

Urbanity

ESG Report 2022



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Ing. Roland Hofman, MBA (CEO)

Introductory word

The year 2022 was a turning point for us at Urbanity. Let me highlight two things in particular.

In line with our newly prepared ESG strategy, we started the implementation of the first Czech community energy block at our production site Urbanity Campus Tachov. Through such actions emphasizing community energy, we want to play an active role in solving the global environmental crisis. We are moving towards carbon neutrality, decarbonisation and energy self-sufficiency.

At the same time, we have obtained the prestigious international BREEAM Communities certification for our campus in Tachov. This type of complex certification assesses the sustainability and quality of life in major urban developments and their contribution to local communities. By fulfilling the demanding criteria, our complex has earned two firsts: it has become the first ever urban district with this award in the Czech Republic and the very first such certified project with a predominantly manufacturing focus in the world.

We are thus fulfilling our long-term vision of developing and transforming brownfields with traditional industrial production into modern campuses with a pleasant and attractive working environment at the highest level.

We will not stop in 2023 either. The largest Czech rooftop solar power plant with an output of almost 5 MW is expected to gradually grow in Tachov and we will strive to obtain prestigious certifications at our other campuses as well.

Summary

What do you learn in our first ESG report? Sustainability is a direct part of Urbanity's management and is reflected in our entire business and all our activities, including external suppliers. ESG aspects are an integral part of our business strategy, which is why in 2022, we have re-compiled them into our first comprehensive ESG strategy and developed a Due Diligence Policy.

We have also adopted a Compliance System and Supplier Code of Conduct, including contractual terms and conditions that commit our business partners to social and environmental standards and to informing their employees about these standards and the possibility of using a complaint mechanism.

We profile ourselves as a creator of campuses – next generation industrial parks. We focus on revitalizing brownfield sites. Our portfolio includes parks in Tachov, Bruntál and Žirovnice, as well as the Korunní Dvůr office complex in Prague. Everywhere we place a strong emphasis on the use of clean resources, the development of

a user-friendly working environment and building local communities.

We strive to achieve the best standards for green buildings according to the criteria set in the Regulation on the establishment of a framework to facilitate sustainable investment (EU Taxonomy). Our objectives in these areas go well beyond the market standard and are in line with the EU's public objectives. Our buildings, including a number of older buildings, are BREEAM certified to a minimum of 'very good'. In addition, we have obtained the prestigious international BREEAM Communities certification for our Tachov site.

Our sustainability strategy focuses on the most significant areas in which the construction and operation of properties have an impact on the environment and society. We take into account global challenges that require a transformation of the economy, in particular climate change and material consumption.

Across all issues, we aim to reduce unavoidable negative impacts as much as possible, seeking positive changes that will directly lead to improvements.

We apply the principles of due diligence as defined in the UN Guiding Principles for Business and Human Rights and the Guidelines for Multinational Enterprises of Organisation for Economic Cooperation and Development (OECD).

We aim to be a good neighbor and a responsible and reliable partner in making the communities in which we operate pleasant, attractive and socially vibrant places to work and live. We adhere to ethical norms and standards.

Supplier Code of Conduct

BREEAM Communities business Strategy
climate change community energy
ESG report **Due diligence policy**
 Brownfield **whistleblowing** circular economy
EU Taxonomy **sustainability**
biodiversity renewable energy sources
 certification **compliance system**
Urbanity Campus ESG strategy

About Urbanity

URBANITY Development a.s., (hereinafter Urbanity) is a joint stock company established in 2011. Our company is 100% owned by URBANITY a.s. We are part of the M.L. Moran Investment Group, which was founded in 1996 and specializes in long-term investments, particularly in the manufacturing industry. We are located at V celnici 1034/6, Nové Město, 110 00 Prague, Czech Republic. You can also find us at www.urbanity.cz.

Urbanity operates in the segment of premium commercial real estate. Our main field of business is construction, rent and property management in the Czech Republic. We are a creator of campuses – next generation industrial parks. We revitalize brownfields, where we renovate existing buildings or build sustainable new ones.

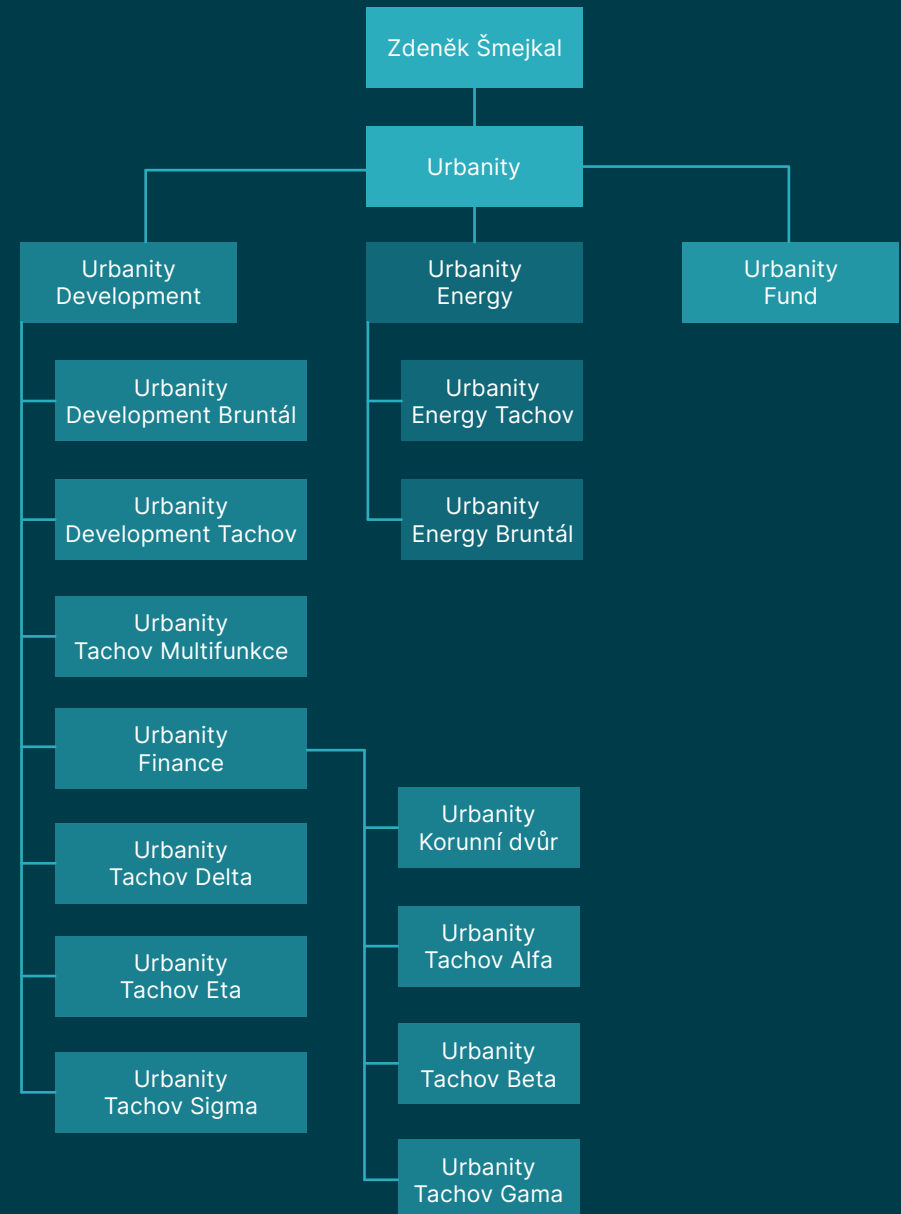
The net turnover of URBANITY Development a.s. for the financial year 2021 was CZK 647,904 thousand. Revenues from the sale of products and services amounted to CZK 217,284 thousand.

More detailed information is published in our financial

We revitalize brownfields or build new sustainable buildings.

statements, which are available on justice.cz.

We have 17 employees in the Czech Republic. Construction works in new developments and modernisation projects are carried out by our building contractors and their employees.



Urbanity's Membership in Associations



Association for the Development of Technical Vocational Education and Human Resources Development in the Tachov Region



Urbanity's Value Chain

Urbanity's value chain consists of material and construction suppliers, property management and tenants.

The main tenants are manufacturing companies, such as those in the plastics, electronics or engineering industries.

Urbanity's supply chain consists of approximately 300 different suppliers, of which 55 companies account for 93% of the total amount paid in 2022, of which 41.2% was for the supply of construction work, 33.1% for the supply of property equipment and approximately a quarter for other services, mainly development. All major construction contractors in 2022 were from the Czech Republic.

Development was primarily provided by a contracting company focused on industrial halls and parks. Approximately one-fifth of the amount paid for development then went into the supply of construction project activity and the work of architectural studios.

Other services in 2022 mainly related to the delivery of services by the investment group, the handling of hazardous waste management and consultancy services.

