

Sustainability Report 2022

AKROPOLIS

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CEO Letter



In 2022, more than 41 million people have visited 5 shopping and entertainment centres managed by “Akropolis Group” in Lithuania and Latvia. We are the leaders in our field in the Baltic States, thus our ambitions to act in a more sustainable way, as well as sustainability initiatives already implemented are valued by tens of millions of our visitors, by our business partners and investors. The importance of sustainable activities is constantly growing, and we, as leaders in our field, feel a great responsibility to contribute. We are ready to take solid further steps in this area and become a good example for other market participants.

In order to formalise our goal to become more sustainable, “Akropolis Group” publishes the first sustainability report in its history. Going forward, we will be publishing sustainability reports regularly.

In 2022, we made a strategic decision to take a systematic approach to sustainability and started developing the company’s sustainability strategy, which will include ambitious short-term and long-term sustainability goals. We will establish clear evaluation criteria, allocate necessary resources, focus on its implementation and closely monitor progress made.

Sustainable activity is a goal of our entire Group, so for me personally, it is very important that this process would involve as many employees as possible. We encourage our employees to actively engage in setting and achieving sustainability goals, i.e., by inviting employees to actively participate and submit proposals when setting the company’s sustainability goals. An employee survey conducted last year provided valuable insights on how we could strengthen the Group’s efforts in the area of sustainability.

Particular attention to sustainability and environment is given during the development of the most ambitious “Akropolis Group” project – the multifunctional complex Akropolis Vingis in Vilnius. We plan to install solar power plants, implement geothermal heating and other sustainable solutions in this development. We will adhere to requirements of the BREEAM (Building Research Establishment Environmental Assessment Method) standard, which internationally assesses environmental impact of a development project, both during design and construction stages of Akropolis Vingis development. Furthermore, we will improve the communication infrastructure leading to the complex by prioritising the accessibility for visitors arriving by foot or by bicycle.

Finally, we strive to make our existing shopping and entertainment centres more sustainable and environmentally friendly. 4 of our 5 shopping and entertainment centres are certified according to the BREEAM standard. Meanwhile, Akropole Alfa in Riga which was acquired at the end of 2021 will be certified by BREEAM in 2023. In the short-term and medium-term we will focus on optimising and reducing the consumption of energy and other resources, as well as introduction of solutions allowing energy production from renewable sources.

Our first sustainability report marks the starting point of the fundamental changes in the sustainability strategy of “Akropolis Group”. We are ready to share our progress in sustainability with the public on a regular basis.

Manfredas Dargužis
CEO, Chairman of the Board, Akropolis Group

About Akropolis Group

SHORT INTRODUCTION AND HISTORY OF AKROPOLIS GROUP:

AKROPOLIS GROUP, UAB with its headquarters in Vilnius, Lithuania, is the leading shopping and entertainment centre (hereinafter – SC) development and management company in the Baltic countries. Akropolis Group operates directly and through its subsidiary companies (hereinafter “the Group” or “Akropolis Group”). The Group started its activities in 2002 and has celebrated the 20th birthday of its first shopping and entertainment centre Akropolis Vilnius in 2022.

The principal business activity of the Group is developing and managing multifunctional shopping and entertainment centres in the Baltic states, with its operations currently focused on Lithuania and Latvia.

The Group is the leading shopping and entertainment centre operator in the Baltic states based on the size of shopping centres, variety of tenant mix and consumer awareness of Akropolis brand. The Group’s business covers all aspects of a shopping centre’s development, from the initial planning and construction stage of a project to overseeing the maintenance and operations of a fully operational shopping and entertainment centre, which includes managing leases and tenancies as well as asset management activities.

The Group’s property portfolio consists of five fully operational shopping and entertainment centres (three in Lithuania and two in Latvia) and two office buildings that are integrated into two of the SCs (one each in Lithuania and Latvia).

The Group’s shopping and entertainment centres are well positioned in the prominent local economic centres of Vilnius, Klaipėda and Šiauliai in Lithuania and Riga in Latvia. Each of these areas are affluent, densely populated and fast-growing consumer zones.

The Group’s strategy for its shopping and entertainment centres is concentrated around having the best and strongest mix of tenants in the Baltic states, with an emphasis on large-format grocery store and pharmacy anchor tenants, international and domestic fashion stores, entertainment providers (such as cinemas and ice-skating rinks) and food and beverage services. The Group believes this is what makes its shopping and entertainment centres among the most appealing venues in the Baltic states, which helps drive its strong brand recognition amongst the consumers.

Since the principal business activity of the Group is developing and managing multifunctional shopping and entertainment centres, its suppliers are service providers such as cleaning, security, utility service providers, technical maintenance, marketing agencies as well as real estate construction companies.

In 2022, Akropolis Group was a member of Lithuanian Real Estate Development Association (LNTPA), the Alliance of Real Estate Developers and Association of Latvian Ice Rinks in Latvia.

Key numbers about Akropolis Group



Our Sustainability Approach

APPROACH TOWARDS SUSTAINABILITY

As the leading shopping and entertainment centre development and management company in the Baltic states, we recognize that we have a responsibility to minimize and offset the negative impact that is caused to the environment due to our operations while also having a unique opportunity to positively impact our communities, customers and employees.

We have noticed an increasing concern among our stakeholders about sustainability. Even though the Group has been implementing such sustainable initiatives as increasing energy efficiency, improving working conditions, philanthropy, etc., for a few years now, in 2022 we took the decision to adopt a more systematic approach to sustainability.

We conducted a thorough analysis of industry trends and engaged in a number of discussions with our employees to pinpoint the most critical areas. At the beginning of 2023, we interviewed our stakeholders, assessed the impact of our operations and determined the main directions for sustainability. By the end of 2023, we plan to set short and long-term objectives for each material area.

We believe that having the right set of internal policies plays an important role in ensuring that best practices and our sustainability principles are followed by all our stakeholders. The rules and guidelines established in our internal policies set clear expectations and standards for sustainable practices, providing guidance to our employees, tenants and partners on operating in a socially and environmentally responsible manner. Internal policies also help us mitigate risks and ensure compliance with legal and regulatory requirements as well as establish relevant monitoring mechanisms. We have developed four primary policies that define our general strategy and target particular aspects of sustainability.



VILNIAUS PREKYBA CODE OF BUSINESS ETHICS

The Code of Business Ethics sets out guidelines how we develop business relationships and adhere to standards of conduct in our dealings with employees, customers, partners, suppliers, governments and other authorities, as well as with society. The code emphasizes respect for human rights and advocates for healthy working conditions, zero tolerance for corruption.

VIOLENCE AND HARASSMENT PREVENTION POLICY

Akropolis Group has adopted this policy to create a working environment where employees do not experience hostile, unethical or humiliating actions that violate the employee's honour and dignity. The policy determines the methods of recognizing violence and harassment, the procedure for submitting and examining reports as well as the measures to protect whistle-blowers. Policy pays attention to a number of issues related to human rights as it forbids such behaviours as violence, harassment and also ensures freedom of thought.

AKROPOLIS GROUP PRINCIPLES OF ETHICAL COMMUNICATION AND PROCEDURES OF THEIR APPLICATION

This policy sets out the principles of ethical communication that the Group and our communication partners must follow: a) political neutrality; b) respect for decisions taken by the government authorities; c) respect for every group of society; d) respect for the State and public sector; e) respect for media. Principle "Respect for every group of society" ensures non-discrimination which is one of the human rights. To ensure due-diligence, the Group's head of communication should be informed if there is any risk that communication material may be against this policy.

PERSONAL DATA MANAGEMENT AND PROTECTION POLICY

The policy establishes the principles of the protection of personal data stored and managed by the Group. The policy provides rules on how documents must be stored and sets out procedure for dealing with violations and requests.

The policies are approved by the Group CEO and presented to employees through internal document management system where all employees must confirm that they have familiarised with the policies. We have a dedicated person who is responsible for ensuring that every employee has been introduced to the policies.

The Group has also issued documents approving procedures for certain areas. For example, the "Procedure for Submitting and Analysing Information Related to Violations", the "Rules of Procedures". To encourage all employees and business partners to report unethical or illegal conduct they notice within our Group, we have adopted a Whistleblowing

policy. It ensures confidentiality and independence when analysing each misconduct. The policy has been developed in accordance with the law on the Protection of the Whistleblowers of the Republic of Lithuania and is valid for all companies within the Group.

