s) are allocated to finance or refinance projects that meet the criteria and objectives set out in Use of Proceeds.

The evaluation and selection process for Eligible Projects is carried out internally by the **CPIPG Green Bond Team**, which is composed from the legal, finance and investor relations departments across the Group.

On an ongoing basis, eligible Use of Proceeds from CPIPG's portfolio of projects are identified and proposed by the Green Bond Team. The Green Bond Team screens projects against the Eligibility Criteria set out in CPIPG's Green Bond Framework and recommends eligible projects for inclusion as Eligible Use of Proceeds to the CSR Committee. On an annual basis, the Green Bond Team reviews all proposed Eligible Use of Proceeds to determine their compliance with the CPIPG Green Bond Framework in order to approve the allocation of proceeds. The Green Bond Team reviews the allocation of the proceeds to the Eligible Use of Proceeds and determines if any changes are necessary. While any CPIPG Green Bonds are outstanding, in the case of divestment or cancellation of a project to which proceeds have been allocated, CPIPG will reallocate the proceeds to other eligible projects.

The Green Bond Team takes the **CSR Principles and Policy** into account. The selected Eligible Projects are presented to the CSR Committee for review. The Committee, after a thorough inspection, presents its conclusion to the Board of Directors.

The Green Bond Team also reviews the management of proceeds and facilitates reporting.

The Committee supervises the processes under the Green Bond Framework and requires relevant updates from the Green Bond Team. As part of its reporting to the Board of Directors, its findings, conclusions and recommendations are submitted to the Board of Directors.

Management of proceeds

Proceeds of CPIPG Green Bond(s) are managed through the **Green Financing Register**. The proceeds of each CPIPG Green Bond are earmarked against the pool of eligible projects and expenditures identified in the Green Financing Register. The Green Financing Register is reviewed annually by the Green Bond Team to account for any re-allocation, repayments or drawings on the eligible projects and expenditures within the pool. The conclusion of the Green Bond Team is presented to the Committee.

Reporting

On an annual basis, CPIPG provides reporting in regard to the Green Bonds in line with the ICMA GBP 2018 **Harmonised Framework for Impact Reporting**.

Green Bonds allocation

CPIPG has adopted **portfolio reporting for the first time** as part of this FY2020 Green Bond Financing report and no longer reports Green Bond allocations on a bond-by-bond basis. This is in order to facilitate optimal reporting efficiency and clarity for our investors, given that the Group has now issued four separate Green Bonds. The below analysis reports on allocations across all Green Bonds issued by the Group.

Sustainalytics has verified the latest Green Bond allocation as part of the Annual Review process, which concluded that the proceeds from issued Green Bonds have been allocated to assets and projects in accordance with the Use of Proceeds and Reporting Criteria under the Group's Green Bond Framework. The Sustainalytics Annual Review letter can also be found on CPIPG's website.

A	Portfolio of Eligible Assets	€ million
	Certified green buildings	1,708.1
	Energy efficiency projects	141.4
	Sustainable farming assets	102.5
	Renewable energy assets	5.7
	Qualifying equity investments	524.2
	Total	**2,481.8**

B	Green Bond net proceeds received	€ million
	EUR Green Bond, April 2027	735.9
	GBP Green Bond, January 2028	408.0
	EUR Green Bond, May 2026	732.5
	HUF Green Bond, August 2030	88.5
	Total	**1,965.0**

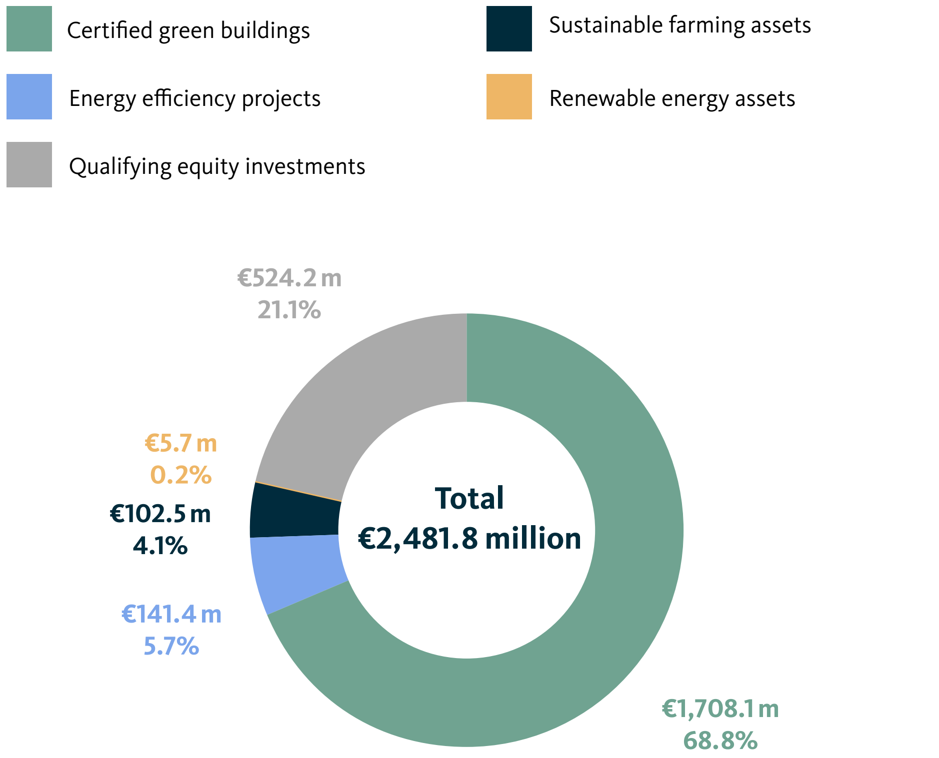
C	Remaining portfolio of Eligible Assets (A-B)	€ million
	Total	**516.9**