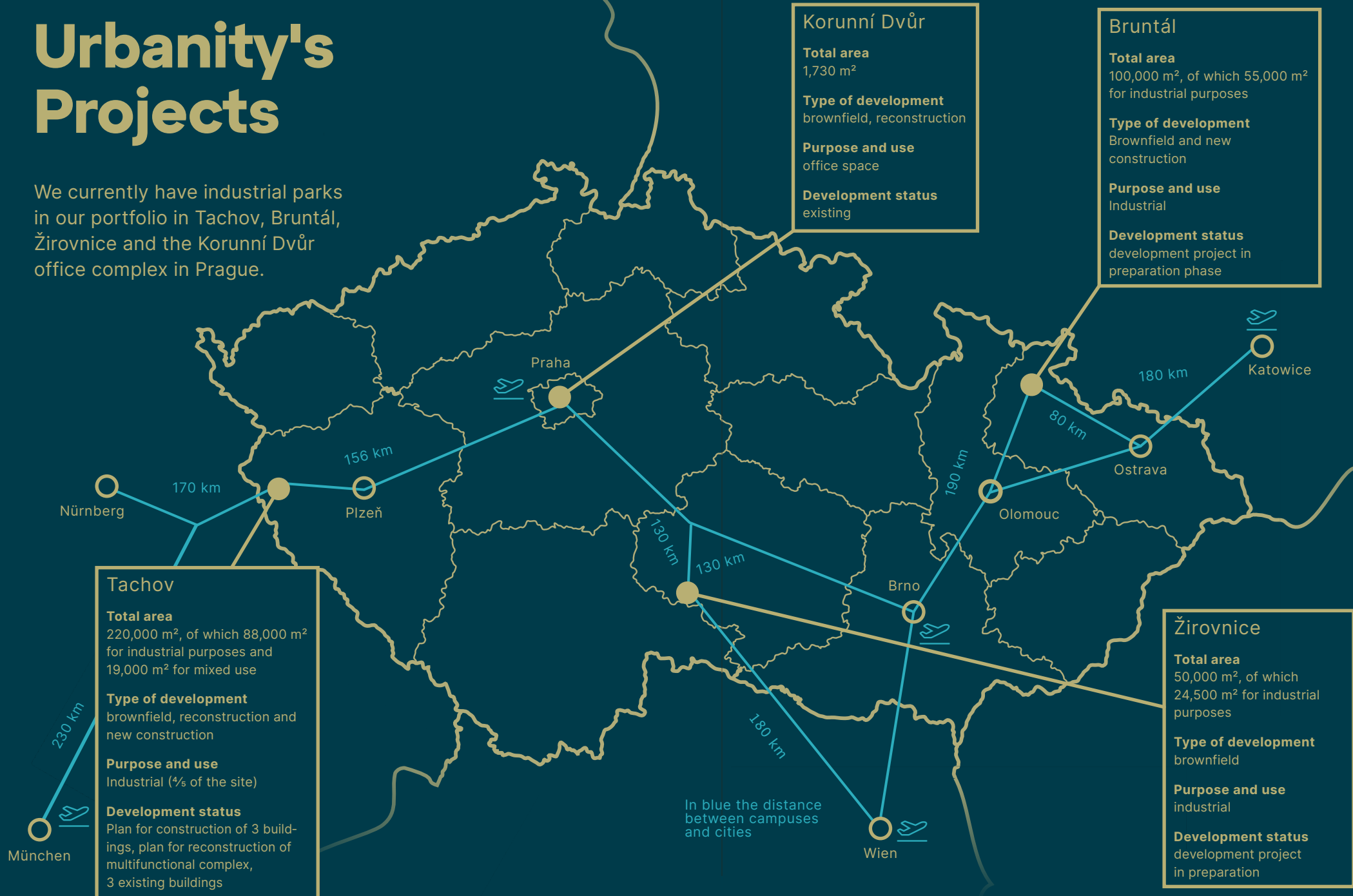
Urbanity also used the services of real estate brokers and companies that deal with property rental or property security.

Main Suppliers in 2022

Construction companies	Equipment suppliers	Development	9 %
		Other services	17%
41%	33%		

Urbanity's Projects

We currently have industrial parks in our portfolio in Tachov, Bruntál, Žirovnice and the Korunní Dvůr office complex in Prague.



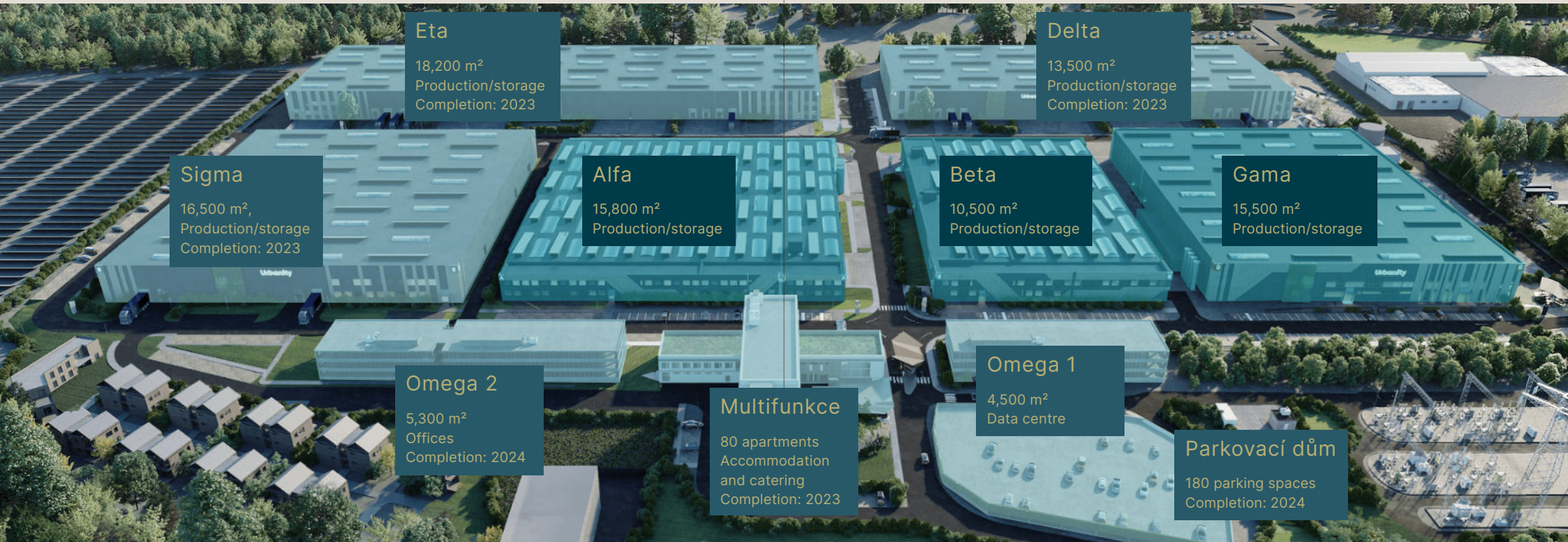
Tachov Urbanity Campus

The Tachov Urbanity Campus is a multifunctional complex project that will include both industrial halls and commercial units. The campus is located 20 kilometers from the border with Germany and 10 kilometers from the D5 motorway on-ramp, which offers a very good connection between industrial and commercial companies in Europe.

The Urbanity Group has completely modernized and re-conditioned two original industrial buildings (Alfa and Beta buildings) on the former dilapidated site of the former Plastimat national enterprise and is preparing the reconstruction of a third original building (Multifunkce building). The construction of a completely new building (Gama) has been completed and plans are underway to build three more new industrial halls (Delta, Eta, Sigma) and two mixed-use buildings (Omega I and II).

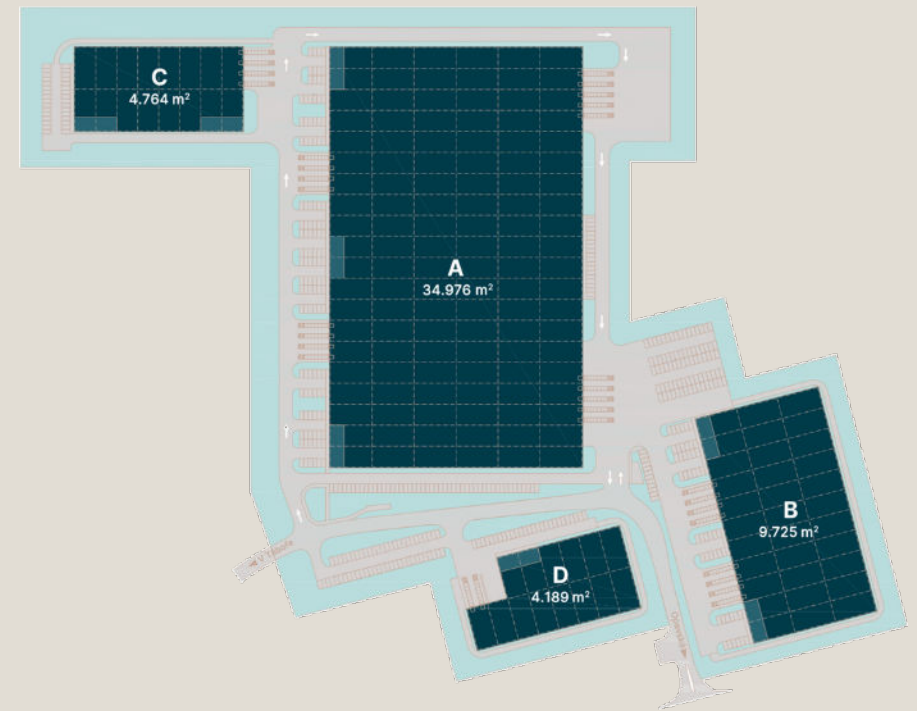
The industrial part will represent only about 40% of the total area of the complex, the facilities will also include a canteen with a shop, a doctor's office, accommodation, a kindergarten and a relaxation zone in the form of a forest park.

At Urbanity, we strive to build properties that respect the environment and local communities. This approach is reflected in the Urbanity Campus Tachov, a multifunctional complex being built on a former urban brownfield site. The unused 22 hectares are being transformed by Urbanity into a modern campus that will bring new high value-added jobs and development to the site. The emerging industrial estate will benefit from its strategic location close to the German border and easy and fast connection to the D5 motorway.



Bruntál Urbanity Campus

Another project in the preparatory phase is the construction of the Urbanity Campus Bruntál industrial park, which will offer over 50,000 m² of space for production and storage.



The premises are located in the town of Bruntál in the Moravian-Silesian Region. Thanks to modern materials and technology, the Bruntál campus meets the highest technical requirements and is suitable for Industry 4.0.

The site is suitable for Industry 4.0.

In addition to the environmental and sustainable LEED certification, it has the possibility of increased electricity capacity. The advantage of the campus location is the connection to public transport and the availability of a skilled workforce.

Urbanity Korunní Dvůr

The Korunní Dvůr complex is located in the prestigious Královské Vinohrady district not far from the center of Prague. It offers office spaces of various sizes suitable for small and large companies. Clients can also use a representative reception, meeting and training rooms, a terrace or a fitness room.

There is a café with a restaurant, a supermarket or a courtyard with a relaxation zone on the premises.



Žirovnice Urbanity Campus

Urbanity Campus Žirovnice is an intimate project in the heart of Moravia on the site of a former brownfield on the border of the South Bohemian Region and the Vysočina Region. The project will be tailor-made for a specific client with the possibility of transfer to ownership. The town of Žirovnice, known especially for its tradition of the button-making industry, is located within easy reach of the Austrian border and the D1 highway. The campus will have 24,500 m² of industrial space.

