

sustainability

Sustainability Report 2021 | IULIUS



SUSTAINABILITY REPORT

IULIUS GROUP 2021

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Team: Sustainability Task-Force IULIUS
Date: August 2022



IULIUS
TOMORROW IS INFINITE

Reporting period: 01.01.2021 – 31.12.2021

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welcome
message



WELCOME MESSAGE

Vision, pragmatism, tenacity and a desire to create sustainable developments that will change communities and people's lives for the better, for current and future generations. This is the mission of IULIUS Company, a goal we have passionately pursued for over 20 years and in which we continue to believe as strongly as in the beginning.

Our projects are about cities and people, about creating forward-thinking urban centers that highlight both the heritage and uniqueness of each community. We brought the future into the present and we are now building the future. Our developments are urban regeneration landmarks, designed and built in line with green building principles, from architectural design centered on people, nature and functionality, all the way to the materials used, the implementation of concrete environmental protection strategies and the operation of projects with clear goals for reducing our carbon footprint.

We believe that each of us bears responsibility for the future and that we can contribute to the quality, outlook and resilience of the future by committing to making things better. Sustainability is in every gesture, activity, role and idea, but it is up to people to make it real. It also goes full-circle because, in fact, it is dedicated to people. This is the idea we build on when developing the reborn cities of the future: to create sustainable and inclusive urban spaces with the smallest possible environmental footprint, saving resources, harnessing local potential, engaging the community and bringing nature into the heart of cities. Because sustainability is also about people.

We will continue to reinvent ourselves, remain committed to our communities and contribute to developing the cities of tomorrow with responsibility and determination. We will continue to build a sustainable future.

Iulian DASCĂLU
President of IULIUS



highlights 2021

-16%
less greenhouse
gas emissions

170
applicants GO LOCAL

2

Waste Zero
program

100%
centers with
community
involvement
actions

-34%
less waste
disposal to landfill

37
Internship students

[SUSTAINABILITY by IULIUS]

100%

HIGH-PERFORMANCE SUSTAINABLE BUILDINGS

100% certified portfolio / pending certification per international green standards

13 ha

URBAN GARDENS ACCESSIBLE TO THE COMMUNITY

Up to 46% green space ratio of the area of the projects
More than 75 tons of CO2 absorbed annually by more than 18,000 mature trees

130 mil. €

SUSTAINABLE URBAN MOBILITY

More than € 130 mil. Invested in connectivity, infrastructure, and public facilities
More than 1,000 bike parking spaces, dedicated bike lanes, showers and changing rooms
10 electric vehicle charging stations

100%

COMMUNITY ENGAGEMENT PROJECTS

100% of IULIUS centers conduct community engagement projects on an annual basis, providing support for education in all its forms, as well as for entrepreneurship



Zero Waste

CIRCULAR ECONOMY

"Zero Waste to landfill" Program
Goals: 50% increase in recyclable quantities compared to 2019
Reducing household waste by up to 40% via repurposing operations

IULIUS – the only developer of urban regeneration mixed-use projects in Romania

ENVIRONMENTAL IMPACT - 2021

-15%

ENERGY INTENSITY

reduced total energy consumption compared to the base year – 2019

-16%

CARBON EMISSIONS

reduced volume of greenhouse gas Scope1 + Scope2 compared to the base year – 2019

-33%

WATER

reduced water consumption compared to the base year – 2019

-34%

WASTE

reduced volume of household waste compared to the base year – 2019

COMMUNITY IMPACT - 2021

**900
/ 37**

Internship RISING STARS 2021

900 student applicants,
37 interns

70

REAL ESTATE BUSINESS MANAGEMENT Class

70 participants

170

ANTREPRENORIAT SOCIAL

More than 170 applicants in the GO
LOCAL program

100%

IMPLICARE ÎN COMUNITATE

100% of IULIUS centers conducted
community engagement actions

2021 IN BRIEF

2021 was a challenging year, perhaps more challenging than 2020 due to a combination of factors such as the pandemic, the economic crisis, the energy crisis and inflation, which led to a high degree of unpredictability. Nevertheless, we managed to keep a balance in our business, demonstrating an increased ability to withstand multiple challenges by continuously adapting to market conditions. In this respect, one of our goals has been to focus our efforts on supporting our partners who were impacted by the pandemic.