In our development projects, we also comply with the EBRD's (European Bank for Reconstruction and Development) in April 2019 approved Performance Requirements 1 through 8 and 10 Environmental and Social Policy during our property construction activities. The Group has assigned responsible individuals to monitor various Designated Performance Requirements, and as far as we are aware, there is no material non-compliance with these requirements.

OUR STAKEHOLDERS

The Group has identified its stakeholders by analysing all parties that the company engages and impacts that are associated with those engagements, as well as best practices regarding stakeholder engagement. Majority of stakeholder groups were involved in the materiality assessment performed by the Group.

Stakeholder Group	Goals for involving the stakeholder group	Stakeholders' engagement
Tenants	Some of the sustainability goals set by the Group can be reached only through close collaboration with tenants, for example, reducing waste and ensuring correct recycling. At the same time, tenants are looking for sustainable solutions from SC managers.	Regular meetings, day-to-day communication, agreements.
Visitors	The Group seeks to provide premium quality services and sustainable solutions for visitors, to involve them into our sustainability initiatives (such as correct recycling of waste, supporting non-profit organizations), as well as to educate them on various sustainability topics.	Corporate website, social media, TV, radio and outdoor advertising, customer surveys, newsletters, feedback / claims channels.
Investors and financing partners	Sustainability is a topic that is considered by investors and financing partners when making an investment/financing decision. Therefore, the Group aims to address topics that are important for these stakeholders and to ensure the information presented to them is transparent and credible.	Corporate website, email, investor calls organized twice a year. Nasdaq Vilnius awarded Akropolis Group as the bond issuer with best investor relations in the Lithuanian market in 2022.
Shareholders	The Group and its shareholders believe that investing into sustainability will lead to increased value for shareholders. Thus, shareholders are involved in decision making associated to sustainability strategy, goals, etc.	Individual meetings, email and phone communication, strategy workshops and meetings.
Suppliers	The Group aims to create good, ethical business relationships with its suppliers and select suppliers that will help us to achieve our sustainability goals.	Corporate website, individual meetings, email and phone communication, agreements, annual report.

Employees

Employee engagement is a key success factor for reaching not only business, but also sustainability goals of our Group. It is important for the Group to address those sustainability factors that are important for employees as well as creating an encouraging, supportive and safe work environment.

Feedback channels, training, company events, continuous communication through internal meetings.

Public authorities (government, local authorities)

By developing its real estate projects and surrounding infrastructure, the Group has an impact on the infrastructure of the city and vice versa. Thus, the Group seeks to develop close business relationships with public authorities.

Corporate website, individual meetings, email and phone communication, annual report.

Non-governmental organizations

For many years, Akropolis Group has collaborated with many non-governmental organizations by providing them a space for their initiatives and financial donations. We believe that we can help those organizations to reach their goals and intend to strengthen this relationship in the future.

Corporate website, individual meetings, email and phone communication, annual report.

Local communities

Local communities are impacted by new real estate projects developed by the Group. Thus, we listen to their opinions and aim to ensure community welfare.

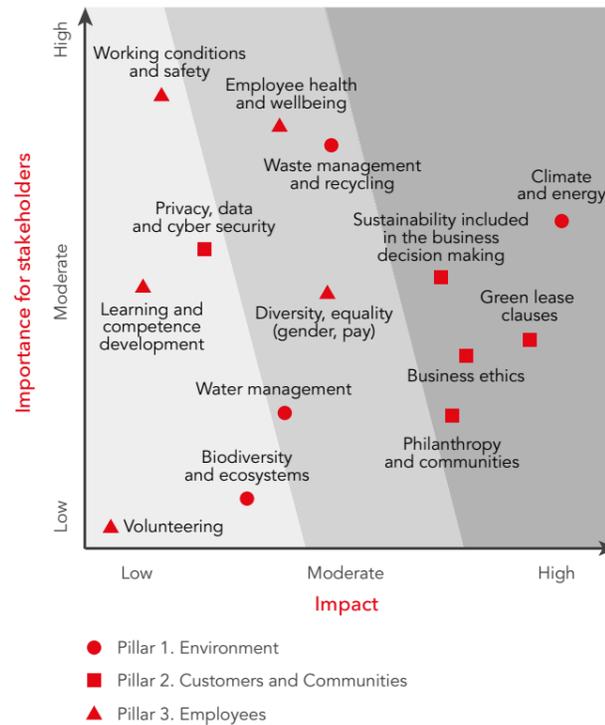
Corporate website, regular face-to face communication, various events, social media, TV, radio and outdoor advertising.



MATERIALITY

Akropolis Group determined the most material topics for the Group using a process based on best practices. We first analysed topics that are material for the industry, then had internal discussions with our employees and management to prioritize the list. To gain a better understanding of our stakeholders environmental and social needs, we conducted a survey with more than 800 stakeholders, including employees, visitors, tenants, partners, and shareholders.

Using the feedback received, we identified the most important sustainability areas to be addressed and managed. Each of the areas was analysed further in accordance with international guidelines to evaluate positive and negative impact caused by our activities. This analysis allowed us to determine the material topics to be included in this report as well as built the foundation for our Sustainability strategy which we intend to finalize by the end of 2023.



PILLAR 1: ENVIRONMENT

Sub-pillars: Climate and energy; waste management and recycling; water management; biodiversity and ecosystems.

Negative actual impact and potential positive impact

Our major negative impact on environment is caused by the use of energy required for lighting, heating and cooling systems, escalators and powering electronic devices used in the premises, ice rinks, etc. To reduce energy-related greenhouse gas emissions, we buy renewable energy and implement energy saving initiatives. We also ensure waste recycling in all of our shopping and entertainment centres. In 2023, we will thoroughly analyse our waste recycling practices and identify areas for improvement. Water-related impact is relatively moderate as it is primarily used by the visitors in restroom facilities and for maintenance of the premises and the territory. We are considering creating positive impact on biodiversity in and around our shopping and entertainment centres.

PILLAR 2: CUSTOMERS AND COMMUNITIES

Sub-pillars: Philanthropy; relations with tenants (includes green lease clauses, business ethics, privacy, data and cyber security).

Positive actual and potential impact

Our greatest actual impact is on the communities we support through our philanthropic actions – in 2022 the Group implemented and/or supported more than 60 various initiatives and partnered with a few dozen non-governmental organizations. We will continue to support those in need. The Group will strengthen its positive impact on tenants through implementation of green and ethical business practices such as Green lease clauses or supplier code of conduct which will gradually be included in our contracts with tenants and suppliers. Privacy and data security was rated as highly important for our external stakeholders. However, since we collect personal data on rare occasions and in limited scope, we see our impact on this area as minor.



PILLAR 3: EMPLOYEES

Sub-pillars: Diversity, equality and inclusion; employee health and wellbeing, working conditions and safety, learning and competence development, volunteering.

Positive actual and potential impact

Since our Group is relatively small in terms of the number of employees, our impact is moderate and concentrated. We create positive working environment by ensuring safe working conditions, providing learning opportunities and various additional benefits that contribute to employee health and wellbeing, e.g., private health insurance. We also do not tolerate discrimination or unethical behaviour and have policies in place to guarantee that. Our positive impacts could be improved further by increasing the transparency about learning and development opportunities for employees, as well as more actively promoting diversity and inclusion. We will encourage our employees to take part in volunteering activities.

HIGHLIGHTS OF 2022 AND PLANS FOR 2023

2022 was a special year for our Group as we have made the strategic decision to adopt a systematic approach towards sustainability, signalling our commitment towards sustainability, signalling our commitment to contribute to a more sustainable future. Other highlights of the year related to sustainable development include:

- Analysis of sustainability in our sector, interviews, and discussions with our employees to determine material topics;
- Approval of “Violence and harassment prevention policy”;
- Improvement of waste sorting system;
- Planning and implementation of “Akropolis Academy” – training programme that encourages life-long learning and targets an ageing workforce, as well as people with disabilities;
- Start of the refurbishment of Akropolis Klaipėda.

In 2023, we are taking further steps to advance our sustainability agenda. Some of our plans for 2023:

- Adoption of Sustainability strategy with short- and long-term goals;
- Update of our agreements with tenants by including green lease clauses (in the form of recommendations in 2023, gradually moving towards it being mandatory);
- Certification in accordance to ISO 14001 (Environmental Management Systems) and 45001 (Occupational Health and Safety) standards;
- Finalising certification of all our buildings in accordance with the BREEAM technical standards;
- Launch of Akropolis Academy (*more in section Close relations with tenants*);
- Expansion of electric vehicle charging stations;
- Obtaining the construction permit for Vingis Akropolis development project (planned BREEAM New Construction “Excellent” certification);
- Completion of Akropolis Klaipėda refurbishment project, which started in 2022 and includes such environmentally friendly solutions as water and electricity saving sensors in WCs, water taps, electric scooter charging stations, etc.