Strategy

Mission of Urbanity

Urbanity is a purely Czech real estate group, operating in the commercial real estate segment. We build sustainable manufacturing campuses, where we strive to use clean resources, develop user-friendly work environments and build local communities.

We believe that taking the environmental and energy standards of our campuses to a higher level has a positive impact not only on employees, but also on local residents in the immediate area. At Urbanity, we emphasize a long-term investment horizon with a commitment to a lasting positive impact.

Business model

Our business model is focused on sustainable development. Sustainability is a direct part of Urbanity's management and extends throughout the business and into all our activities, including external suppliers. ESG aspects are an integral part of our business strategy.

Instead of building on greenfield sites, we revitalize brownfield sites, where we make structural and technical improvements to existing buildings to meet current, particularly heat-technical requirements and to extend their service life. Also, we build new sustainable buildings in brownfield sites using the latest materials and

Urbanity is involved in the following economic activities identified for the use of the EU Taxonomy:

- construction of new buildings,
- building renovation,
- installation, maintenance and repair of energy efficiency equipment,
- charging stations for electric vehicles,
- energy performance management,
- installation, maintenance and repair of renewable energy technologies,
- acquisition and ownership.

technologies to ensure they are highly energy efficient and have the smallest possible carbon footprint.

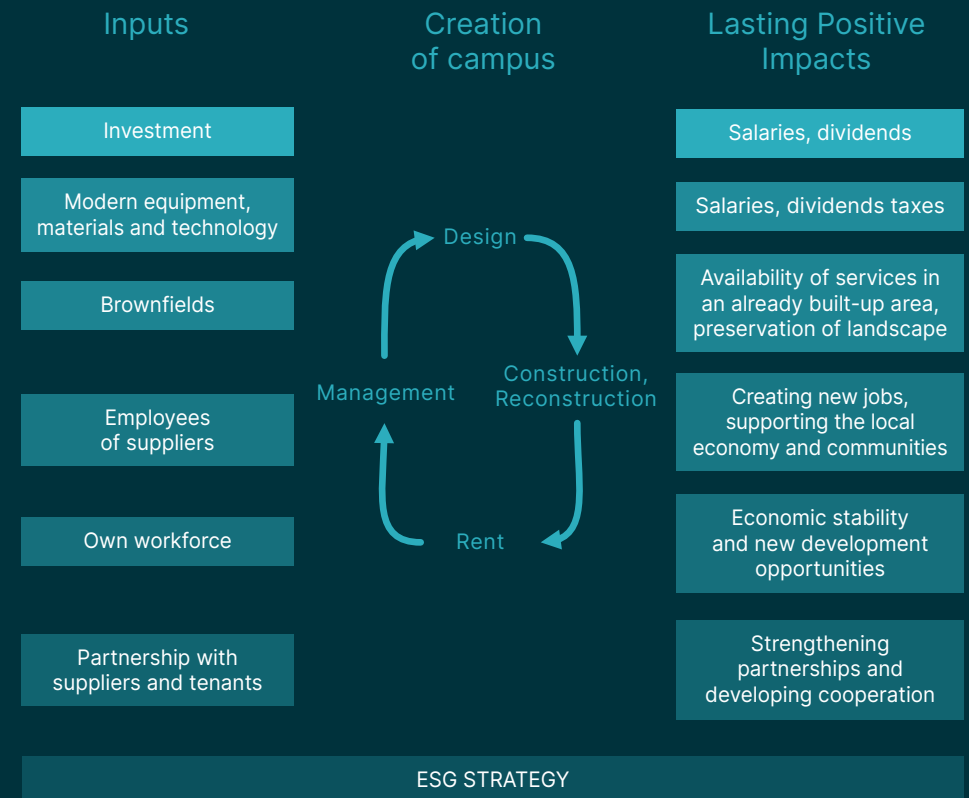
We strive to achieve the best standards for green buildings according to the criteria of the Regulation on the establishment of a framework to facilitate sustainable investments (EU Taxonomy). We aim to meet standards in three areas:

1. Meeting the EU Taxonomy technical screening criteria in buildings. In the case of new buildings, achieving the lowest

level of energy performance and minimizing the consumption of non-renewable primary energy.

2. The positive contribution of our properties to achieving the targets in the area of resource and materials saving, circular economy, waste elimination and biodiversity protection.

3. Conduct all activities in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



Stakeholders

At Urbanity, we are in constant dialogue with a wide range of stakeholders and constructively address their requirements, which we take into account when working on our projects. Our aim is to systematically monitor and strategically consider their key concerns and expectations. To this end, we identify stakeholder groups and involve them in various ways in decision-making processes. Feedback from them is also incorporated into the definition of our ESG topics.



Stakeholders	Means of Communication	Their ideas, opinions, interests and expectations
Investors	Strategic portfolio development meetings	Longevity of the business model and profitability
Banks	Meetings on financing options	Transparency of financial and non-financial communication
Municipalities	Participation in the preparatory phase, meetings/informing during realization	Awareness of their socio-economic problems Accommodation options Greening
Local Communities	Participation in the preparatory phase, meetings/informing during realization	Awareness of their socio-economic problems Access to potential employers Accommodation options Greening
Tenants	Long-term contracts	Decrease of costs Energy-efficient solutions Comfort of employees
Employees	Personal meetings, half-yearly meetings	Health and safety Labor rights Social security

Overview of significant impacts, risks and opportunities

In this Urbanity ESG report, we cover the following sustainability topics:

- Environmental
- Social
- Governance

For these purposes, Urbanity has undertaken an assessment of the materiality of our sustainability-related impacts, risks and opportunities. To identify the key themes, criteria relevant to the construction and real estate sectors were taken into account, as derived from the EU legislative

Main ESG Impacts

Environment (E)	Social (S)	Governance (G)
Climate change mitigation and adaptation	Working conditions and relationships	Human rights
Circular economy	Health and safety at work	Responsible behavior
Pollution reduction	Labor rights	
Biodiversity	Communities and end-users	



framework for ESG: the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD) and Sustainable Finance Disclosure Regulation (SFDR).

Impacts

Although at Urbanity we strive to reduce the negative impacts of our operations as much as possible, they can occur at all stages of the value chain, particularly with respect to energy and material consumption (especially during development) and associated greenhouse gas emissions.

Properties generate waste as part of their operations and as part of construction and modernisation projects and may impact local

biodiversity or increase traffic congestion.

At Urbanity, we are therefore aiming to reduce impacts in this area, primarily by minimizing the use of materials (as part of a wider circular design approach to our campuses), and by giving preference to suppliers of raw materials who make maximum use of recycled raw materials, or are able to demonstrate the energy efficiency of their production and use of renewable energy sources.

In addition, at Urbanity, we directly seek positive changes such as brownfield reclamation, which reduces the taking of valuable arable land, preserving natural habitats and enhancing biodiversity. ▶

Risks

Of great relevance to us are the so-called transition risks associated with climate change and the dependence of European energy on fossil fuels. In particular, the EU's goal of becoming carbon neutral by 2050 and the plan to reduce gas consumption by 30% by 2030 are crucial. Mutual sanctions and measures related to the Russian Federation and their associated impacts on energy prices also impact Urbanity.

The buildings sector will be particularly impacted by ambitious public targets, the economic implications of the energy transition and direct legislative requirements aimed at increasing the energy efficiency of buildings, the use of renewables and the building of infrastructure for electromobility. Buildings will also be included in the emission trading system.

The level of risk is based on energy prices and is difficult to estimate given the current volatile situation. In general, however, there is a rule of thumb of direct proportionality with energy intensity and inverse proportionality with energy self-sufficiency.

The main physical risk associated with climate change in the Czech Republic is the threat of drought. More frequent occurrences of long periods of drought may lead to an



Improving energy efficiency represents the biggest opportunity for emissions reduction.

across-the-board regulation of water consumption in the summer months and require a reduction in water consumption.

Urbanity's targets in these areas (see Urbanity's ESG Strategy, 2022) go well beyond the market standard and are aligned with EU public targets. Therefore, the financial impacts on Urbanity and the sustainability of its strategy will be relatively low and do not pose a significant risk to the sustainability of Urbanity's business model and strategy.

Opportunities

Achieving high energy efficiency and reducing energy consumption will enable Urbanity to achieve a better cost-benefit ratio relative to its competitors. Lower costs provide us with greater flexibility with respect to rental pricing and greater attractiveness to tenants. This effect is enhanced by other factors considered by tenants when choosing a location, including employee convenience (user-friendliness, services, connectivity, accessibility, etc.).

Switching to self-generation of renewable energy provides us with protection against sharp changes in energy prices and the behavior of suppliers and therefore allows for longer-term financial planning.

Increasing energy efficiency in buildings represents the biggest opportunity to reduce greenhouse gas emissions. In addition, at Urbanity we have the opportunity to obtain more favorable financing for activities that meet the EU Taxonomy conditions.

ESG Strategy

Urbanity's Sustainability Strategy, published in 2022, focuses on the most significant areas where the construction and operation of real estate have environmental and social impacts. We take into account global issues that require a transformation of the economy, in particular climate change and materials consumption.

Across all topics, we aim to reduce unavoidable negative impacts such as energy consumption as much as possible and avoid negative environmental and social impacts that are directly related to our operations.

We also strive to make positive changes that will directly lead to improvements, both in the environmental field, for example with regard to biodiversity, and in the social field with an emphasis on working with local communities or building transport infrastructure.

Part of our ESG strategy is to ensure good working conditions not only for our own employees but also for our service providers and property users.

An integral part of the strategy is the due diligence policy and process.

Sustainability management

Ing. Roland Hofman, MBA, is the executive officer of the company and a member of the board of directors who is responsible for strategic decision-making.

Senior Management Team Urbanity

- Markéta Šimáčková – Chief Operating and Sales Officer, responsible for COO & Business Development and HR.
- Lukáš Hajduk – Chief Financial Officer (CFO).
- Miroslav Příbyl – Project Director, responsible for project management and construction management.
- Ondřej Šetka – Project Director, responsible for project

management and construction management.

- Zdeněk Čermák – Facility & Property Manager.
- Filip Ranocha – Head of Controlling, responsible for financial management.