We also continued our sustainability initiatives by implementing the action directions in our sustainability strategy, with a focus on the three main pillars: environment, community, and governance and business ethics.

We have achieved good results in terms of environment, making important steps towards attaining our strategic goal of transitioning to a low-carbon economy. We referenced 2019 levels for the indicators considered in our analysis, as a comparison to 2020 levels would have been irrelevant given the context generated by the pandemic.

Community engagement, support for education and the local entrepreneurial environment are directions that IULIUS constantly champions through projects with real community impact. All these projects are particularly important to us, as they allow us to increase the quality of life for the communities where we operate, to support local entrepreneurs, or to encourage the retention of young people and provide them with new opportunities.

Sebastian MAHU | Head of Asset Management



about this
report



REPORTING PRACTICES

[GRI 102-6, 102-46, 102-49, 102-50, 102-54]

SCOPE OF THE REPORT

This is the first sustainability report of IULIUS Group drafted in accordance with international reporting standards and providing detailed information on the activity of the organization and the relevant indicators describing the economic, social and environmental impact that IULIUS generates.

The report compiles our performances in terms of the impact on the 3 ESG criteria: environment, social and governance, in 2021.

This report was drafted in compliance with the Global Reporting Initiative (GRI) Standards, the most internationally-recognized standard for sustainability reporting and it is aligned with the best reporting practices in the field. In the report, terms such as "group", "organization" are used to facilitate references to the IULIUS Group.

REPORTING PERIOD

The report comprises qualitative and quantitative information regarding the performance of IULIUS for the year 2021 (1 January 2021 - 31 December 2021). IULIUS is committed to reporting non-financial performances on an annual basis, as part of its internal sustainability policy.

DEFINING THE REPORTING FRAMEWORK

The report is prepared in line with the basic option (Core) of the Global Reporting Initiative (GRI) reporting methodology – updated in 2020, and the presented information refer to the financial years 2021.

The report also presents the contribution of IULIUS Group to achieving the UN sustainable development goals until 2030, as part of the Group's sustainability strategy. The data in the report are consolidated at the level of the IULIUS Group, based in Iași, Romania, except where otherwise specified.

The report is based on a complex materiality assessment process carried out across the organization. Based on the results of the materiality analysis, we were able to extract business-relevant indicators, which were included in the performance analysis.

The base reference year for the data provided in this report is 2019.

EDITORIAL TEAM

This report was drafted by the in-house sustainability team of IULIUS Group, under the coordination of the sustainability manager, and is the result of the collective efforts of the entire IULIUS team, who have made sustainability an integral part of our daily activities. Also, the report was validated within the Sustainability Committee, which is composed of representatives from the organization's highest management structures.



SUGGESTIONS AND RECOMMENDATIONS

For any questions related to this report, please contact:

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about IULIUS

ABOUT IULIUS

ORGANIZATIONAL STRUCTURE

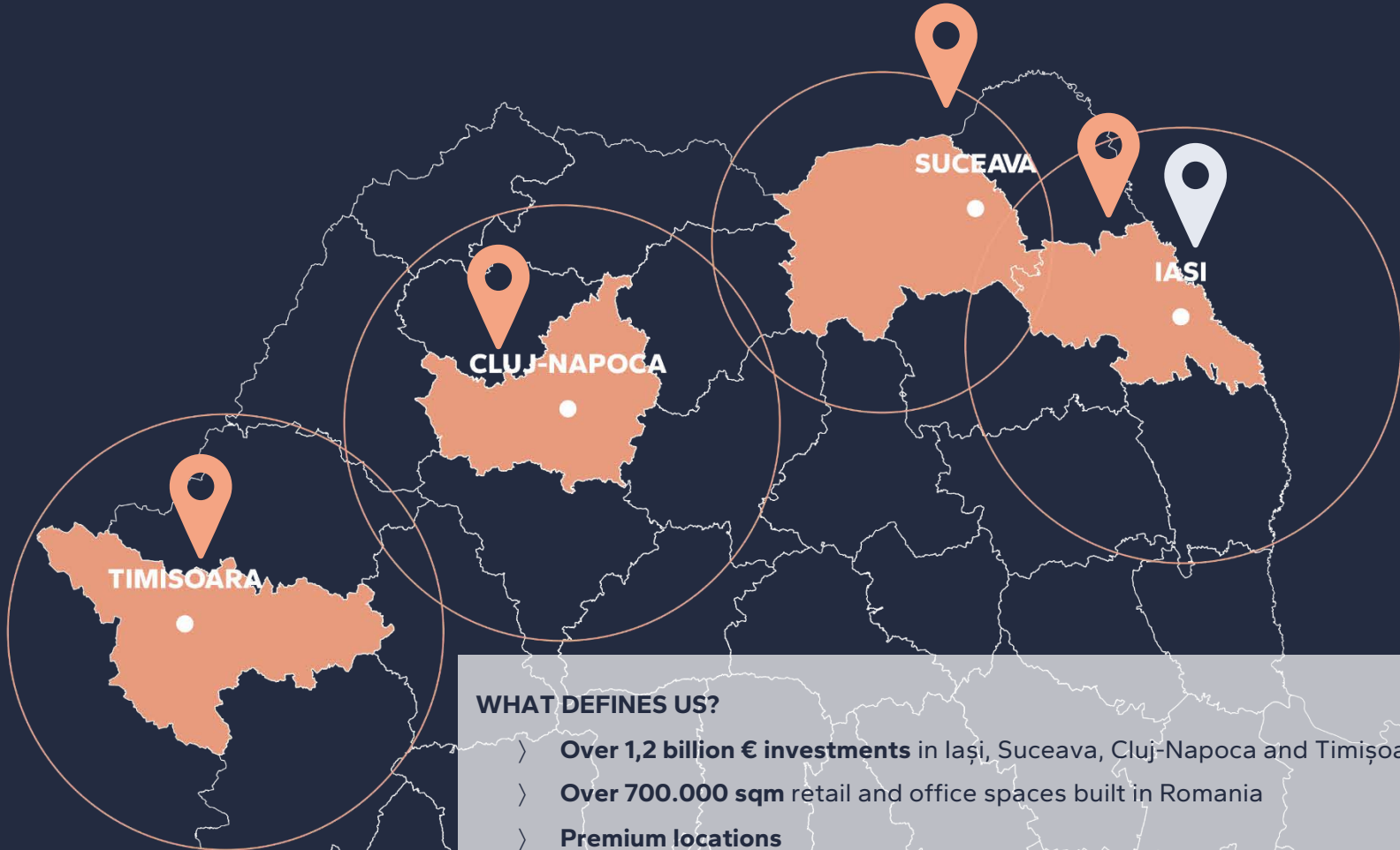
THE PROJECTS BEHIND THE SUCCES

UPCOMING PROJECTS



4





WHAT DEFINES US?

- > **Over 1,2 billion € investments** in Iași, Suceava, Cluj-Napoca and Timișoara
- > **Over 700.000 sqm** retail and office spaces built in Romania
- > **Premium locations**
- > **Regional projects** – with catchment areas of up to 1,8 million inhabitants
- > Not a speculative developer – **occupancy of over 98%**
- > **Experience of over 20 years in developing mixed-use projects**, that combine retail, office, entertainment, but also public services with significant impact in the community
- > **All properties** are LEED certified or under certification process and **built in line with sustainability principles**
- > **Increased resilience** – properties that have overcome financial as well as pandemic crisis

A. ABOUT US

[GRI 102-1, 102-2, 102-4, 102-5, 102-6]

IULIUS is the only developer and operator of mixed-use urban regeneration projects in Romania, with more than 30 years of real estate experience it operates in four major Romanian cities, namely Iași, Timișoara, Cluj-Napoca, and Suceava.