D	Percentage of net proceeds allocated to Eligible Assets	100%

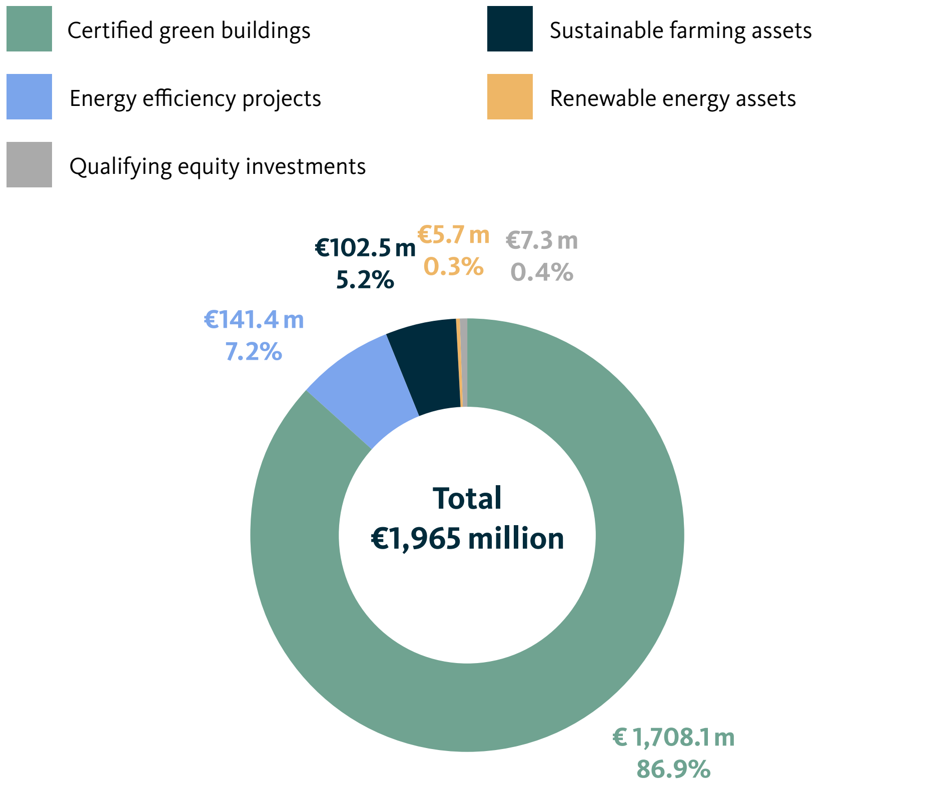
E	Pro-rata allocation of issued Green Bonds to Eligible Assets as at 31 December 2020	€ million	%
	Certified green buildings	1,708.1	86.9%
	Energy efficiency projects	141.4	7.2%
	Sustainable farming assets	102.5	5.2%
	Renewable energy assets	5.7	0.3%
	Qualifying equity investments	7.3	0.4%
	Total	**1,965.0**	**100%**

F	Share of financing vs refinancing	€ million	Financing	Refinancing
	Certified green buildings	1,708.1	713.6	994.5
	Energy efficiency projects	141.4	–	141.4
	Sustainable farming assets	102.5	–	102.5
	Renewable energy assets	5.7	–	5.7
	Qualifying equity investments	7.3	7.3	–
	Total	**1,965.0**	**720.9**	**1,244.0**
	Percentage		**36.7%**	**63.3%**