Environment

The Group is well aware of the impact on the environment caused by its business. As all shopping and entertainment centres we impact the environment during the development phase and operation of the SCs. Energy consumption in the centres and transportation associated with shopping contributes to greenhouse gas emissions and climate change. Therefore, we take on responsibility to manage and minimise negative impacts as well as continuously invest into solutions that are saving resources, ensuring circularity, preventing any significant damage to the environment. Currently the management of potential risks to environment is dedicated

to specific personnel rather than managed by Group policies. For example, the manager of each SC is responsible for organising waste collection since there are certain specifics applicable in different municipalities. We also have dedicated personnel for BREEAM (Building Research Establishment Environmental Assessment Method) assessment and implementation of projects increasing energy efficiency. In the nearest future the Group plans to adopt an environmental policy, become certified under ISO14001 for an effective environmental management system and create a more defined governance structure for this area.



BREEAM CERTIFICATION

BREEAM is a widely recognised and globally used environmental assessment method for buildings. It aims to assess and improve the sustainability of buildings through a comprehensive and holistic approach, taking into account various aspects such as energy use, water usage, waste management, material selection and indoor environment quality, among others. BREEAM certification is awarded to buildings based on how they meet the set sustainability standards. The certification process involves a rigorous assessment by trained assessors who evaluate a building's design, construction and operation. BREEAM has become an important tool for building owners such as our Group as it helps demonstrate the sustainability credentials of a building, supports sustainable construction practices and enhances the reputation as well as competitiveness of the building in the market.

All buildings of the Group, except for one, are assessed and have received BREEAM certificates, as provided in the table below. Akropole Alfa was quite recently purchased by the Group and is still under certification process. The certificate is expected in the first half of 2023.



SCs Akropolis in Vilnius, Klaipėda and Šiauliai together with the office in Vilnius were awarded the highest score, i.e., 100% for waste management. SCs Akropolis in Šiauliai and Klaipėda received a high score for their transport management solutions, while Akropole Riga has received 100% score for transport management solutions. Akropolis Šiauliai and the office in Vilnius received a high rating in materials category. After the certification process was completed, a dedicated team of our employees analysed the results and insights provided by the assessors and prepared an action plan to improve sustainability of all the buildings.

Table 1. Property portfolio BREEAM certificates

Buildings	BREEAM evaluation
Akropolis Vilnius SC	★★★★ BREEAM In-Use Good
Akropolis Vilnius office	★★★★ BREEAM In-Use Good
Akropolis Klaipėda SC	★★★★ BREEAM In-Use Good
Akropolis Šiauliai SC	★★★★★ BREEAM In-Use Very Good
Akropole Riga SC	★★★★★ BREEAM New Construction Very Good
Akropole Riga office	★★★★★ BREEAM New Construction Very Good
Akropole Alfa SC	☆☆☆☆ Planned BREEAM In-Use Very Good to be received in the 1st half of 2023

One of our key goals is to ensure that all SCs within the Group are awarded BREEAM standard **“Very Good”** by 2026.

ENERGY

Energy consumption and efficiency

Our SCs are energy-intensive due to the high level of activity within the building and the need for climate control to ensure the comfort for visitors, tenants and employees. Energy consumption in the premises of the Group is mainly attributed to lighting, air conditioning, heating, refrigeration and operation of various mechanical and electrical systems.

We have continually invested in decreasing the use of energy and enhancing energy efficiency. By 2022 nearly all lighting in common areas of the SCs (walking alleys, lounge and sitting areas, restrooms, etc.) has been changed to LED lighting, which could be up to 80% more efficient than other lighting options. We also encourage our tenants to use efficient technologies (including LED lighting) in the leased premises. Majority of our tenants have switched to LED lighting.

In order to decrease electricity consumption and due to increased energy prices, in August 2022 the Group has approved and implemented a list of electricity saving actions:

- Shortening working hours of SCs in Vilnius and Riga by one hour (closing at 21:00 instead of 22:00);
- Increased flexibility of temperature ranges in the premises;
- Adjusted oxygen level;
- Dimmed lighting in alleys, facades, advertisement billboards and signs (depending on the business hours of the SCs);
- Dimmed lighting in the surrounding territory (depending on the business hours of the SCs);
- Installed sensors in most auxiliary rooms that regulate the lighting of these premises;
- Conducted audit of building management system (BMS), prepared an action plan to modernise the BMS (to automate the work of engineering systems / equipment) and install monitoring system to collect and manage the data of energy consumption.

The above-mentioned measures resulted in approx. 8-13% in energy savings. However, currently it is quite difficult to determine the exact amount of savings due to difference in the level of activities. For example, in 2021 operations in Latvia and Lithuania SCs were limited due to COVID-19 restrictions, while compared between countries restrictions in Latvia were longer and stricter. Additionally, the opening of several 24/7 facilities in Akropole Riga contributed to increase in electricity usage in 2022 compared to 2021. Moreover, consumption of electricity highly depends on the outside temperature. The aforementioned reasons also had an impact in the increase of the overall consumption of electricity as shown in the table below.



Table 2. Overall energy consumption in the Group

	2021		2022	
	Lithuania	Latvia	Lithuania	Latvia
Electricity (MWh)	54,573	28,716	58,578	35,416
Heating (MWh)	19,541	6,895	15,106	6,531
Natural Gas (m³)	103,498	53,522	160,232	62,922
Diesel (L)	7,706	NA	8,456	1,602
Petrol (L)	13,343	3,529	14,320	3,778
Gas (for transport)	NA	NA	61	NA

Note: in Latvia gas consumption is measured in KWh. Thus, we used conversion factors by DEFRA (Department for Environment, Food and Rural Affairs) of United Kingdom.

Table 3. Electricity and heating consumption in the Group by segments, MWh

	2021		2022	
	Lithuania	Latvia	Lithuania	Latvia
Electricity used by Tenants	32,542	16,528	36,745	21,540
Electricity used in common areas	22,001	12,184	21,805	13,872
Electricity used by administration of Akropolis	30	3	28	4
Country totals	54,573	28,716	58,578	35,416
Total of electricity	83,289		93,994	
Heating used by Tenants	15,635	4,793	12,031	4,636
Heating used in common areas	3,825	2,096	3,013	1,889
Heating used by administration of Akropolis	81	6	62	6
Country Totals	19,541	6,895	15,106	6,531
Total of heating	26,436		21,637	

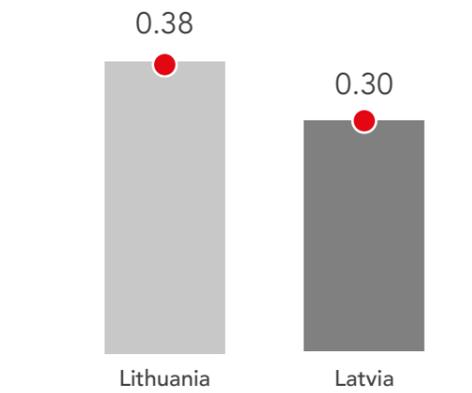
SCs in Lithuania use more energy for electricity and heating than SCs in Latvia. This could be attributed to higher efficiency equipment, installed during new construction and renovation of our assets and lighting used by tenants in Latvia and different outside temperatures.

Renewable energy and green transportation

The Group recognises the importance of transitioning to renewable energy sources and providing access to renewable energy to its tenants. Thus, 62% of all the energy we purchased in 2022 was generated by renewable sources.