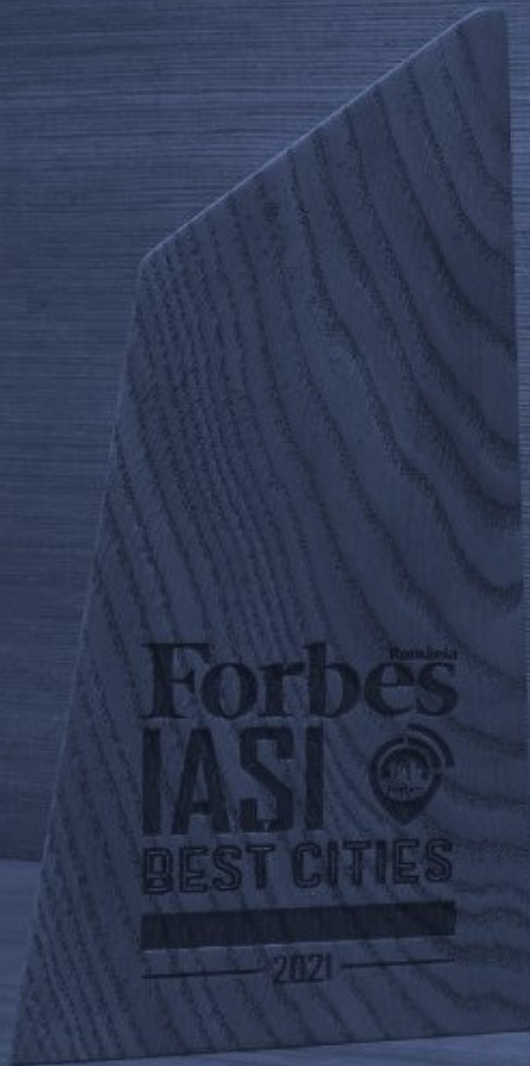
It is a visionary company that has built in 2000 what was, at the time, the second mall in Romania. It also premiered the mixed-use concept in Romania by opening the Palas Iasi Ensemble in 2012.

IULIUS gave underdeveloped urban areas back to the community two mixed-use urban revitalization projects (**Palas Iași** and **Iulius Town Timișoara**), created the nationwide network of Iulius Mall regional shopping malls in Iași, Cluj-Napoca, and Suceava, while also defining the business hubs based in academic centers via the **United Business Center** premium office building network.

In 2017, IULIUS and Atterbury Europe developed a joint-venture partnership whereby they own equal parts of the Iulius Mall network and Iulius Town Timișoara.



*IULIUS – a
culture of
excellence*



The role of IULIUS projects is to infuse value into the places where we leave our mark, a desideratum that is also supported by the development of the national office building brand United Business Center. In just ten short years, IULIUS Company came into prominence as one of the most active developers and operators of class A office spaces, building regional business hubs and creative multinational communities in three major academic centers in Romania, namely Iași, Timișoara, and Cluj-Napoca. In total there are 13 green buildings with a total area upwards of 152,000 sqm, accommodating more than 80 company head offices and 15,000-plus employees.

The projects developed by IULIUS are sustainable concepts that transcend their functional role and harmoniously blend with the identity of their respective communities. These are the only projects that integrate extensive gardens, bringing nature close to the people, in the heart of their cities.

2021 AWARDS

- United Business Center O Iulius Town Timisoara - „The office project of the year” | Gala Real Estate Magazine, Bucharest
- Palas Iasi – „Award of excellence for contribution to regional economic development” | Gala Forbes Romania Best Cities for Business, Iasi
- Palas Campus Iasi – „The consistency with which Iulius continued investing despite the crisis” | Gala Forbes Romania Best Office Buildings, Bucharest

AFFILIATIONS

- AMCHAM – American Chamber of Commerce in Romania
- AHK – Romanian-German Chamber of Commerce and Industry
- BREC – Bucharest Real Estate Club

B. ORGANIZATIONAL STRUCTURE

[GRI 102-5, 102-7, 102-45]

The companies that are part of IULIUS Group are incorporated as limited liability companies, which are set up and operate as per the provisions of Companies Law no. 31/1990.

Each company within IULIUS Group has a specialized range of activity therefore their individual organizational structure reflects this specialization. The management of IULIUS Group companies is provided, per the applicable legal framework, by administrators and general managers, as applicable.

Given the specific organization across IULIUS Group, the management of the group is ensured via the management structure of the management companies (SC IULIUS Management Center SRL, SC IULIUS Real Estate SRL, and SC ATTRIUS Developments SRL), respectively via administrators and general managers (executive management). The administrators' and executive managers' duties are determined in the articles of incorporation of the companies and are in line with the applicable legal framework.