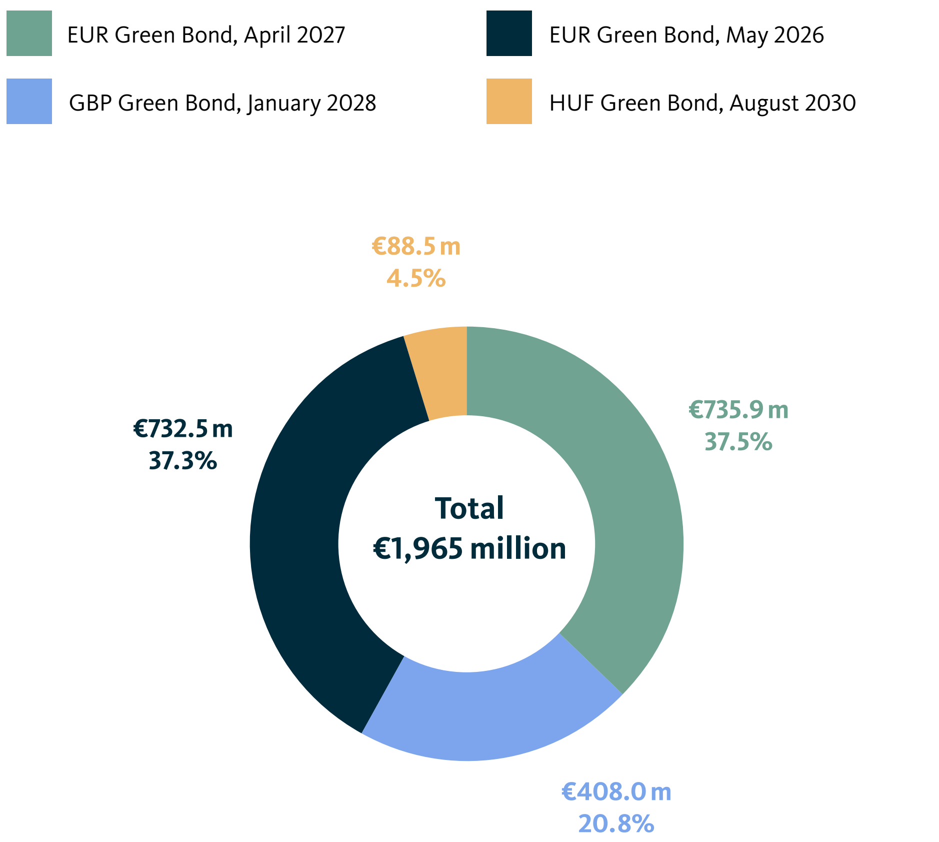
Portfolio of Eligible Assets



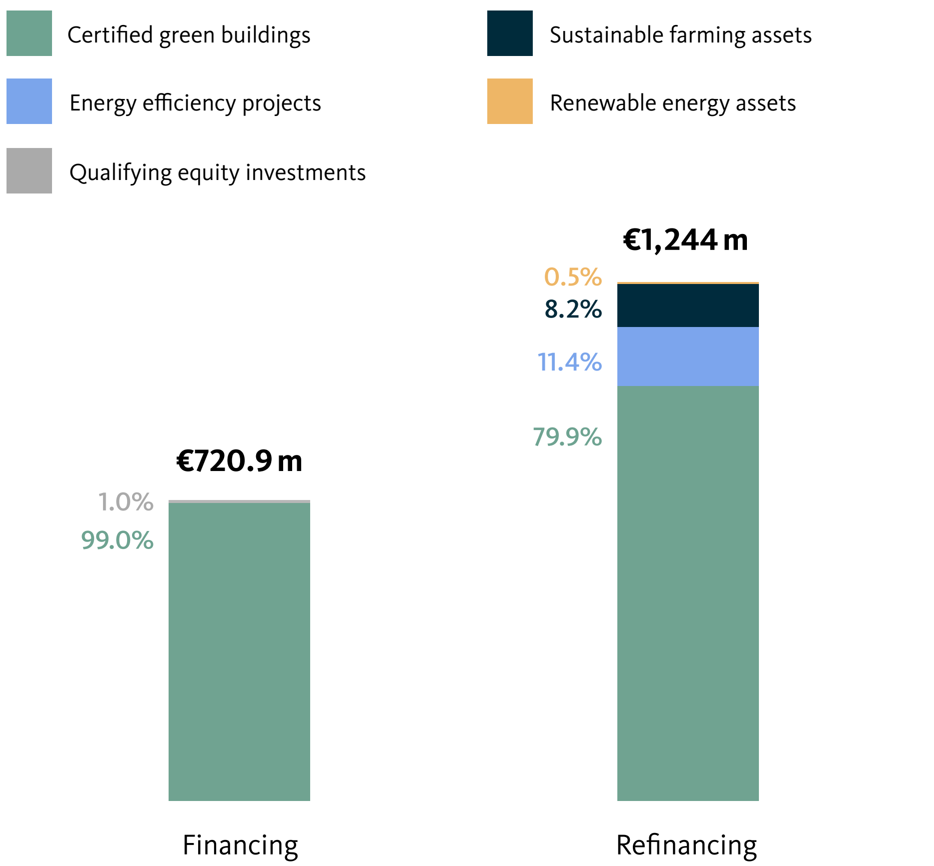
Green Bonds allocation by Eligible Assets category