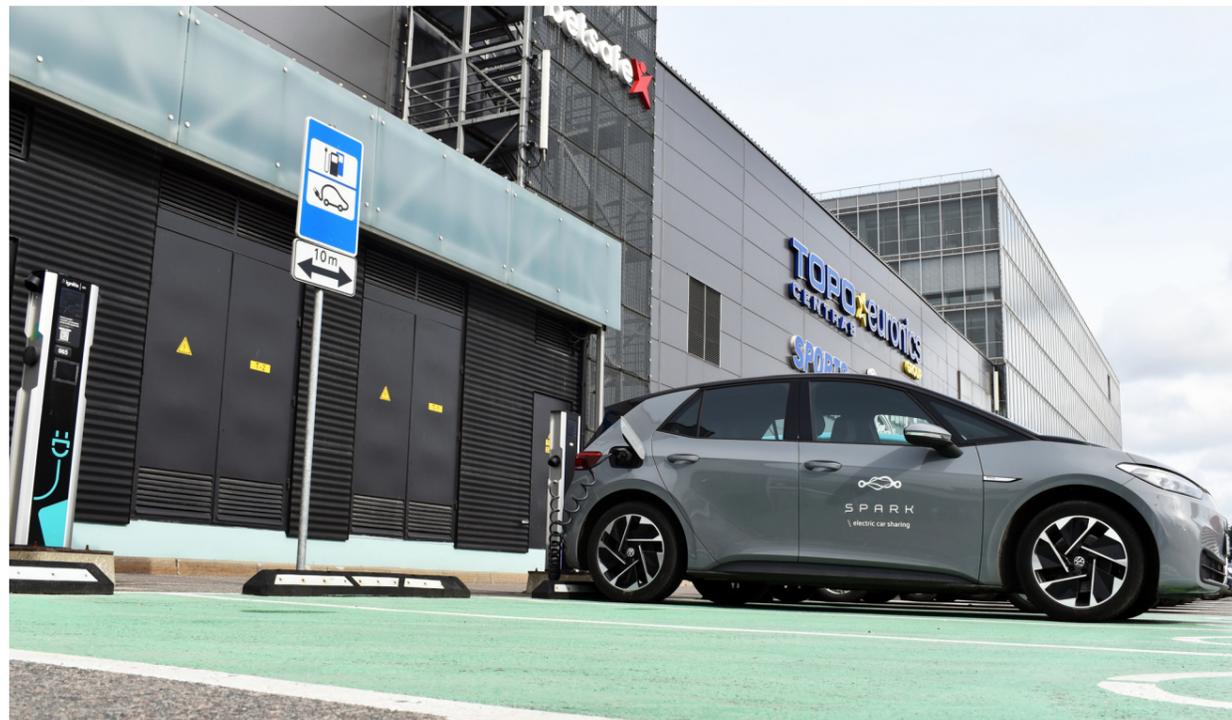
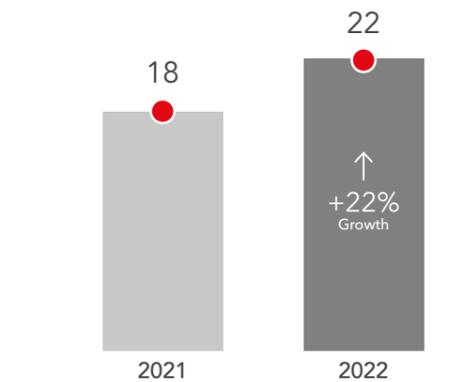
Having electric vehicles (EV) charging stations at SCs is becoming increasingly important as the number of electric vehicles on the road continues to rise. Such charging stations provide a convenient and accessible solution for EV owners to recharge their EV while they shop, run errands or dine. This enhances the shopping experience for EV owners as well as contributes to promoting the use of EVs. In 2022, we have increased the number of EV charging stations in parking lots of our SCs by 22%.

Energy intensity, 2022 [MWh/sq. m]



Note: The graph represents the MWh of heating and electricity used in SCs per square meter of gross leasable area.

Number of EV charging stations



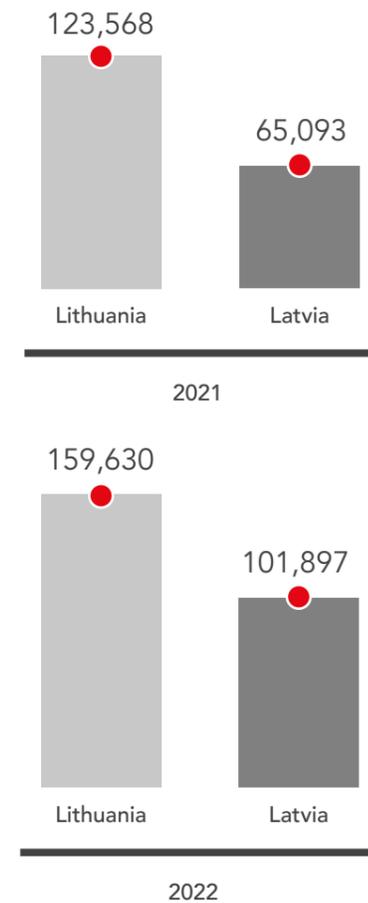
WATER

Water in all SCs is supplied and collected by the local municipal utility companies. SCs typically do not consume large amounts of water. Water as it is primarily used by the visitors in restroom facilities and for maintenance of premises and territory (cleaning and landscaping). In order to minimise water consumption and related impacts, the Group invests into water-efficient fixtures and technologies such as water-efficient faucets and water saving toilet units. By the end of 2022 such water saving solutions were installed in Akropolis Vilnius and Akropole Riga. Installation of these means is still in progress in Klaipėda. Remaining SCs (Akropolis Šiauliai and Akropole Alfa) are scheduled for technological updates in 2023-2024.

To avoid negative impacts related to water and sewage pollution, the Group gathers information from the tenants about chemicals used for cleaning the premises and thus released into the sewage system. Such information is significant for ensuring safety of the environment, as well as complying with local regulations. Based on information provided by our tenants, dangerous or controlled chemicals are not used in daily operations of the SCs. Nevertheless, there have been a few minor instances when authorities informed the Group that the amount of certain chemicals in the sewage was slightly higher than the norm. The Group was given 9 fines in 2022 equal to 8,066.27 euros in total.

In order to mitigate potential risks related to water pollution we collect and test water samples once per quarter in a laboratory.

Water consumption [m³]



Note: increase in water consumption in 2022 was mostly caused by revocation of all Covid-19 restrictions

The Group implements the following additional actions to ensure high quality of water for its visitors and tenants as well as compliance with regulations for discharged water:

- Water received from suppliers is filtered (mechanical particles and iron are separated) and softened;
- Performing regular control against the bacteriological contamination of drinking water;
- Water is filtered before discharge into the sewage system – fats are mechanically separated from the water. The fat collected in separators (grease traps) is disposed in accordance with applicable standards and local regulations;
- Oil and sand traps are installed in all parking lots, filters are periodically replaced. Accumulated sand is transported to dedicated collection sites, which are specifically used for disposal of materials contaminated with oil products.

WASTE MANAGEMENT AND RECYCLING

Shopping and entertainment centres generate large amounts of waste, including food waste, packaging materials (generated by tenants), as well as construction waste during the construction of new buildings and tenant fit-out works. If not properly managed, the generated waste could have a negative impact on the environment.

Waste in SCs Akropolis is managed by the Group and the tenants together. We have prepared the "Guide for the tenants" on general procedures, operational and security rules of the SCs as well as other important information. The guide extensively covers the topic of waste management. Harmful chemical, poisonous, flammable or other substances dangerous to the environment and people must not be released by tenants. Tenants are strictly prohibited from pouring grease, oil or other similar contaminants into the sewage disposal systems. Such materials are collected in appropriate container and disposed in a safe and secure manner. Tenants are solely responsible for collection and proper disposal of any food waste. The largest tenants such as grocery stores Maxima and Rimi usually sort and handle waste separately and/or have their own separate containers for recycling.

The Group comprehends the negative impacts which occur due to waste generation in its SCs. Therefore, we promote recycling among our visitors, tenants and employees. Recycling bins for paper, plastic, glass and small electronics are located in all alleys of the SCs, easily accessible to all visitors. Each SC also has separate glass, plastic and paper recycling containers dedicated to tenants. Waste collection and sorting system was improved in some of the Group's SCs in 2022 to ensure that all waste is recycled correctly. Tenants are also regularly reminded about their obligation to recycle. Fulfilment of their obligations is regularly monitored by management of the SCs. Waste produced during the construction, renovation or fit-out works (regardless of who organises the work) is collected in a separate container and delivered to a dedicated construction waste collection site.

Table 4. Recycled and non-recycled waste by country, 2022

	Lithuania
Cardboard waste (tonnes)	523
Glass waste (tonnes)	1
Polyethylene waste (tonnes)	14
Non-recycled waste (tonnes)	190
	Latvia
Cardboard with polyethylene (tonnes)	551
Glass waste (m ³)	94
Hard plastic waste (m ³)	53
Non-recyclable waste (m ³) – pressed	3,440
Non-recyclable waste (m ³) – non-pressed	2,508

Note: data for non-recycled waste covers only production and construction waste since waste companies handling municipal waste do not indicate how much waste is collected.

The Group believes that by reducing the amount of waste sent to landfills, it will reduce the impact of waste on the environment. It will also lead to conservation of natural resources and energy as production of recycled products typically requires less energy. Promotion of recycling in SCs can educate both employees and customers on the benefits of waste reduction and sorting.