PRESIDENT

GOVERNANCE

DEVELOPMENT

OPERATIONAL

| | CEO | | | | CEO | | |
|----------------------|------------|--------------------|-------------------|----------------------------|---------------------|-------------|----------------------|
| | Investment | Project Management | Support | CFO | ASSET MANAGEMENT | | Support |
| | | | | | RETAIL | OFFICE | |
| Corporate Governance | | | Planning & Design | Operational Finance | Leasing | Leasing | Knowledge Management |
| Sustainability | | | Marketing | Finance | Marketing | | IT |
| Compliance | | | | Corporate Reporting | Media Sales | | Legal |
| Internal Audit | | | | Finance Payments | Finance | | HR |
| | | | | Finance Property Reporting | Acquisitions | Info Center | PR |
| | | | | Bank Relations | Info Center | | |
| | | | | Accounting | Security services | | |
| | | | | | Cleaning services | | |
| | | | | | Gardens | | |
| | | | | | Non-Core activities | | |
| | | | | | Fire & Safety | | |

C. THE PROJECTS BEHIND THE SUCCESS

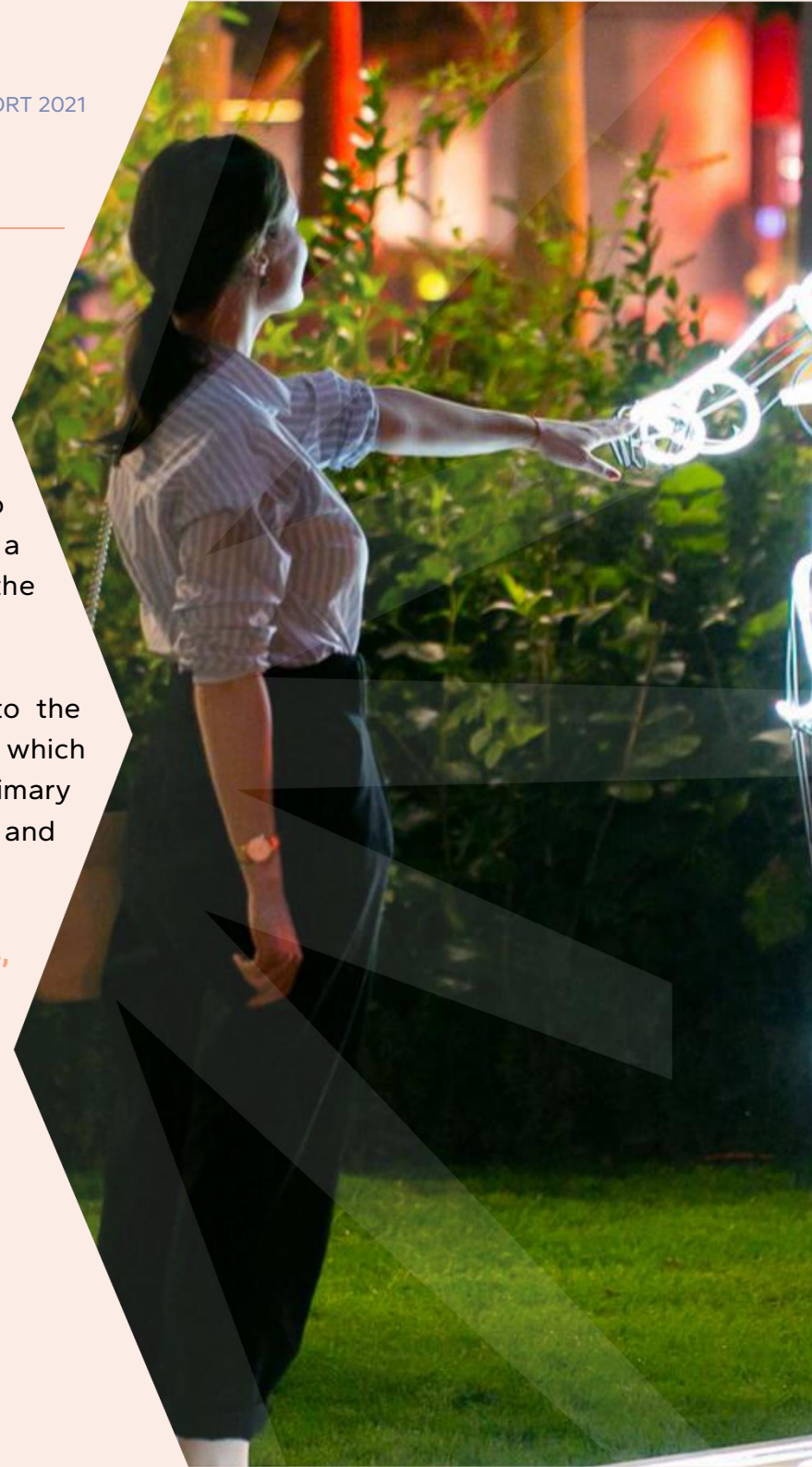
[GRI 102-2, 102-4]