In 2022, Urbanity approved its ESG Strategy and Due Diligence Policy. At the same time, the Compliance System and Supplier Code of Conduct were adopted, including contractual terms and conditions that oblige business partners to comply with social and environmental standards and to inform their employees about these standards and the possibility to use the complaint mechanism.

Declaration of Due Diligence

At Urbanity, we identify and prevent negative sustainability impacts associated with the construction, operation, modernization and renovation of our buildings. To this end, we apply the due diligence principles outlined in the United Nations Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises and Development.

At Urbanity, we implement the due diligence process, including the identification and prioritization of impacts, specifically during the preparation of each new project

and on an ongoing basis as part of our property management. This process focuses on impacts that could be caused or contributed to by the activity itself or directly linked to the activity through business relationships.

We assess the significance of impacts based on the severity of actual impacts and the likelihood and severity of potential impacts. In Urbanity, we assess this significance based on their degree, extent and irreversibility.

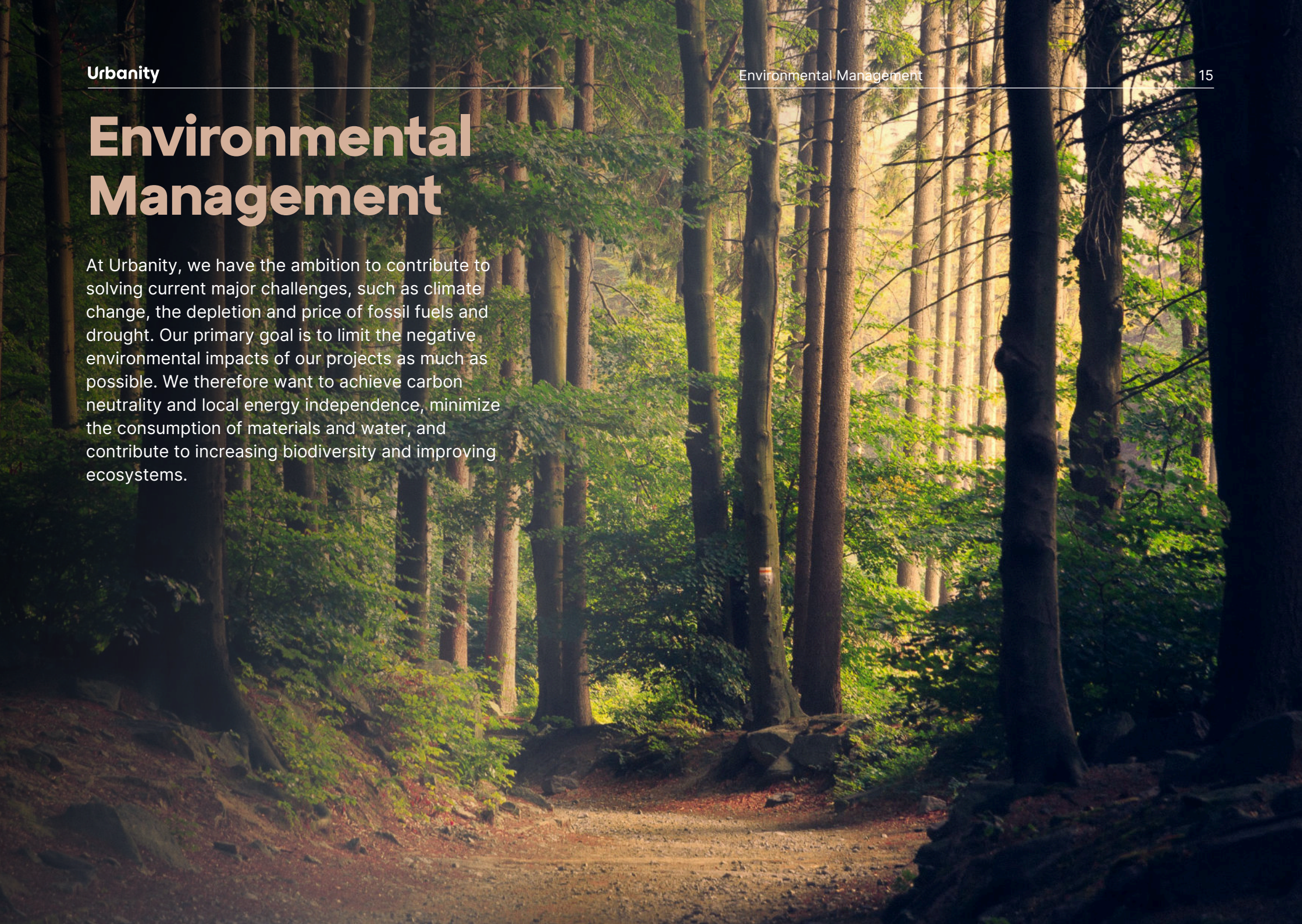
With regard to the identified potential impacts, Urbanity applies measures to prevent them and also to identify whether actual impacts have occurred.

ESG management is integrated across all senior management functions:

- Ing. Roland Hofman, MBA, CEO, is responsible for the implementation of the ESG strategy in the context of the implementation of the governance pillar.
- Ing. Miroslav Příbyl, Project Director Urbanity, is responsible for the overall implementation of the ESG strategy and especially the environment pillar.
- Ing. Markéta Šimáčková, MBA, Operations and Sales Director, is responsible for the implementation of the social pillar of the ESG strategy.

Environmental Management

At Urbanity, we have the ambition to contribute to solving current major challenges, such as climate change, the depletion and price of fossil fuels and drought. Our primary goal is to limit the negative environmental impacts of our projects as much as possible. We therefore want to achieve carbon neutrality and local energy independence, minimize the consumption of materials and water, and contribute to increasing biodiversity and improving ecosystems.



Energy and Transport

The real estate sector is one of the biggest polluters in the current climate crisis. Buildings consume around 40% of the world's energy and contribute up to 30% of global annual greenhouse gas (GHG) emissions. We aim to actively contribute to reducing this burden.

Buildings and construction is therefore one of the priority sectors in the decarbonisation scenarios for meeting the Paris Agreement targets (according to the IPCC scenarios and the International Energy Agency's Net-zero report) and play a crucial role in the European climate change mitigation and adaptation strategy. Scope 1 and Scope 2 GHG emissions are directly linked to energy production and consumption and the share of renewables.

The availability of public transport and infrastructure for low carbon transport, walking and cycling is an important factor in reducing energy consumption that we can influence through our actions.

The reduction of greenhouse gas emissions foresees a shift to electromobility. In 2021, electric vehicles accounted for 23% of all

new car registrations in the EU. The increase depends on the availability of public charging infrastructure, especially fast charging stations. A combination of charging stations with local renewable energy sources can further help reduce greenhouse gas emissions.

Main impacts

Energy consumption and GHG emissions from the construction and operation of real estate represent the main impacts on the environment. We produce our own direct emissions (Scope 1, mainly related to heating or cooling), indirect emissions (Scope 2, mainly in the form of electricity and heat input), and other indirect GHG emissions outside of our control (Scope 3, mainly related to the consumption of materials during construction and operation of the property).



In addition, our real estate inevitably generates traffic, but it also provides an opportunity to address the lack of infrastructure.

Risks and Opportunities

In Urbanity, we have the opportunity to achieve positive impacts beyond reducing our carbon footprint by developing our own renewable energy generation and contributing to energy decentralization.

Our Objectives

At Urbanity, we support the European goal of achieving zero net greenhouse gas emissions by 2050 and limiting global warming to 1.5°C in line with the Paris Agreement targets. We aim for carbon neutrality, decarbonization and energy self-sufficiency, i.e. maximum independence from public distribution networks.

Our goal is to create decentralized community energy blocks with local energy production and transmission, using primarily renewable energy sources, cogeneration, storage, sharing, transformation and smart management to optimize energy flows.

In terms of energy performance, we want to achieve an "A" level (exceptionally energy efficient) for at least 90% of our buildings and a "B" level (very energy efficient) for the rest.

In this respect, Urbanity is pursuing the goal of bringing the property portfolio as close as possible to the EU Taxonomy criteria, i.e. to achieve a 10% reduction in the energy performance of new buildings against the standard for near-zero energy buildings. ►

What we do in energy and transport

Our buildings are BREEAM certified to a minimum of 'very good'. At Urbanity we aim to progressively reduce the energy consumption of our owned properties and achieve a neutral or positive carbon footprint.

We build new sustainable and respectful buildings using the latest materials and technologies to ensure they are as efficient as possible with the smallest carbon footprint.

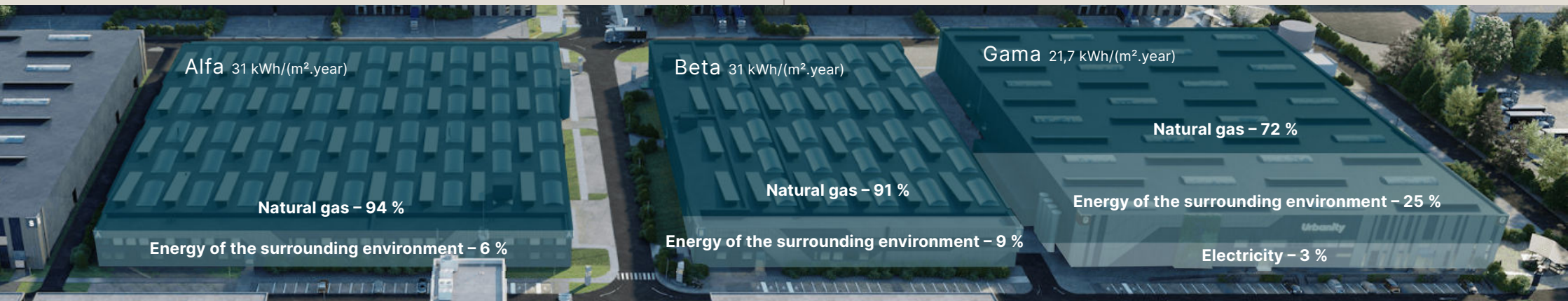
We have processes in place to monitor and reduce the energy performance of our portfolio. We undertake renovations to improve energy efficiency and reduce overall energy consumption, and install more energy-efficient technologies on a continual basis.

We also actively seek opportunities for renewable energy projects and work with them on a large scale. We are installing rooftop solar panels, working on harnessing geothermal energy (e.g. through heat pumps) and planning to incorporate local wind power plants.