BIODIVERSITY

Impact of shopping and entertainment centres on biodiversity during construction and operation of our assets varies a great deal. If not properly managed, construction of a SC could result in the destruction of natural habitats, displacement of wild-life and/or pollution. The preparation of the building site for construction of buildings, roads and parking lots could cause significant disruption to local ecosystems. For new construction projects BREEAM sets out a list of requirements for biodiversity that developers and designers are obliged to consider in order to achieve a certain sustainability rating. Some of the key biodiversity requirements for BREEAM cover habitat creation, species protection, landscape design, ecological value, water and waste management. Building sustainable assets and obtaining high BREEAM evaluation is one of the main strategic goals of the Group. Therefore, the upcoming construction of Akropolis Vingis will be completed not only according to national laws but also following the best practices and requirements of BREEAM. During preparation for construction, old factory buildings were demolished on the site and contaminated soil was cleaned.

Currently the land plot is of low ecological value. During construction of the multifunctional complex, biodiversity will be improved, green spaces will be created. The use of native plant species of the Vingis Park will create additional habitats for the local ecological system, including fauna.

Currently owned SCs of the Group do not have a substantial negative impact on biodiversity as they are located in urban areas, thus any potential harm to biodiversity is limited. Nevertheless, we are aiming to create a positive impact on biodiversity. Our future plans include implementation of such sustainable practices as installation of green roofs, building bee houses on building roofs, installing insect houses in territories of SCs. We aim to collaborate with local conservation organizations that help raise awareness on the importance of biodiversity. While there may be some indirect impacts during operation of the assets, such as increased traffic and noise, we believe that our SCs can be designed and managed to have a positive impact on biodiversity and the environment, as well as minimising any potential adverse impact.

Table 5. Facilities adjacent to protected areas as characterized by national legislation



Akropolis Vilnius

Land plot area (sq.m.)	162,547
Type of operation	SC, office

Biodiversity value characterised by the attribute of the protected area or area of high biodiversity value outside the protected area:

Terrestrial. The territory is adjacent to the Šeškinė slopes geomorphological reserve, which borders the southeastern border of the territory. The purpose of establishing the reserve is to protect the fragments of the fluvioglacial slopes of the Neris Valley.



Akropole Alfa

Land plot area (sq.m.)	97,223
Type of operation	SC

Biodiversity value characterised by the attribute of protected area or area of high biodiversity value outside the protected area:

Terrestrial. The territory is adjacent to biotope – wooded seaside dunes (by view – forest). There are a few protected trees in the area. Operation of the shopping and entertainment centre has no negative influence on the biotopes in question.



Akropolis Vingis project

Land plot area (sq.m.)	105,931
Type of operation	SC, office, residential premises for rent

Biodiversity value characterised by the attribute of protected area or area of high biodiversity value outside the protected area:

Terrestrial and freshwater. On the west side the territory borders with the river Neris and on the north side – with Vingis Park and the territory of Vingis Park watering hole. In 2005 Vingis Park was declared an immovable cultural heritage object. Most of the land in the territory is used for forestry (recreational) purposes. The river Neris is registered as a protected area.

INITIATIVES IN THE FIELD OF ENVIRONMENTAL PROTECTION

Increased attention to sustainability and circular economy encouraged the Group to take initiatives in the field of environmental protection. The Group already implemented the following projects that reduced environmental pollution, encouraged to reuse textile materials and other goods, and drew attention to the sustainability topic:

- Both office buildings (in Akropolis Vilnius and Akropole Riga) use glycol-based refrigeration system. Glycol is a natural refrigerant that is considered to be environmentally friendly and causes fewer refrigerant leaks.
- The Group offers gift cards for customers for shopping in Akropolis SCs. To make the company's activities more sustainable, previously used plastic gift cards were discontinued since November 2022 and were replaced by cards made from cardboard certified by responsible forestry FSC ("Forest Stewardship Council") standard. All gift cards and gift envelopes sold in 2023 will already be made from more sustainable, post-use recyclable materials.

- The Group has decided to use Christmas decorations for 5 instead of 3 years in order to reduce waste and conserve resources.
- In cooperation with environmental management companies "Eco Baltia vide" and "Clean R" in Latvia, four textile waste sorting containers were placed next to Akropole Riga SC. To promote secondary circulation of textile materials in Latvia, people were invited to hand over any kind of clothing and shoes, both new and used, to be recycled.
- In June 2022 Akropolis Šiauliai hosted a tractor trailer with sustainability-themed escape room which was located in the territory of the SC for a week. "The mission: Green Deal" is a project implemented by the Lithuanian Bureau in European Parliament that aims to educate society about the causes, challenges and implications of climate change.
- In 2022 old but still well-functioning furniture of Vilnius administration office was donated to several local communities in Vilnius. In total, 25 pieces of furniture were donated and reused.



Customers and Communities

The Group has two distinct groups of customers: tenants and visitors. Tenants are business operators leasing premises, while visitors come to the shopping and entertainment centres to shop, dine, as well as use other services available in the SCs or spend time in the entertainment facilities, such as cinema, ice rink, etc. Both customer groups are crucial to the success of the centres and their support is essential in helping to implement sustainability targets of the Group.

Moreover, Akropolis SCs are visited by a large number of people on a daily basis, making them a unique platform to make a significant impact on communities by implementing various social initiatives. Therefore, the Group has been supporting many non-governmental organisations and their programmes. We believe that by addressing the needs of both customer groups and partnering with communities and non-profit organisations, we can create a thriving and sustainable community for everybody.



CORPORATE AND LOCAL PHILANTHROPY

The Group is actively supporting local communities and non-governmental organisations. In 2022 alone, more than 60 initiatives were implemented and/or supported by the Group. Initiatives the Group was part of are categorized as follows:

Support for Ukraine

Since February, due to the start of the war in Ukraine, support for Ukraine and Ukrainian refugees emerged as a major social initiative within the Group. The support has been provided through various initiatives:

- Spreading awareness – information about various projects supporting Ukraine and collecting donations was displayed on billboards and TVs in the SCs;
- Financial support by joining the project “Lithuania loves Ukraine”. The project was organised and supported by NGO “Red Cross”, operator of gift card programmes “Gera dovana” and the largest Lithuanian SCs, including Akropolis. Gift cards of Akropolis SCs were donated to Ukrainian refugees. Financial support provided by the Group amounts to 30,000 euros;
- Invitations to ice rink – Ukrainian refugees seeking shelter in Lithuania were invited to use the ice rink of SCs Akropolis in Lithuania free of charge as part of non-financial support. Almost 4,000 Ukrainian refugees have used this opportunity;
- Donation campaign “Riga-Kiev” invited Latvian residents to donate food, household and hygiene products, as well as food for pets. The aim was to fill buses from “Rīgas satiksme” with food and essential products. Three buses located in the territory of Akropole Alfa were filled with valuable donations in a very short amount of time.



Collecting donations

Due to the fact that Akropolis SCs are visited by tens of thousands of people every day, they are a highly effective location for collection of donations. Thus, the Group allows many NGOs to use its premises for collecting donations. Some of the partnerships are listed below:

- Cooperation with SOS Children’s Villages that take care of children who are left without parental support of their biological parents and help them grow up in a loving and safe family environment, develop, learn and socialise – providing free of charge promotional space with the aim to raise donations;
- “Food bank”, a non-profit charitable organisation that distributes food to those in need, collects donations 3-4 times per year;
- RED NOSES clown doctors, a non-profit organisation bringing humour and laughter to children with health problems – providing free of charge promotional space with the aim to raise donations.
- Local Šiauliai division of the international women’s club “LIONS” helping multi-child families in Šiauliai region who are struggling and experiencing social exclusion. Donation box is placed in Akropolis Šiauliai.

The Group encourages other organisations to use the premises of SCs for good causes, including “Lietuvos Raudonasis Kryžius” (en. *Lithuanian Red Cross*), “Ankstukai” (en. *Pre-term babies*), Klaipėda Centre for Babies with Developmental Disabilities, “Caritas”, “Gelbėkit vaikus” (en. *Save the Children*), “ziedot.lv” (en. *“Donate.lv”*) and many more.