PROJECTS THAT REVITALIZE REGIONS

Over the last decades, we have dedicated our projects to urban regeneration. We transformed underdeveloped areas into urban growth and attraction poles, we brought nature closer to the people via spectacular gardens, we developed in a sustainable and integrated manner, in the benefit of the community, and created business opportunities.

These are powerful concepts that substantially contribute to the economic development, investor and tourism attractiveness, which translate into an increased quality of life. They are the primary shopping and leisure destinations, the scene for cultural events, and the landmark of social life.

IULIUS projects are market leaders in their respective regions, drawing clients from neighboring areas as well: Serbia, Hungary, or the Republic of Moldova.



Mixed-use urban regeneration projects

PALAS IAȘI

IULIUS TOWN TIMIȘOARA

National network of regional shopping malls

IULIUS MALL IAȘI

IULIUS MALL CLUJ-NAPOCA

IULIUS MALL SUCEAVA



01 retail

5 REGIONAL PROJECTS | 300,000 sqm | 1,000 plus brands

69 mil annual footfall | 2 congress hall event centers in Iași and Timișoara, 7 halls

entertainment concepts • themed restaurants and coffee shops

02 office

152,000 sqm | 80 company head offices | 16,000 employees

03 under development

20,000 sqm retail | 84,000 sqm office | 13,000 sqm park

A NEW DIMENSION OF BUSINESS

In just ten short years, IULIUS came into prominence as one of the most active developers and operators of class A office spaces. Via the United Business Center brand, the company built regional business hubs and creative multinational communities in three major academic centers in Romania, namely **Iași, Timișoara, and Cluj-Napoca.**

These are the only office projects in Romania that are integrated in mixed-use projects, facilitating access to all the essential services, stores and restaurants, gardens and entertainment, thus allowing for more effective time management.

Beyond the premium fit-outs and fixturing, their impact is reflected in the economic growth of each of the regions they represent. Their development enabled cities with a rich potential to attract investors and, therefore, compete with other European cities.

The buildings are designed, built and operated in line with international sustainability standards, holding the highest LEED green building certificates.

01 UNITED BUSINESS CENTER IAȘI

| | | | | |
|----|-----------------------------|--|--------|-----------|
| 7 | PREMIUM OFFICE BUILDINGS | | 75,600 | SQM |
| 50 | COMPANIES | | 8,000 | EMPLOYEES |

02 UNITED BUSINESS CENTER TIMIȘOARA

| | | | | |
|----|-----------------------------|--|--------|-----------|
| 3 | PREMIUM OFFICE BUILDINGS | | 50,000 | SQM |
| 30 | COMPANIES | | 5,000 | EMPLOYEES |

03 UNITED BUSINESS CENTER CLUJ-NAPOCA

| | | | | |
|---|-----------------------------|--|--------|-----------|
| 3 | PREMIUM OFFICE BUILDINGS | | 26,200 | SQM |
| 7 | COMPANIES | | 3,000 | EMPLOYEES |

A NATURE CENTERED APPROACH

IULIUS is the first developer to have its projects primarily anchored by urban gardens. Nature belongs among people, therefore we created green oases where they are needed most, in the heart of cities. The community embraces these spaces, as they play a social catalyst role, while also providing a green connection to the city.

By means of our urban gardens, we opened our projects to the people, inviting them to new experiences and enabling them to spend their leisure time outdoors.