We are developing low carbon transport infrastructure across all our properties in Urbanity. We are applying the concept of a short-distance city with strong pedestrian and cycling support, including bikesharing, connection to urban and intercity bus and train transport elements.

We are also promoting electromobility – all buildings are equipped with charging capabilities and we are gradually replacing our own fleet with electric vehicles.

Consumption of primary energy from non-sustainable resources in Tachov site



Certification of Buildings

At Urbanity, we have chosen to measure the performance of our new buildings through global, internationally recognized certifications such as BREEAM and LEED. These global certifications are recognized by most players in the sector: builders, consultants, property companies, occupiers, bankers and shareholders.

Achieving certification confirms that a project creates a healthy and sustainable ecosystem with a clear beneficial impact on the community and the surrounding area. It contributes positively and considerably to the urban, economic and social development of the whole area and expands the local amenities and transport and technical infrastructure. It uses green energy and local resources to meet its needs, while offering opportunities for local communities and municipalities to influence key decisions about their development.

Energy-saving lighting in the Tachov site

In order to increase our energy efficiency and reduce light pollution at Urbanity, energy-saving LED line lights with autonomous zone control via internal dusk sensors were installed in the Tachov complex. The new fluorescent lamps now provide illumination of the main entrances, production areas, the site road as well as illuminating the handling areas from the facade. To minimize energy consumption for lighting, we also use skylights made of materials with very low thermal transmittance to provide complete daytime illumination of the production areas. The skylights have a connection to wind and rain sensors and are combined with smoke and heat extraction equipment.

New Photovoltaic Power Plant

The largest domestic rooftop photovoltaic power plant with battery storage is being built at the Urbanity Campus Tachov. The approximate annual production of solar panels will be 5,000 MWh, which corresponds to about a quarter of the annual consumption of Tachov households.

The locally produced energy will be used to cover the consumption of all buildings on the site; any surplus will be stored in a battery storage facility with an annual capacity of 1,300 MWh.

In addition, the power plant will also be connected to electric vehicle charging stations as part of the emerging energy block. Everything will be controlled by smart energy management.

The control system will ensure that energy overflows are minimized to the distribution network, so that the vast majority of the electricity generated will be used on site. When needed, the site will primarily use battery power, followed by grid power.

Photovoltaics will be installed on the roofs of all planned buildings on the Tachov site and will complement the solar panels already installed on all existing buildings.

At the same time, we plan to build a second battery storage facility in the existing ALFA building. Initial construction work commenced in September 2022.

Annual Production of Rooftop Photovoltaic Power Plant



The locally produced energy will be used to cover the consumption of the entire Tachov campus.

Low-carbon transport

Availability of public transport and infrastructure for low-carbon transport, walking and cycling is an important factor in reducing energy consumption. This is why Urbanity is developing infrastructure and ensuring connections to urban and suburban transport within all its properties.

In Tachov, a central area for bicycle storage has been built for cyclists in the monitored parking area in front of the entrance to the premises and in front of the main entrance to the buildings. A bus stop, train station and cycle trail are located directly at the premises, and the entire complex is also easily accessible on foot. Connections to public transport are also provided by the industrial park in Bruntál and Korunní dvůr in Prague, which is about a 5-minute walk from the metro station.

KPIs and plans

We plan to evaluate the effectiveness of our strategies based on the following indicators:

- energy performance of buildings (PENB class),
- absolute consumption and its intensity within the property,
- the share of (non-)renewable energy consumption and production,
- Scope 1 and 2 GHG emissions and their intensity within the operations.

Urbanity's consumption of electricity and gas in 2022

Tachov	Korunní dvůr	Prague office	Bruntál
4 317 MWh	81,3 MWh	2,8 MWh	6 173 MWh
97 022 m³	0	30 937 m³	0

GHG Emissions of Urbanity in 2022, t/CO₂e

Tachov	Korunní dvůr	Bruntál	Prague office	In total
Scope 1	Scope 1	Scope 1	Scope 1	Scope 1
204,8	0	0	65,5	286
15,7	0	0	0	
Scope 2	Scope 2	Scope 2	Scope 2	Scope 2
1 683,6	31,7	2 407,5	1,1	4 123,6
In total	In total	In total	In total	In total
1 904,1	31,7	2 407,5	66,6	4 409,6

Next, Urbanity plans to:

- introduce Scope 3 GHG emissions monitoring;
- prepare an analysis of the extent and potential impact of physical risks to real estate resulting from climate change;
- develop a decarbonisation plan that includes measurable targets and plans for reducing the carbon footprint to achieve carbon neutrality;
- prepare an energy savings implementation offer for tenants.

We're looking at indicators, that characterize the transport infrastructure:

Tachov	Bruntál	Korunní dvůr
public transport stop, suburban bus 2 mins walking distance, train 10 mins walking distance	public transport stop, bus and train station 5 mins walking distance	tram stop 1 min, subway and bus stop 5 mins, train 20 mins
racks and storage	racks and storage	racks and storage
pedestrian infrastructure	pedestrian infrastructure	pedestrian infrastructure
charging stations for electric vehicles	charging stations for electric vehicles	charging stations for electric vehicles

Circular Economy

The transition to a circular economy is changing the way buildings are designed and materials are used. At Urbanity, we place an emphasis on using recyclable materials and reducing the amount of unusable waste.

We want to use recyclable materials as much as possible.

The extraction of raw materials and their processing contribute significantly to the production of greenhouse gas emissions, and therefore decarbonisation scenarios foresee a significant reduction in the consumption of newly produced materials and a transition to a circular economy. Mining and processing of raw materials also has significant local impacts, accounting for 90% of biodiversity loss.

Main Impacts

Real estate development is linked to high consumption of materials.

Building materials, particularly cement production and logging, generate significant greenhouse gas emissions and often have local environmental impacts at the site of extraction.

Risks and Opportunities

The circular economy is an important issue for Urbanity with regard to the need to minimize the use of non-recyclable and unsustainable resources and the production of non-recyclable construction waste.

Building design and construction techniques can support the circular economy by being more resource-efficient while being adaptable, flexible and demountable to reuse and recycle the materials used.

At Urbanity, we are also concerned with facilitating recycling of tenants' general waste and hazardous waste treatment as part of brownfield redevelopment. The shift in regulation and demand combined with new technology potentially reduces costs.

Our objectives

For us, contributing to the circular economy means focusing on circular construction, waste management and minimizing the waste produced.

We aim to maximize the use of recyclable and sustainable materials in new buildings and major renovations and to ensure maximum recycling of waste at all levels. ▶



What we do in the circular economy

At Urbanity, we improve and repair existing buildings on brownfield sites to extend their lifespan, reduce their energy intensity and carbon footprint. At the same time, we minimize the consumption of raw materials and prevent waste. In addition, we use components and equipment that have high durability, recyclable, easy to disassemble and repair.

We require construction waste to be recycled by builders and ensure that at least 70% of safe construction and demolition waste is ready for reuse and recycling. In the case of demolition, we reuse or recycle materials directly on or near the construction site.

We ensure that waste is recycled in all managed buildings. For example, the Tachov campus has a separate area for the storage of production waste and a dedicated area for sorted municipal waste from on-site business activities.

We have a waste management plan that ensures maximum reuse and recycling of materials at the end of their life cycle.

To monitor impact in the circular economy, we apply relevant indicators:

- the share of non-recyclable and non-reused building materials in

the total weight of materials used in construction and renovation,

- the amount of waste from construction, renovation and refurbishment,
- the amount of waste from property operations,
- the proportion of recyclable waste.

To develop a strategy in the circular economy, we plan to:

- introduce monitoring of the proportion of recyclable and sustainable materials (recyclable concrete, wood, bamboo, etc.) in new buildings and major renovations and set targets in this respect;
- integrate circular economy principles into the design of new projects to minimize resource use.

We provide waste recycling in all managed buildings.



Use of Water Resources

The Czech Republic is at risk of more frequent long periods of drought due to climate change. According to the InterSucho project, an episode of drought in the Czech Republic between 2015 and 2019 was the worst in 500 years. At Urbanity, we are therefore taking measures to manage rainwater sustainably and to minimize consumption.

Main impacts

Urbanity's buildings consume water during their construction (concrete pouring, cleaning, etc.) and then during their operation, including water consumption by tenants (cleaning, watering, company restaurant, etc.).

According to the Beta Aqueduct map on the level of water stress in the regions (WRI), Prague is located in a low risk area, Tachov in a low to medium risk area and Bruntál in the medium risk area (the three cities where we have our sites).

Risks and Opportunities

At Urbanity, we have technological opportunities to reduce water consumption across the entire life cycle of our properties.

Our Objectives

We are aware of the forecasts of possible future water shortages in the Czech Republic and are therefore constantly working to reduce water consumption. Urbanity strives to minimize water consumption in all aspects of its operations and exclude any significant pollution of surface and groundwater in its activities (see section on pollution).

What we do in the area of water use

At Urbanity, we identify risk areas and verify whether properties are at risk of water shortages (before construction begins and at regular intervals as part of the management). We ensure that drinking and domestic water

For new projects, we plan to save water by at least 40% or 1,000 m³ per year.

consumption is regulated, carry out water monitoring and collect the necessary data including water quality or wastewater.

Throughout the life cycle of the project, we take measures to minimize the expected water use as much as possible. For new projects, we plan to achieve water savings of at least 40% or 1,000 m³ per year. Amongst other things, we monitor the technological compliance of the equipment in our properties with the EU Taxonomy of Sustainable Activities in terms of water consumption.

We protect, restore and expand water areas and ecosystems, apply water retention, supply and abstraction elements in the landscape, and manage rainwater sensitively according to the conditions and requirements of the site, taking into account future climate change. For newly proposed paved areas such as roads and roofs, a rainwater management system is designed. ►



We are actively working with rainwater in the original and new buildings.