Cultural, informational and other events

In 2022 Akropolis SCs were home to many cultural and informational events, including the following:

- Cooperation with the State Blood Donor Centre in Latvia – special bus was located next to both Riga's SCs, where donors could donate their blood. In total 1,053 blood donations took place next to Akropolis SCs;
- Klaipėda University exhibitions – “Baltic Sea from the space”, “Path of the ship”, “InoBioTech Baltija”: dedicated to development of a biotechnological clean-up methods to neutralise oil spills in the Baltic Sea;
- Exhibition “Re:waste – how Sweden is rethinking resources” provided an opportunity to look at each stage of a product's life cycle and invited to create new models of sustainable consumption;



- Exhibition of Šiauliai Cathedral layout. The exposition of the cathedral was intended for visits by visually impaired people, as its description was also presented in Braille. The visitors were able to touch the model thus granting a sense of touch for pattern perception for visually impaired customers.

In total, during the year 2022, the Group has donated 95,000 euros to various organisations directly and provided different free of charge services valued to approximately 176,000 euros.



CLOSE RELATIONS WITH TENANTS

The Group aims to build partnership-like relationships with its tenants. To ensure smooth everyday operations we prepared a comprehensive guide for tenants. Annual review of results is organised to share information and improve engagement with tenants, gather feedback from tenants and implement various initiatives with them. Moreover, we are raising awareness of tenants' employees in environmental initiatives and how their everyday actions can contribute towards them.

Akropolis Academy

In 2022 the Group has started planning and implementation of “Akropolis Academy” – a training programme designed in line with the tenants' needs. Training programme is created in cooperation with EBRD and encourages life-long learning, targets ageing workforce, as well as people with disabilities and the incumbent staff of the tenants' retailers (in terms of relevant up-skilling).

The ultimate goal of the Academy is threefold:

- To support business operations of the Group through the timely provision of market-relevant skills for the benefit of its tenant retailers;
- To broaden access to employment and life-long learning skills for an ageing workforce (50 plus), as well as people with disabilities thus enhancing their economic opportunities;
- To provide tailored guidance and information to Akropolis tenants employing older workers for the first time, seeking to improve capacity and adopt the best practices.

In order to develop Akropolis Academy that corresponds to needs of the tenants, in 2022 the Group:

- **Surveyed 98 stakeholders (69 in Lithuania and 29 in Latvia);**
- **Held 4 meetings with the managers of Akropolis SCs;**
- **Held 4 focus group meetings with 35 tenants;**
- **Had 10 1-1 meetings with tenants across the different sub-sectors of retail**

Afterwards, a detailed implementation plan and preliminary programme were developed. The implementation of Akropolis Academy will continue in 2023.

Online health and safety training (pre-stage of Akropolis Academy) for the tenants already took place in Latvia. Over 600 tenants' employees participated in the training.

Events with and for the tenants

The Group implements various support initiatives and events together with tenants. For example, on the 1st of September 2022 in Akropolis Vilnius, Klaipėda and Šiauliai “Festival of Science and Knowledge” was organised together with city's police, public health office and the tenant “Vision express”. During the event, school children could take pictures, measure their height, check their eyesight, get acquainted with the rules of safe behaviour and the equipment used by the police officers.

The Group also organises festive events for the employees of its tenants. For example, during winter holiday season in 2022, employees of our tenants in all SCs were invited to the disco on the ice-rinks. The event was positively evaluated by all participants.

EXCELLENT CUSTOMER EXPERIENCE FOR THE VISITORS

The Group aims to create extra-ordinary shopping experience for its visitors. Thus, health and safety standards are ensured, the premises are fit for people with disabilities. Accessibility by public transportation is one of the top considerations when choosing a location for a development project. Ensuring easy accessibility by public transport is more likely to attract customers who may not have private transportation, such as tourists, elderly people and those who are more environmentally conscious. Public transportation options available could also help to alleviate traffic congestion and parking issues, making it easier and more convenient for customers to visit a SCs.

We make significant investment into local infrastructure, such as cycle lanes, sidewalks, streetlights, public transportation stops, parks, children's playgrounds, etc. in all of our development projects. This type of investment not only enhances the shopping experience for the customers, but it also has a positive impact on the surrounding community. In order to ensure great customer experience we also safeguard customer health and safety, protect privacy of the customers and have a specific set of rules for ethical communication.

Customer health and safety

Health and safety of the customers is our top priority. We take proactive measures to ensure a safe and clean environment for our visitors, such as frequent cleaning and sanitisation of common areas, installation of various tools that improve air quality and/or kill bacteria and viruses, etc. In addition, our centres have security personnel always on duty to ensure the safety of visitors and their belongings. We closely monitor local health guidelines and adjust its protocols accordingly.

In rare occasions there are some incidents near Akropolis or inside our SCs. Most of the cases are caused by negligent behaviour of visitors. However, in all cases, each incident is carefully evaluated and assessed for potential improvements aimed at increasing safety of the customers. In case of damages which the Group could be held accountable for, we immediately contact relevant insurers and ensure that a full-scale investigation is launched in order to determine potential compensations. In 2022, there were no material incidents.

Customer privacy

The Group normally does not collect personal data of its visitors unless it is necessary for a specifically defined purpose. Shopping and entertainment centres only collect very limited information such as name and email address when necessary, e.g. for signing up for a newsletter or entering a contest. Even then, collected information is securely stored and processed for the legitimate purpose in compliance with legal acts. In cases when data is collected, protection of personal data collected by the company is carried out in accordance with the EU General Data Protection Regulation and other applicable legal acts. In 2022 there were no complaints received regarding violations of customer privacy and/or loss of customer data or identified cases of data leakage.

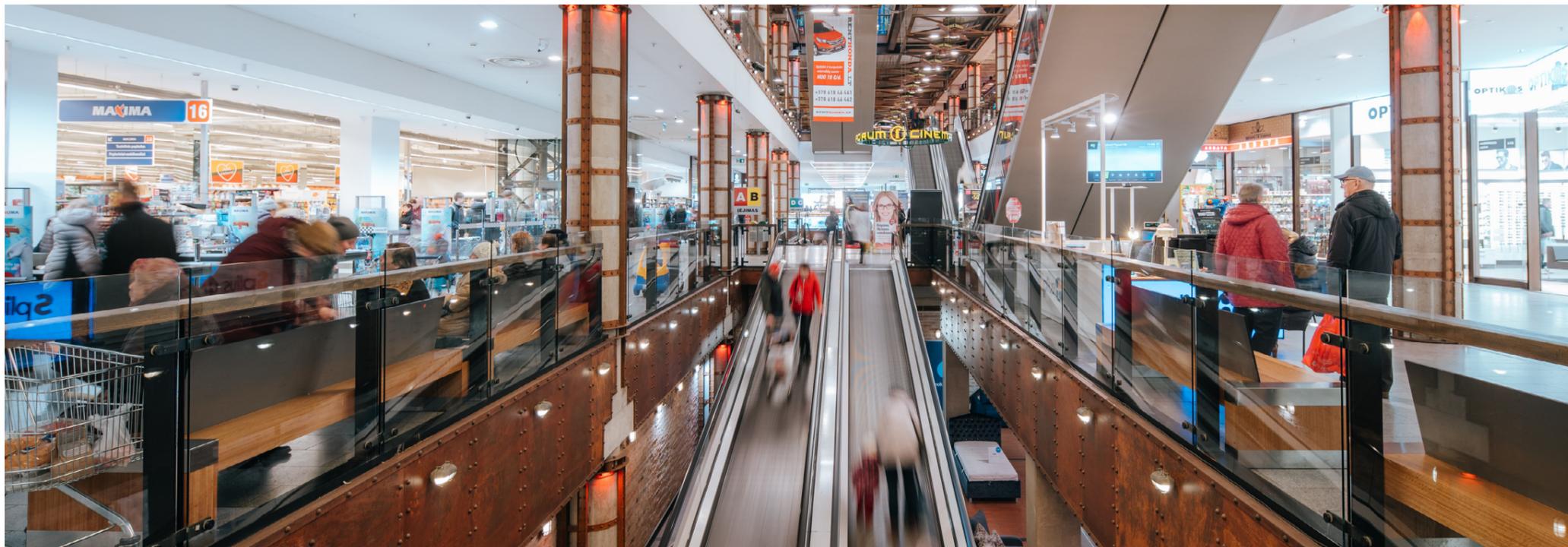
Ethical communication

The Group, being a member of Vilnius Prekyba group, adheres to the Code of Business Ethics implemented by the parent company. Public communication conducted by the Group complies with the Code of Business Ethics and to its principles of ethical communication.

Thus, we have adopted the "Group Principles of Ethical Communication and Procedures of their Application" establishing five main principles:

1. Political neutrality;
2. Respect for decisions taken by the government authorities;
3. Respect for every group of society;
4. Respect for the State and public sector;
5. Respect for media.