For the communities working by our side to help the city grow we brought about hundreds of thousands of trees, flowers and square meters of lawn. Through IULIUS GARDENS, nature became our ally.

3 URBAN GARDENS

130,000 SQM

1,000 events every year

80,000+ mature trees and shrubs

17 million euro investment

venetian carousel • lakes • outdoor squares

D. THE CITIES OF THE FUTURE

IAȘI – A CITY WITH GREAT POTENTIAL FOR DEVELOPMENT



CONNECTIVITY

The International Airport in Iași ensures the connectivity of the city, operating direct flights to Bucharest, as well as to major destinations in France, Austria, the United Kingdom, Italy, Spain, Germany, Denmark, and Israel.



ACADEMIC CENTER

This is a landmark academic center, as evidenced by the above 50,000 students in STEM, humanities and medicine studying at the five state universities here.



ACCESIBILITY

Iași is located within a 2 hours' drive of Chișinău, and its connectivity with other cities in Romania is ensured by European road E585.



PALAS IAȘI

In the heart of the city, IULIUS has developed Palas Iași, a project designed to pay homage to the historic Palace of Culture and act as an economic and social boost for the entire region. Palas Iași is the first mixed-use project developed in Romania and it has added the western valences of the lifestyle concept to the development of a region with major potential.

Opened in 2012, Palas project remains the only urban regeneration project of such magnitude in the north-east of Romania. A place that makes life easier, brings people together, and opens new horizons.

310 million EURO INVESTMENT | **19+ million** VISITORS EVERY YEAR

62,000 SQM RETAIL PREMISES | **270** STORES | **7** CLASS A OFFICE BUILDINGS

4 CONGRESS HALL EVENT HALLS | **1,000** PARTICIPANTS | **2,500** PARKING SPOTS

50,000 SQM PARK | **460** SEATS, OUTDOOR AMPHITEATER

venetian carousel • lake • kiosk • event squares • skating rink
• archaeological vestiges of the former household of the royal court

*A premiering
project, a
cosmopolitan
lifestyle center*

IULIUS MALL IAȘI

Located in the heart of one of the largest university campuses in Romania, Iulius Mall Iași was opened in the year 2000 and promotes a youthful and dynamic lifestyle.

Vitality, diversity and style are the words that define Iulius Mall Iași. Constantly evolving and responsive to the preferences of its clients, Iulius Mall Iași is the go-to destination for those who wish to mix shopping with moments of relaxation in the company of friends. It is the only place in Iași with a multiplex cinema.

23 million EURO INVESTMENT | 7+ million VISITORS EVERY YEAR

26,000 SQM RETAIL PREMISES | 110+ STORES | 5 CINEMA CITY AUDITORIUMS

food court, coffee shops • Carrefour market • bowling and billiards club
playground for children

*Vitality,
entertainment,
and shopping*

TIMIȘOARA – THE AVANTGARDE CITY OF ROMANIA



CONNECTIVITY

The “Traian Vuia” International Airport is the third largest in Romania and provides direct flights between Timișoara and France, Germany, Belgium, Italy, Great Britain and Spain, as well as to the capital - Bucharest.



ACADEMIC CENTER

The city is a major academic center accommodating 40,000-plus students at the four state universities here.



ACCESSIBILITY

3 hours distance to Budapest – Timișoara is located less than 700 km away from several European capitals.



FEATURES:

- › **the third largest city in Romania**, it is the economic, cultural and social center of the western region and accommodates more than 2 million inhabitants;
- › **the first city in Europe to have electric street lighting**, and for a long time it was dubbed the “Little Vienna” owing to the similarities in its architectural style;
- › In recent years, Timișoara drew a very large number of foreign investments, which transformed the city into one of the primary economic centers in Romania.

IULIUS TOWN TIMIȘOARA

Iulius Town is the success story of a mall that was transformed into the only mixed-use urban regeneration project in the west of Romania, bringing back to life a previously industrial urban area and reconnecting it to the city.

It is the city “center” that the urban life gravitates around, as it achieves a perfectly harmonious blend of retail, office, park, and entertainment uses, all in a single place. It is a vibrant space that improves community life and enriches social experiences.