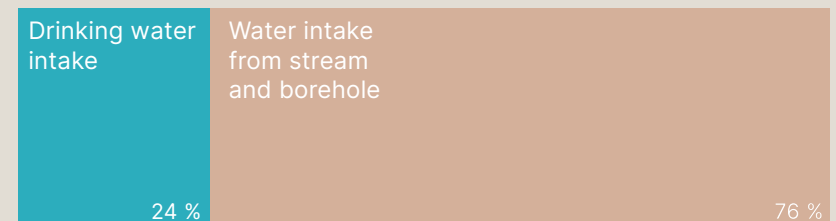
We are working to build ecological management facilities, retaining rainwater in the local landscape using features such as dry polders, swales, grassed grates in car parks and retention basins for catchment and storage of rainwater for flushing toilets and also as utility hot water. Unconsumed rainwater can also be used as process water or for irrigation.

KPIs and Plans

Total water consumption at the Tachov site for 2022 was 17,241 m³. Water consumed by the property during operations and construction came exclusively from the creek and borehole (76%). Water abstraction at the Korunní Dvůr site for 2022 was 1,000 m³, at the Urbanity office Prague 20.6 m³. Drinking water abstraction at the Bruntál site in 2022 was 5,789 m³.

We will monitor the amount of water reused.

Total water withdrawal in the Tachov area for 2022



We plan to monitor relevant indicators to track impact in this area:

- water consumption (absolute in m³/property, m³/floor area and m³/revenue from property operation),
- amount of water recycled and reused, including rainwater harvesting (weighted average in percentage),
- property amenity according to the EU Taxonomy for Sustainable Buildings requirements (tap and shower flow and flushing volume),
- vulnerability to water scarcity.

Pollution control

The most risky stage of the real estate life cycle is the construction phase itself. During this phase, you need to be alert to possible water pollution as well as light and noise pollution. At Urbanity, we take measures to monitor and limit these impacts.



Main Impacts

Impacts occur primarily during the construction phase of Urbanity properties and relate to potential contamination of drinking water, or rainwater and wastewater that may be contaminated and require pretreatment.

Brownfields on which Urbanity is building may be potentially contaminated. Building elements and materials used in construction may release hazardous substances, which is dangerous to users who may come into contact with them.

Any construction and operation of properties also generates light and noise pollution. Light pollution can disrupt the breeding patterns of nocturnal animals, insects and bird migration, and can have an adverse impact on human health by disrupting the natural body cycles regulated by darkness and light.

In addition, noise pollution produced on construction sites is also potentially harmful to workers.

Risks and Opportunities

By following precautionary measures, we can prevent Urbanity employees and users of our campuses from coming into contact with pollutants. By paying attention to light and noise pollution, we are also able to improve the living conditions of local communities.

Our goals

We support the EU Action Plan "Towards Zero Air, Water and Soil Pollution" on reducing and replacing the production and use of substances of concern and the most harmful substances. Urbanity aims to minimize water pollution, pollutant emissions, light pollution and noise.

What we do to reduce pollution

We conduct the necessary brownfields surveys to identify potential contaminants. We also identify hazardous activities within the reclamation process and then take measures to minimize pollutant emissions.

We are also working to reduce light smog, so we are installing automated outdoor lighting for this purpose. We strive to reduce noise pollution. We therefore draw up a map of noise sources that exceed standards, replace old technologies with modern ones, install noisy equipment in enclosed spaces and on rooftops and build noise barriers.

Measures to reduce dust, noise and other pollution during construction or maintenance work are also important to us. As part of our development and renovation projects, we make every effort to minimize the exposure of tenants and local residents to noise from construction sites. ▶

Purification of Rainwater

Urbanity's aim is to minimize the negative impacts of our properties, so we are consistently careful to manage of rainwater. At the Tachov site, paved areas are drained by rainwater runoff to oil separators and, in part, through numerous swales.

The pre-treated water from the separators then flows into an unnamed watercourse (the watercourse) or into the Brtný Brook.

As part of the new drainage project for the site, a new storm water drainage system has been built, which diverts part of the rainwater into the Mže River.

Some of the rainwater running off the roofs and roads is collected in retention basins and a dry polder and pre-treated in oil separators.

On paved areas used for parking, the water is filtered through the grassed soil layer via special grassed grates.



KPI and plans

Building elements and materials used by Urbanity in construction and renovation that may come into contact with occupants shall emit less than 0.06 mg of formaldehyde per m³ of material and less than 0.001 mg of other carcinogenic volatile organic compounds of categories 1A and 1B per m³ of material. In Urbanity, we plan to monitor wastewater pollution indicators and light pollution levels.

We will monitor wastewater pollution and light pollution levels.

Biodiversity

Biodiversity loss and the collapse of ecosystems are the greatest ecological threats that humanity will face, alongside climate change, in the next decade. At Urbanity, we are trying to combat biodiversity loss with targeted measures in the areas of climate change and natural resource use, in particular with regard to biodiversity in local contexts.

We incorporate the promotion of healthy ecosystems into building design.

Main Impacts

Real estate development affects biodiversity in the context of land use change. Construction of buildings outside of brownfield sites can lead to deforestation, encroachment on agricultural land, fragmentation of bio-corridors or threats to biologically valuable areas and protected species.

Risks and Opportunities

Urbanity's sensitively designed buildings can have minimal impact, or conversely create and positively impact habitats and local ecosystems. At the same time, green development, including green roofs and walls, reduces air, water and noise pollution, provides protection from floods, droughts and heat waves, and maintains the connection between people and nature.

Maximizing green spaces also has a direct impact on biodiversity.

Our Goals

At Urbanity, we support the European Biodiversity Strategy 2030. Our aim is to make a positive contribution through our projects to increasing biodiversity and improving ecosystems. Through our strategy on climate change, energy and material consumption, we aim to reduce global pressure on biodiversity.

We systematically integrate healthy ecosystems, green infrastructure and nature-inspired solutions into the design of buildings and their surroundings. Urbanity places a high priority on the creation of blue-green infrastructure to ensure a healthy environment and avoid heat islands within the site. ►





We respect the landscape character of the local environment and contribute to increasing biodiversity.

What we do to support biodiversity

Urbanity's projects are designed not to cause significant harm in terms of biodiversity. In particular, we do not locate our developments in or near biodiversity-sensitive areas. We always conduct biodiversity assessments as part of the environmental impact assessment of our projects.

At Urbanity, we never build properties in protected areas, instead we revitalize brownfield sites with a long tradition and local identity. By carrying out above-standard reclamation of the surrounding area, we significantly reduce the occupation of valuable arable land. At the same time, we are maximizing the proportion of green spaces.

We respect and protect the local ecosystems and preserve the natural habitats present, respecting the landscape character of the local environment and contributing to an increase in native or natural biodiversity. For example, we prepare and implement landscape management and maintenance plans and orchard landscaping to ensure that ecological objectives are met in the long term and maintained during operation.

As part of BREEAM certification, biodiversity assessments are prepared for our projects.

KPIs and plans

The total land occupied in the Tachov area is 127,040 m². The total area of ecosystems within the forest park is 3.8 ha. There is no habitat or biocorridor fragmentation within Urbanity's projects.

To develop our biodiversity conservation strategy, we plan to monitor:

- total area of ecosystems,
- the area of forest, grassland or wetlands converted as a result of our own activities,
- the removal of green areas and the change in the total area covered by vegetation,
- the proportion of vegetated and non-vegetated areas in relation to the total area of the site.

We also want to introduce a system for evaluating the status and functioning of ecosystems and the impacts of implemented measures on the extent, quality and connectivity of ecosystems.

Also, we plan to develop a strategy on the consumption of natural resources associated with significant impacts on biodiversity, particularly with regard to the use of certified wood.

People



Our Employees

At Urbanity, we believe in long-term partnerships, whether with our clients, shareholders and suppliers, or in our own initiatives with local authorities and non-profit organizations.

The sustainable development of society depends primarily on people. It is therefore important that our employees are well rewarded, cared for in terms of their health and safety and given the opportunity for self-development.

Main Impacts

Property management is a people-focused industry. Therefore, Urbanity's impacts primarily include the protection of labor rights, equal opportunity issues and occupational health and safety.

Risks and Opportunities

There are no significant risks for Urbanity's own employees in the Czech Republic. Compliance with preventive measures to ensure compliance with labor law is a priority. In line with international standards for responsible behavior, Urbanity can positively and negatively affect the working conditions of its own employees.

Our Goals

We guarantee the protection of labor rights and equal opportunities for all our employees. We strive to provide good working conditions that enable a work-life balance.

We are committed to protecting the health, mental well-being and performance of our employees and to achieving a zero incidence of serious work-related injuries and illnesses for our employees. We aim to ensure that health and safety regulations are strictly adhered to in our operations.

We want to deliver inspiring projects that stimulate the growth of our employees.

What we do for our employees

At Urbanity, we strictly comply with labor laws governing working hours and rest periods, remuneration for work, and health

and safety in the workplace and other elements of legal protection of the employee's position. We respect the right of employees to join trade unions.

We ensure equal remuneration of employees according to the Labour Code under Section 110(1)– the same wage/ remuneration is given for the same work or work of equal value under the agreement on work performed outside the employment relationship. We follow the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

We do not tolerate any form of discrimination or unethical labor practices. We implement equal opportunity measures and strive for gender and age balance in our team, which is made up of promising students and senior professionals with international experience. We purposefully develop diversity in the workplace, including supporting the employment of people with disabilities.

Personal responsibility is important to us and the career development of our employees. We conduct regular face-to-face meetings and invest an average of CZK 15,000 per employee per year

in external training. In 2022, 100% of our own employees participated in performance reviews and career development.

We strive to automate and robotize routine activities with the help of artificial intelligence so that employees can be more involved in development and creative activities.

We also care for the physical and mental health of our employees and adhere to the principles of work-life balance. We allow flexible forms of work, such as working from home. No Urbanity employee exceeds 48 hours of work per week. We involve employees in social responsibility projects.

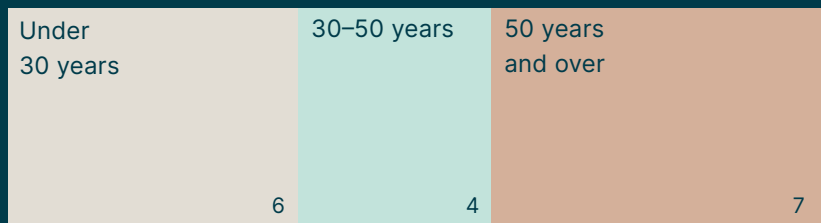
We conduct OSH training twice a year for our own employees in the Urbanity office, and we also require our business partners to implement an OSH policy and monitor compliance with it. For January to June 2022, there were no work-related injuries or illnesses among Urbanity's own employees.