Each media and public relations partner of the Group is familiarised with the principles and their application. Moreover, in order to ensure adherence to the principles of ethical communication, we are involved in the approval process of advertisements published by tenants inside of our SCs. We expect and encourage tenants to follow the same principles. We are actively involved in providing feedback about tenants' communication placed in our SCs and in rare cases we ask to edit the advertisement materials prepared by tenants.



Employees

GENERAL INFORMATION ABOUT EMPLOYEES AND WORK ETHICS

Creating a positive and productive working environment is a top priority for our Group. We believe that a happy and motivated employee is much more productive and engaged with the company. We are constantly looking for ways to improve the working environment for our employees and make sure that they feel appreciated and respected. We provide fair compensation, equal opportunities for growth and development and an engaging culture. We encourage open communication, showing initiative and a positive attitude to promote a productive and successful workplace. Our goal is to create an environment where everyone feels like they are a part of the team and that their contributions are highly valued. We also place great significance on the health and safety of our employees and implement all essential measures to establish a secure and healthy workplace.

One of our goals in 2023 is to get certified with ISO 45001 (Occupational Health and Safety) standards.

By the end of 2022, the Group employed 127 people in total – 98 in Lithuania, 28 in Latvia and 1 person in the Netherlands. All employees are employed full time except one in the Netherlands who works 10 hours per week.

39% of all employees of the Group are long-tenured employees (working more than 5 years in the company). 38% of all employees have been with the Group between 1 and 5 years. We appreciate all our employees and especially long-tenured employees as they have extensive experience and knowledge about the company, its processes, customers, and the market.



Table 6. Total number of employees by gender

	2021				2022			
	Lithuania	Latvia	Netherlands	Total	Lithuania	Latvia	Netherlands	Total
Men	44	9	1	54	44	11	1	56
Women	51	13		64	54	17		71
Total	95	22	1	118	98	28	1	127

Note: the number of employees is provided as the headcount.

Table 7. Employees by gender and age, 2022

	Women			Men		
	Up to 30	From 30 till 50	Over 50	Up to 30	From 30 till 50	Over 50
Lithuania	11	36	7	5	24	15
Latvia	5	10	2	3	8	
Netherlands						1
Total	16	46	9	8	32	16

Note: the number of employees is provided as the headcount.

127
employees
by the end of 2022

39%
percentage of employees
working for more than 5 years

38%
percentage of employees
working from 1 to 5 years

In 2022 the Group continued to grow and increased its total headcount by 8% in comparison to 2021.

The Group outsources some of the activities like cleaning and security services. We do not gather any information about employees of our outsource partners. Employees of outsource partners are also not included in any aspects of our activities designated for employees of the Group, such as training programmes, additional benefits, etc.

Since the Group is owned by "Vilniaus Prekyba", our employees are also subject to Code of Business Ethics of UAB "Vilniaus Prekyba". The code lists the main principles to be followed by employees when

dealing with other employees, general public, customers, partners, suppliers, government and other authorities. The code declares such Group values as respect for human rights, healthy working conditions, and zero tolerance for corruption. Group employees are also bound by our internal "Rules of Procedures" that are applied to all employees. The rules not only outline the usual expectations and responsibilities of employees within the organisation such as time-off policies, payroll system, use of information technologies, management of confidential information but also training of employees, improving their qualifications, respect for family obligations, ensuring equal opportunities, etc.

We follow local laws and regulations on parental leave. Information about employees entitled to parental leave and the return rate is presented in the table on the right.

The Group has adopted the Remuneration Policy, which sets remuneration rules for all employees including senior management and members of governance bodies. Everyone in the Group receives a fixed salary, the ranges of which are determined in the Remuneration Policy. However, the Group has the right, at its sole discretion, to award bonuses to employees to encourage them or reward for exceptional performance. The Remuneration Policy is developed by human resource manager and senior management based on qualifications required to perform the job, the nature of duties, the powers granted to the employee and the level of responsibility. The Policy is approved by Group's CEO. Due to the confidentiality agreements, we cannot disclose the annual total compensation ratio.

Table 8. Data on parental leave

Percentage of employees that are entitled to parental leave, by gender

Men	100%
Women	100%
Total	100%

Number of employees that have their parental leave to end, by gender during the reporting period

Men	1
Women	6
Total	7

Return rate (how many employees tend to come back to work after their parental leave has ended)

Men	100%
Women	83%
Total	86%



DIVERSITY, EQUALITY AND INCLUSION

The Group is an equal opportunity employer and believes in diversity and inclusion in the workplace. We do not discriminate on the basis of race, religion, sex, origin, age, disability, sexual orientation or any other reason. The Group is committed to providing a work environment that is free from discrimination and harassment, and we strive to create an inclusive culture where all employees can thrive. At the end of 2022 we approved "Workplace Violence and Harassment Prevention Policy". The policy supports the creation of a working environment in which employees do not experience hostile, unethical, humiliating, aggressive, insulting or offensive actions which encroach on the honour and dignity, physical or psychological integrity of an individual employee or a group of employees, or which are aimed at intimidating, degrading an employee or their group or placing them in a helpless or powerless position. The policy asserts the commitment to respect such human rights as right to work, freedom of opinion and expression, no discrimination and freedom and equality of all human beings.

The policy determines methods of recognising/identifying violence and harassment, possible forms of violence and harassment, the procedure for reporting and examining cases of violence and harassment, protective measures for and the assistance provided to, persons reporting violence and harassment or victims of violence and harassment, rules of conduct for employees and other information related to the prevention of violence and harassment. Even though the policy has been approved at the second half of 2022, it affirms our long-standing position of respect for human rights and each employee. There has never been an incident of discrimination within the Group.

The gender distribution of employees in different positions proves that the company provides equal opportunities regardless of age or gender. 55% of C level managers are women. Such percentage is much higher than the average in the EU¹, which amounts to 18-28%.

Table 9. Gender diversity in the Group, 2022

Seniority	Age	Number of employees in the Group			% of employees in the Group		
		Men	Women	Total	Men	Women	Total
C level managers	up to 30			0			0
	30-50 years old	4	5	9	3	4	7
	Over 50	1	1	2	1	1	2
	Total	5	6	11	4	5	9
Middle managers	up to 30		1	1		1	1
	30-50 years old	1	3	4	1	2	3
	Over 50		2	2		2	2
	Total	1	6	7	1	5	6
Specialists	up to 30	8	15	23	6	12	18
	30-50 years old	27	38	65	21	30	51
	Over 50	15	6	21	12	5	17
	Total	50	59	109	39	46	86
Total in the Group		56	71	127	44	56	100

¹ <https://ec.europa.eu/eurostat/documents/2995521/10474926/3-06032020-AP-EN.pdf/763901be-81b7-ecd6-534e-8a2b83e82934>

Our hiring process is carefully planned by identifying specific skills and experience needed for the position, as well as any specific qualifications or certifications required. We use a variety of recruiting methods, such as job postings, partnership with recruiting agencies and employee referrals to attract

a diverse pool of qualified candidates. We are following the good practice of making all open positions public to ensure equal opportunities for everyone. The table below presents more information about new hires in the Group.

Table 10. New employee hires by gender and age group

Lithuania						
	2021			2022		
	Up to 30	From 30 till 50	Over 50	Up to 30	From 30 till 50	Over 50
Men	3 12%	3 12%	2 8%	3 13%	5 22%	
Women	10 40%	7 28%		9 39%	6 26%	
Total	13 52%	10 40%	2 8%	12 52%	11 48%	0 0%

Latvia						
	2021			2022		
	Up to 30	From 30 till 50	Over 50	Up to 30	From 30 till 50	Over 50
Men	1 25%	1 25%		2 14%	4 29%	
Women	1 25%	1 25%		6 43%	1 7%	1 7%
Total	2 50%	2 50%	0 0%	8 57%	5 36%	1 7%

ADDITIONAL BENEFITS

To increase the well-being of our employees the Group offers a package of additional benefits, consisting of:

- Private health insurance package;
- Psychological assistance;
- One-time payments to employee on such occasions as wedding, loss of a family member;
- One-time payment to family of upon the death of the employee;

- Special offers from companies of Vilnius Prekyba Group (Maxima, Eurovaistine, etc.);
- Free courses to improve qualifications;
- Christmas gifts for employees;
- Management of the company as well as certain other personnel depending on their functions are provided with the company cars and fuel cards.

The Group organises various events for all of its employees – Christmas, summer events, birthday celebrations, etc.