Green Bond net proceeds split by issuance



Green Bonds allocation by Eligible Assets – share of financing vs. refinancing



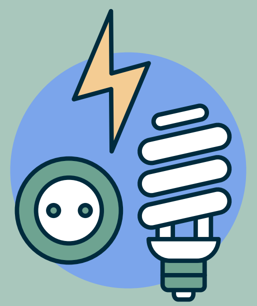
Estimated environmental impact of Green Bond portfolio

Green Buildings

11,383 t CO_2 eq pa
annual GHG reduction in 2020

16,617 MWh pa
annual energy savings in 2020

68,033 m³ pa
annual water savings in 2020



Energy Efficiency

766 t CO_2 eq pa
annual GHG reduction in 2020

13%
annual energy reduction

Renewable Energy

2,486 t CO_2 eq pa
annual GHG reduction in 2020

Sustainable Farming

16,393 ha
grassland area in 2020

45,553 t
soil enrichment with fertilising in 2020

Green Bonds Impact reporting

As a real estate company, energy consumption relating to the operating of buildings is the main contributor to climate change through greenhouse gas ("GHG") emissions. The Group aims to achieve sustainable operation of its properties by identifying opportunities to reduce GHG emissions wherever possible.

The Group works together with the **University Centre for Energy Efficient Buildings ("UCEEB") of the Czech Technical University in Prague** to assist with the calculation and review of impact metrics. In addition, the methodology and calculation of greenhouse gas ("GHG") reduction was reviewed and verified by an independent third party, CI2. Finally, according to the Green Bond Framework, CPIPG is committed to verifying its reporting by an independent, third-party and **Sustainalytics has reviewed the below Impact Reporting as part of the Annual Review process performed in March 2021.** The Annual Review letter can be found on the Group's website.

Green Bond Impact reporting is provided on **an annual basis as part of the Management Report** with regard to the entire **Green Bond portfolio** and includes primarily the allocation of the net proceeds breakdown by Eligible Assets categories, a list of projects financed, the geographical distribution of eligible projects, as well as the share of financing versus refinancing.

For the Impact Reporting provided in this report, we currently exclude qualifying equity investments from the analysis due to the fact that the allocation of Green Bond net proceeds to this category is highly immaterial. Instead, we provide a case study of the environmental performance and status of Globalworth Real Estate Investments Limited based on the most recent public information. In future, CPIPG will consider fully integrating the environmental performance of Globalworth's portfolio into our Impact Reporting subject to our Green Bond allocation at the time and the availability of information.

We provide impact reporting using the **metrics recommended in the Harmonised Framework for Impact Reporting** for each Eligible assets category as follows:

Eligible Asset category	Impact Reporting metrics
Green buildings	• Level of certification by property • Annual GHG emissions reduced/avoided (t CO_2 eq pa) • Annual energy savings (MWh pa) • Annual reduction in water consumption (in m³)
Energy efficiency	• Annual GHG emissions reduced/avoided (t CO_2 eq pa) • Annual energy savings (MWh pa) • percentage annual energy efficiency gain relative to an established baseline
Renewable energy	• Renewable energy capacity added/rehabilitated (MWh pa) • Annual GHG emissions reduced/avoided (t CO_2 eq pa) • Annual energy savings (MWh pa) • percentage annual energy efficiency gain relative to building energy performance base line defined for particular type in region
Environmentally sustainable management of living natural resources and land use	• Amount of land covered by open space (hectares and %) • Estimated land area with biodiversity management (in hectares) • Quality enhancement of soil and/or land and/or water through management practices associated with land use specific projects

For assets that qualify under the 3-year-look-back period, annual environmental performance is reported. The performance of buildings in operation is subject to change due to weather patterns, building occupation and visitor rates. Changes in occupation and associated retrofits may, in the short-term, effect building systems and fluctuation in energy and water consumptions.

For farms, quality enhancement of soil and/or land and/or water through management practices associated with land use specific projects is measured through the amount of grassland which helps to retain water in the landscape or allow for harvesting of straw and hay for feeding cattle. The manure is then used on-site for fertilising the arable land or alternatively composted. This completes a virtuous cycle in terms of natural resources.