We have implemented a complaint and whistleblowing system to detect human rights violations, which is open to employees, property managers, service providers and tenants. ▶

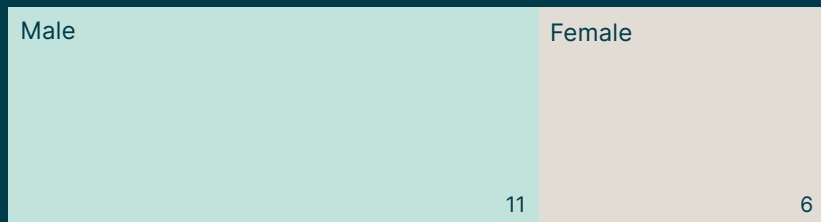
KPIs and Plans

Urbanity employed a total of 17 employees in the Czech Republic at the end of 2022.

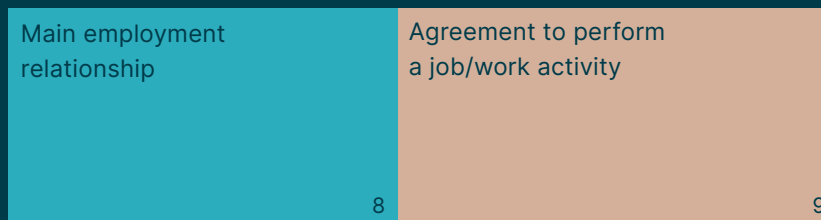
Age distribution of Urbanity employees in 2022



Distribution of Urbanity employees by gender in 2022



Distribution of Urbanity employees by type of employment contract in 2022



In connection with Covid-19, Urbanity has sought to maintain the health of its employees and enable them to continue working in the best possible conditions throughout 2021 and 2022. The employees switched to home office to the highest possible extent and regular testing was carried out, to which Urbanity contributed where necessary, and most employees were vaccinated.

In 2022, Urbanity employees received the "E-PROGRAM SUCCESSFUL PERSON" training on personal development.



In Urbanity we plan to monitor the following indicators:

- Number of all employees by contract type, age and gender.
- Percentage of own staff who have participated in regular performance reviews and career development.
- Average number of training hours per employee and investment in training.
- Number and proportion of staff who have exercised their right to take maternity leave.
- Gender pay gap.
- Representation of women in management positions.
- Number of work-related accidents and deaths.
- Number of days missed due to injuries, accidents, deaths or illnesses.
- Proportion of employees and partners trained in OSH.

Workers in the Supply Chain

Construction accidents are generally high compared to other industries due to workers being exposed to heavy machinery, working at heights or handling hazardous chemicals. Therefore, at Urbanity, we strive to ensure that our construction and other contractors comply with applicable regulations and regularly train their employees.

Main Impacts

Urbanity uses external staff for construction work and property management. The impacts to be monitored relate to employment law, equal opportunities and health and safety in the workplace.

Risks and Opportunities

Urbanity's main risks are occupational injuries to workers of service providers, particularly building contractors and tenant employees. In line with international standards for responsible conduct, Urbanity can affect the working conditions of workers within its supply chain,

especially of managers and key service contractors.

Our Objectives

We are committed to monitoring, preventing and, where appropriate, mitigating negative impacts that workers of key service contractors may face in the construction and operation of properties. Where significant impacts are identified, we will seek to secure remediation.

We aim to ensure that the employment rights of all workers involved in the construction and operation of properties are respected. We strive to protect the health, mental well-being and performance of workers and to achieve a zero incidence of serious work-related injuries and illnesses for all workers involved in the construction and operation of real estate.

We strive to ensure strict compliance with health and safety regulations by service contractors in the execution of construction work.

We strive to strictly comply with safety regulations.



What we do in this area

At Urbanity, we plan to prevent potential negative impacts within the supply chain through the application of the Supplier Code and ESG Supplier Commitments, which will be annexed to each supply contract and will commit suppliers to responsible behavior. One of the four chapters of the Supplier Code is dedicated to workplace health and safety.

According to the annex to the contract, suppliers will commit to using their best endeavors to prevent accidents in the workplace, in particular:

- conducting OSH training and regular inspections of the appropriate technical condition of work areas and tools,
- communicating with workers about potential risks,
- informing workers of the obligation to report any safety or health risks in the workplace,
- monitoring relevant OSH indicators.

On site, the appropriate Urbanity project manager, together with the contractor's representative, will sign the OHS protocol (including a list of trained employees) and also identify potential risks. Ongoing monitoring by the project manager

and the investor's technical supervisor as well as the special OHS technical supervisor is carried out during construction.

In the annex to the contract, the contractors also undertake to comply with the applicable labor legislation governing working hours and rest periods, remuneration for work, ensuring equal treatment and non-discrimination.

We have established a complaint and whistleblowing system to detect human rights violations, which is open to employees, property managers, service providers and tenants.

We have also introduced a whistleblowing system for contractors and tenants.

KPIs and Plans

At Urbanity, we plan to monitor the following indicators related to supplier staff:

- number of all workers by contract type, age and gender,
- number of work-related injuries and deaths of all workers involved in the construction and operation of the property,
- number of days missed due to injuries, accidents, deaths or illnesses,
- representation of trained workers and partners in OSH.

In 2022, there were no work-related injuries or illnesses recorded among Urbanity contractor employees related to the performance of work.

We also plan to:

- require and apply contractual criteria related to compliance with working conditions in our relationships with service providers,
- monitor risk indicators with regard to working conditions of workers in the supply chain.



Local Communities

The impact of real estate development on local communities is a major issue in urban development. At Urbanity, we strive to ensure that our projects have a positive impact and contribute to infrastructure development, local employment and the involvement of local businesses. In turn, we seek to reduce traffic, noise and pollution.

We want to be a good neighbor to local communities.



Main Impacts

The construction or reconstruction works carried out by Urbanity can lead to an improvement of the economic situation, ensure the development of new investments and new jobs in the locality, strengthen and complement the existing economic activities in the region.

Risks and Opportunities

At Urbanity we have opportunities to support the development of local potential and positively develop the communities of which we are an integral part.

Our Objectives

At Urbanity, we place a high value on sustainable urban planning and design. We strongly respect and enhance local history and identity.

We aim to be a good neighbor, a responsible and reliable partner in making the communities in which we operate pleasant, attractive and socially vibrant places to work and live, motivating young people to stay in traditional regions.

To ensure that the impact of our work is positive, we consult with local communities and their representatives, allowing them to influence key decisions on new projects.

Rules for community involvement

When implementing projects, we communicate with landowners, tenants of neighboring land and the wider communities that may be affected by new development. To ensure that projects do not conflict with the legitimate interests of affected communities, we inform and consult with them or their representatives from the earliest stages of development. At Urbanity, we respect the interests of the affected communities as much as possible when implementing projects and continuously evaluate the impact of our activities.

We directly involve locals in implementing projects.

During the development, we reflect local character through color, architectural style, height and form, continuity between the style of the development and the surrounding area, preserving historic features and using public art.

Our campuses offer superior amenities not only to our clients, but also to the local communities – restaurants, cafes, mini-markets, fitness centers, club and relaxation zones, training and conference rooms, a doctor, dentist, massage, daycare, hotel-type accommodations, bike stations, charging stations, access to public transportation, or forest parks.

We modernize, adapt and increase the capacity of existing transport infrastructure (including freight diversion) as well as technical, civic and community infrastructure, facilities and public space. Our projects also provide significant support to local groups to build and potentially retrofit one or more community facilities, and support cultural and social activities and charities.

We pride ourselves on involving communities in shaping our projects, offering them significant opportunities to influence key

decisions. Similarly, we work with local authorities to provide or broker jobs and new opportunities for local businesses and small entrepreneurs.

Our Tachov campus has received BREEAM Communities certification, which emphasizes sustainable, healthy, functional and beneficial development of

a site, monitoring the environmental and social impact on the immediate surroundings and community. Urbanity Campus Bruntál aspires to it.

We are part of the association for the development of technical vocational education and human resource development in the Tachov region. ▶

The Tachov campus received the prestigious BREEAM Communities certification.



Development of quality job opportunities in Tachov

The development of opportunities, jobs and positive impacts has become an integral part of Urbanity's operations in Tachov, where we are building a multifunctional manufacturing facility. The construction of the complex builds on the industrial tradition of Tachov, where plastic moldings production has been operating since 1967. However, the original Plastimat company was closed down in 2006 and the industrial area began to deteriorate.

The revitalization of the original industrial brownfield site brings state-of-the-art production

processes, sustainable solutions, but most importantly new attractive job opportunities for the local community, which means that the residents of Tachov will not have to commute to work or move to larger and more distant towns.

The first company in the newly built building is the French Eurostyle Systems, which produces plastic parts for luxury cars. In total, the company plans to employ about 250 people, a large proportion of whom will be high school and university graduates. The new development thus makes a synergistic contribution to this environment. Tachov has a secondary industrial school and apprenticeships focused on plastics and other industrial fields. At the same time, there are already seven companies in the industry in the town, such as Alfa Plastik and Formy Tachov.

During the implementation, we also place great emphasis on the quality of the working environment, the comfort of workers and users of the premises and competitive wages. There will be a medical and dental clinic, a kindergarten, a factory restaurant with a café and a shop, a fitness center, a club and relaxation zone or, for example, a free rental shop.



We will support the development of accommodation capacities in Bruntál.

Development of civic amenities in Tachov and Bruntál

Within the multifunctional complexes in Tachov and Bruntál, Urbanity, in cooperation with the towns, is also planning to develop civic amenities.

A building that once briefly served as a hostel in Tachov is to become a hotel, which is still missing in the town. We have consulted with the city representatives on the infrastructure development needs, and the development of accommodation facilities for visitors to the city was identified as a key need.

In Bruntál, where hotel accommodation options exist, there is a lack of capacity and an acceptable standard.

Therefore, after consultation with the city, Urbanity is planning a new hotel here as well. We are now looking for operators for both properties who would take over the management of the accommodation facilities being built.

After consultations, we have also agreed with the city of Tachov that we will offer the municipality a plot of land for the construction of a residential building, which should house, among other things, spaces for medical offices.