LEARNING AND DEVELOPMENT

We understand the importance of investing in our employees and providing them with opportunities to grow, learn and develop their skills. We believe that providing our employees with learning opportunities not only benefits them, but also benefits our organisation as a whole. Each year the company sets a budget designated to employee development programmes – internal and external. The training budget is supervised by each department manager and is allocated to employees based on their needs and wishes, as well as performance. Some of the internal trainings (such as Employee Safety) are mandatory for all employees of the Group.

The Group encourages its employees to take advantage of learning opportunities and supports them in their pursuit of professional development.

To support career development, employees are provided with regular and constructive feedback on their performance. Such performance reviews are conducted with all employees on an annual basis and are carried out by managers and HR. These reviews provide opportunity for employees to receive constructive feedback on their performance over the past year, to discuss their goals and aspirations for the future, evaluate employee's satisfaction with work and working conditions. Employees are encouraged to give feedback to their managers and share their ideas for improving the company. During the review process, managers and employees meet to discuss the employee's job responsibilities, accomplishments and areas for improvement. These reviews also serve as a basis for determining promotions salary raises and other rewards.

A majority of employees in the Group's administration have common weekly meetings to encourage experience sharing, where everyone discusses their goals for the week (on a personal and department level), challenges that they face and other important questions. Such meetings help employees to understand how their work contributes to the organisation's overall goals, encourages teamwork and strengthens positive atmosphere.

Table 11. Examples of the trainings attended by employees:

External trainings

- “2023 Social media strategy: 10 questions to answer”
- “Password” conference
- “RETAIL” conference
- “Marketing Shake 2022”
- “Sustainability course” conference
- Technical maintenance of buildings. Innovations, requirements, responsibility, legal and practical aspects
- Baltic real estate investment forum
- EXPO Real
- MAPIC
- LiMA DAY LITHUANIA'22 (marketing and communication conference)
- Changes in legal acts regulating construction, land and territorial planning legal relations and peculiarities of implementation in practice

Internal trainings

- Employee safety
- Cyber security

EMPLOYEE HEALTH AND SAFETY

Employee health and safety is of the utmost importance for the Group. We take all necessary actions to provide a safe and healthy working environment for our employees and to ensure that all safety procedures and protocols are followed. This includes training on safety when on-boarding new employees and periodical training for all employees on proper use of personal protective equipment, regular safety inspections. During training our employees are familiarized with health procedures (incl. first aid), safety rules (incl. fire safety measures), action plans on crisis prevention and steps to be followed in case of crisis. Training material contains visual aids that help employees to understand and memorise it easier. Considering the importance of the training, we always encourage employees to express their opinion, raise questions or give feedback on how to improve it.

In order to comply with local regulations and best practices, the Group has approved various internal procedures which are followed on a daily basis.

The list of procedures:

- **Rules of Procedures;**
- **Rules for Remote Work;**
- **Order on Suspension from Work due to Drunkenness or Intoxication;**
- **Procedure on the Investigation and Recording of Incidents at Work;**
- **Instructions on Employees Safety and Health Training in the Workplace;**
- **Fire Safety Briefing;**
- **List of Personal Protective Equipment;**
- **List of Dangerous Works Performed in the Company;**
- **Various procedures, action plans and list of preventive measures related to Covid-19 management.**

The Group has contracted an independent third party to monitor changes in regulations related to safety and health of employees, prepare drafts of mandatory rules and procedures to be approved and implemented by the Group. Moreover, the third party constantly analyses working conditions, examines problems that have arisen and proposes relevant improvements in this important field. The chosen partner is an expert in the field of employee safety and is responsible for identifying work-related hazards and assessing risks. Another third party is engaged by the Group to perform employees' health checks before signing employment agreements and periodical health checks during employment. Additionally, we have appointed employees who are responsible for monitoring and conducting ad-hoc assessments in the following fields, related to health and security:

- Maintenance and replenishment of the first aid kit;
- Medical check-ups of employees;
- Organisation, issuing and accounting of personal protective equipment;
- Monitoring portable ladders;
- Maintenance and operation of gas devices and technological gas devices;
- Electricity and heat management.

If employees notice any work-related hazards, they report it to the appointed employee or to their direct manager. Due to number of actions implemented, there were no work-related injuries in the Group.

In 2023, we plan to implement the ISO 45001 standard, which will help to further improve the employees' health and safety management system.

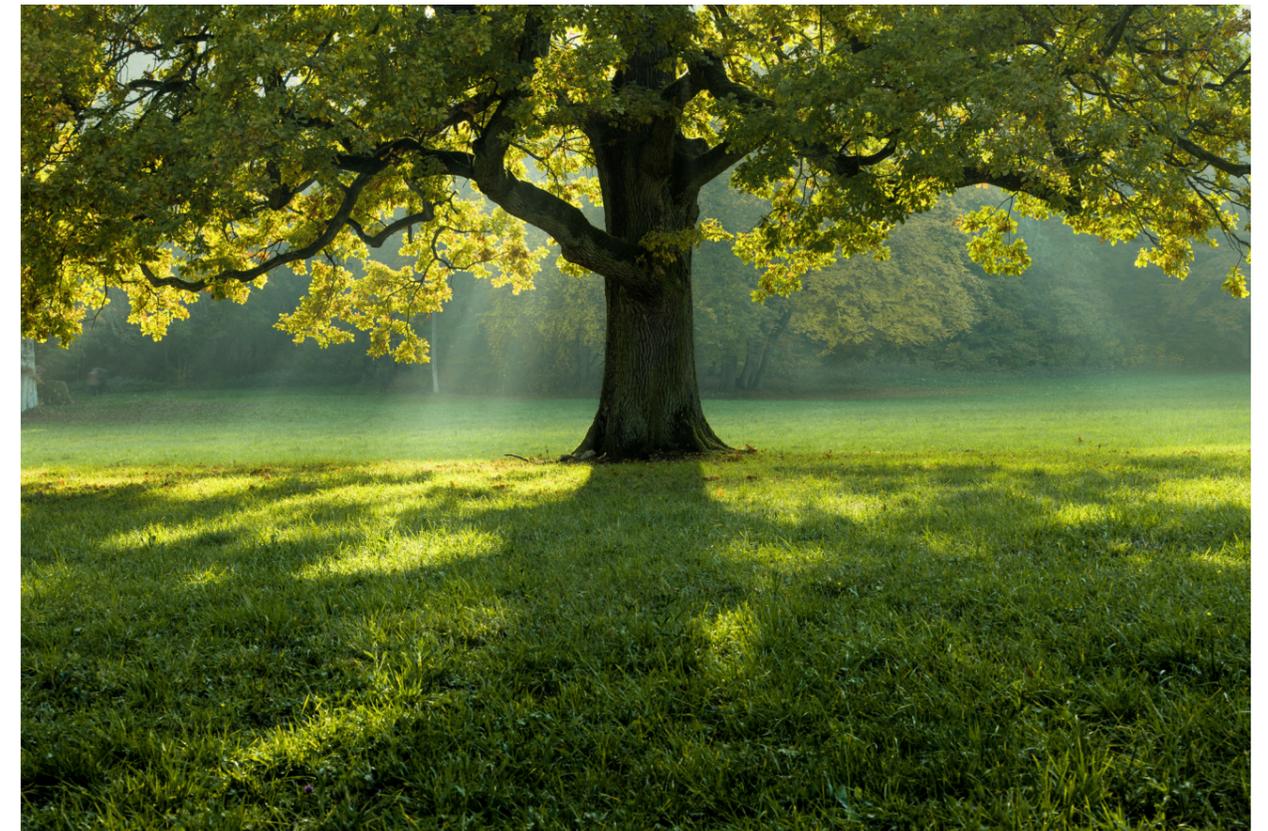
About this report

REPORT CONTENT

This is the first Sustainability report of the Akropolis Group which will be prepared annually from now on. It is published together with the Group's consolidated annual report and financial statements. This report has been made in accordance with the latest version of the international non-financial reporting standard by Global Reporting Initiative. Notably, Akropolis Group does not fall into the category of companies that are required to publish sustainability reports by law and has prepared this report voluntarily.

The information provided in the report covers the period from 1 January, 2022 until 31 December, 2022. This year's report was not subject to external assurance, but we will consider independent verification of this report in the future. This and future reports will be available at our website. This report covers all entities of the Group (see more in Chapters 2 & 3). The draft version of the report has been presented to the Management Board for review and approval.

Any questions concerning this report should be submitted to sustainability@akropolis.lt.



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