Property Occupants

Finding and keeping good tenants is one of the basic requirements for a successful rental property operation. At Urbanity, we are well aware that every property owner is responsible for the welfare of the people on their property.



Main Impacts

Urbanity properties have an impact on the health and well-being of their occupants, whether through the temperature of the buildings, indoor air quality, lighting, noise levels or the amount of greenery on the premises.

Risks and Opportunities

Risks associated with the users of our campuses may include injuries to our tenants' employees, tenant violations of the law, or non-payment of rent. Implementing appropriate safety measures can help keep property users content and safe. By raising the construction standards of our campuses, we can improve the comfort of our occupants.

Our Objectives

At Urbanity, we are the creator of campuses – the next generation of industrial parks. We create a work environment that is strongly oriented to the needs and comfort of the workday so that our long-term tenant, which is typically a higher value-added manufacturer, can be an employer of choice within the region, precisely by being part of the most desirable place to work.

We create campuses in locations where their users are already located rather than having to relocate or commute. We place particular emphasis on the quality of the working environment and the comfort of workers and users.

Our intention is to build five-star facilities that will be the first choice for international and local companies.

What we do for our campus users

At Urbanity, we emphasize the multi-functionality of our projects with a wide range of users and visitors in mind.

Safety, comfort and the elimination of distractions are important to us.

In our campuses we offer superior amenities not only to our clients but also to local residents, such as restaurants, cafés, mini markets, fitness centers, relaxation zones and more.

Catering

A canteen with a shop, a doctor, family-type accommodation, a children's group, a relaxation zone are in preparation directly in the Tachov complex. The premises are being prepared to the tenant's requirements.

Fire protection system

In our properties, we ensure maximum safety for the users. Therefore there are indoor and outdoor fire hydrants, fire water tanks, electronic fire alarms, outdoor SHZ engine room and indoor valve stations, equipment with stable fire extinguishing devices or fire-resistant doors or gates according to the approved Fire Safety Solution of the Building.

Human Rights Respect

Human rights protect vulnerable groups from abuse and ensure that people's basic needs are met. A person's ability to enjoy their human rights depends on others respecting those rights. At Urbanity, we believe that we have a special responsibility to ensure that people can enjoy their rights, especially their labor rights.

Main Impacts

At Urbanity, we only do business in countries with comprehensive human rights protections and therefore the risk of violation of these rights is low and cannot be quantified. Given the high severity of potential negative impacts caused by such interventions, we apply a broad approach from the perspective of vulnerable groups, which includes the protection of the human and labor rights of our employees, contractors, outsourced and extraordinary services.

Risks and Opportunities

Contractors may pay workers below subsistence levels, demand

excessive overtime, fail to pay overtime wages or provide safe working conditions. Migrant workers employed by contractors may lack full legal protection.

Urbanity only wants to work with contractors who do not violate human rights, and promote respect for human rights among its stakeholders.

Our Goals

At Urbanity, we uphold the rights defined in the Universal Declaration of Human Rights and the International Labour Organisation Conventions, particularly with regard to the prohibition of child and forced

labor, the protection of collective rights, equal pay and non-discrimination.

We are committed to combating all forms of discrimination including age, gender, origin, marital status, sexual orientation, affiliation to ethnic group, nation, race, physical appearance, disability, medical condition, pregnancy status, political opinions, religious beliefs and trade union activity.

We aim to eliminate any human rights violations in our operations and properties, regardless of who caused them or was affected by them.

What we do to protect human rights

We do not tolerate any form of discrimination, harassment, retaliation, intimidation, humiliation, bullying, unfair treatment or inappropriate behavior. We have zero tolerance for any form of modern slavery, forced labour or human trafficking, and we do not tolerate any form of child labour.

It is important to us that our suppliers respect the rights of their employees and workers, as well as the rights of others in the value chain as stated in the Supplier Code of Conduct. We

have adopted a community engagement policy and due diligence process.

KPIs and Plans

During 2022, we did not experience any complaints on human or labor rights violations at Urbanity, while at the same time no sanctions or fines were imposed by public oversight bodies.

We have implemented a complaint and whistleblowing system to detect human rights violations, which is open to employees, property managers, service providers and tenants.

Whistleblowing

As part of the whistleblowing mechanism, employees, property managers, contractors and tenants may report violations or threatened violations of human rights, legal provisions, or actions in violation of the Code of Conduct or the Supplier Code of Conduct in writing, online at compliance@urbanity.cz or in person to a designated Urbanity contact. In doing so, the whistleblower will be guaranteed protection from retaliation and anonymity.

Responsible Behavior

Business can positively contribute to economic, environmental and social progress, but reckless business activities can also have adverse impacts related to corporate governance, employees, human rights, the environment and bribery. Adherence to ethical business standards and legal and regulatory compliance are important to Urbanity, as is good reputation among our stakeholders.

Main Impacts

We have an extensive supply chain consisting of around 300 different suppliers and we also work with local authorities. The way we run the business therefore has a very broad impact which is also influenced by the individual behavior of our employees.

Risks and Opportunities

At Urbanity, we are not exposed to significant risks in terms of compliance with legal and ethical standards. There is a risk of potential negative impacts in the supply chain.

We strive to be transparent in our dealings with clients, partners and employees.



Risks may arise particularly in relation to the extraction and processing of raw materials with significant environmental impacts. In countries at risk, efforts to cover these impacts may lead to corruption risks.

Due to Urbanity's activities, employees may get in contact with public service representatives. We therefore condemn any acceptance, provision, offer or promise of a bribe in a matter of public interest.

At the same time, we believe that by adhering to the principles of responsible behavior we can build greater trust and strengthen relationships with stakeholders.

Our Goals

Notwithstanding the low level of risk, Urbanity implements measures to ensure effective governance with regard to preventing corruption risks, complying with legal obligations and adhering to the principles of responsible business conduct.

Urbanity's responsible management is set in accordance with good standards and values. We comply with applicable laws and place a high value on ethical behavior. We have zero tolerance for corruption, money laundering and all dishonest practices. We are committed to preventing and combating such behavior. ▶

Our aim is to ensure, through an effective management system, a transparent, fair and accountable approach in dealing with clients, partners and employees, and compliance with legal and ethical standards.

What we do in the area of responsible conduct

We build long-term relationships with partners and employees based on mutual trust, respect and prosperity. We exercise responsible selection of business partners and manage our business relationships with suppliers in an ethical manner.

We plan to prevent potential negative impacts within the supply chain through the application of the Supplier Code of Conduct and ESG Supplier Commitments, which are appended to each contract and commit suppliers to responsible behavior.

We only apply practices that are consistent with the OECD Guidelines for Responsible Business Conduct. We adhere to the UN Guiding Principles on Business and Human Rights and comply with data protection rules and privacy, have cyber-protection features in place and motivate management to achieve ESG goals.

Supplier Code of Conduct and ESG Supplier Commitments

As Urbanity strives to prevent potential negative impacts in the supply chain, we regulate all of our supplier relationships through a Supplier Code of Conduct. This covers a total of four areas: environmental protection, human rights compliance, workplace health and safety, and complaint and whistleblowing mechanisms.

From an environmental perspective, it is crucial for us that suppliers act in accordance with applicable legislation, emphasize efficient energy consumption and minimize water consumption, use of green spaces and pollutant emissions.

Urbanity's suppliers should also respect human rights, including labor rights, and follow other widely accepted international principles in this area. We require our suppliers to regularly train employees and workers on occupational health and safety and to have a complaint mechanism in place. Each of Urbanity's suppliers then also signs ESG terms and conditions at the time of signing the contract, which include specific supplier commitments under the Code.

Our suppliers are committed to complying with ESG standards.

Compliance System

Urbanity's specific commitments to responsible behavior are set out in the Compliance System we have adopted, which summarizes our core values and principles. Among other things, we are committed to actively preventing corrupt behavior, vetting our suppliers, strictly adhering to labor laws or providing a complaint mechanism for employees.

Those most at risk of corruption and bribery will participate in training programs, especially anti-corruption training. At the same time, every employee attends training twice a year – as part of Occupational Health and Safety – and after explaining and studying the Compliance Policy, they sign this document which also concerns corruption, among other things.

KPIs and Plans

At Urbanity, we track indicators to monitor compliance with the principles of responsible business conduct:

- number of convictions for violation of anti-corruption and anti-bribery laws,
- percentage of employees and partners trained in anti-corruption policy.

In June 2022, anti-corruption training was conducted as part of the biannual meeting and 100% of employees attended. Our partners were also trained in a 4-hour compliance system presentation.

Urbanity did not receive any fines in 2021 or 2022 for violations of anti-corruption laws or other legal obligations.

About Urbanity's ESG Report

Urbanity operates in the Czech Republic and therefore we only present data that relates to the Czech Republic. We report performance at the URBANITY Development a.s. level – throughout the report we refer to Urbanity for simplicity.

In this first Urbanity's ESG report, we present data for 2022. Our reporting boundaries are defined by financial control, as explained in the GHG Protocol.

We strive to ensure that all data and information is a true reflection of our performance and provides sufficient transparency for stakeholders. No key information has been omitted to protect the business position or for other extraordinary reasons.

This ESG report does not include indicators from the value chain.

At Urbanity, we plan to start collecting ESG impact data in 2023, but we have tried to describe our value chain as much as possible.

As part of the financial control approach, we consider 100% of Scope 1 and 2 GHG emissions and other ESG data from owned assets and leased assets, which are considered wholly owned assets in financial accounting and are recorded as such on the balance sheet.

Our ESG report contains statements regarding our expectations for the future. These statements may be characterized by words such as "strategy", "expectations", "developments", "plans", "forecasts", "assumptions", "attitudes", "estimates", "intentions", "projects", "goals", "targets" or other expressions of similar meaning. These expressions are characterized by the fact that they do not refer exclusively to historical or contemporary facts.

Therefore, at Urbanity, we cannot assure that these expectations will actually be fulfilled. While all plans and forecasts are based on careful consideration, the achievement of results may be affected by external circumstances. Actual results may therefore differ from those estimated, forecasted or planned, particularly if previously unknown risks are identified or if the underlying assumptions prove inaccurate.

We account for 100% of Scope 1 and Scope 2 GHG emissions.



Urbanity

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