Developed by the IULIUS Group and Atterbury Europe, Iulius Town is the largest investment in the region.



IULIUS TOWN

442 million EURO INVESTMENT | **16+ million** VISITORS EVERY YEAR

100,000 SQM RETAIL PREMISES | **450** STORES

3 EVENT HALLS | **1,000** PARTICIPANTS | **12** CINEMA AUDITORIUMS

55,000 SQM PARK | **4,000** PARKING SPOTS | **500+** BIKE PARKING SPOTS

the largest fitness center in the country • semi-olympic pool • english kindergarten • primary school • traffic underpass • street art gallery

A project the size of a city, focused on the community

CLUJ-NAPOCA - THE VIBRANT HEART OF TRANSYLVANIA



CONNECTIVITY

The “Avram Iancu” International Airport connects Cluj-Napoca to: Austria, Belgium, Cyprus, Switzerland, France, Germany, Ireland, Israel, Italy, the United Kingdom, the Netherlands, Poland, Spain, Sweden, Turkey, Egypt, and the United Arab Emirates.



ACADEMIC CENTER

It is the second largest academic center in Romania after Bucharest; every year, Cluj-Napoca accommodates more than 80,000 students specializing in STEM, humanities and medicine in the six state universities here.



ACCESIBILITY

Cluj-Napoca is located less than 180 km away from the border with Hungary and within four hours' drive of Budapest. The city is also connected to the rest of the country via European road E60.



FEATURES:

- > Located in the center of Transylvania, Cluj-Napoca is the fourth largest city in Romania outside of the Capital, being **the pole of a region** with more than 2.7 million inhabitants;
- > It is considered the “Silicon Valley” of Romania, being **the first city in the country to accommodate the creation of an IT cluster** and where this industry experienced an exponential growth that not only boosted the business environment here, but the social and cultural life as well.;
- > According to the World Bank’s urban barometer in 2020,
- > Cluj-Napoca is the most attractive city in the country in terms of quality of life, economy and cultural life.

IULIUS MALL CLUJ

Iulius Mall Cluj has a broad focus on multiculturalism, being the go-to destination when it comes to the local's appetite for creativity, art and events. It keeps the community attuned to international trends via its portfolio of high-end brands and leisure options.

Iulius Mall Cluj has gradually transformed into a vibrant urban regeneration project as it was complete with office uses and the Iulius Park, the preferred nature oasis for Cluj locals.

80 million EURO INVESTMENT | 16+ million VISITORS EVERY YEAR

55,000 SQM RETAIL PREMISES | 240+ STORES

3 CLASS A OFFICE BUILDINGS | 26,200 SQM OFFICE PREMISES | 3,000 EMPLOYEES

30,000 sqm PARK | 2,000+ PARKING SPOTS

underground and above-grade parking lot • food court • Auchan hypermarket • cinema city multiplex cinema with 10 movie auditoriums

*Multi -
culturalism,
dynamism and
relaxation*

SUCEAVA – UN ORAȘ ÎN CONTINUĂ TRANSFORMARE



CONNECTIVITY

The “Ștefan cel Mare” Airport connects Suceava to: the United Kingdom, Germany, Austria, Italy, Turkey, Tunisia, Cyprus, and Egypt.



ACADEMIC CENTER

Suceava is also an academic center, with more than 10,000 students specializing in various domains.



ACCESIBILITY

Suceava County is located in the Northern part of the country and is connected to the rest of the cities in Romania via European road E85 (DN2).



FEATURES:

- > Suceava is **the most important city in Northern Romania**, where art and tradition come together in the most unexpected manner. This is one of the oldest and most important settlements in Romania, still bearing the marks of history by virtue of the Throne Citadel of Moldova.
- > The city is a **major tourist attraction**, a place to discover the authentic Romanian lifestyle, customs and traditions, and visit world-famous monasteries.
- > The percent of young people is high, the average age being under 40 years old, **being a city that attracts young people**, because it offers some of the dynamism of big cities at a lower cost, is less crowded and offers cheaper access to entrepreneurial resources.

IULIUS MALL SUCEAVA

Iulius Mall Suceava is defined by enthusiasm, diversity and modernity, which certify this as a complex designed for the entire family.

Iulius Mall Suceava revolutionized the local retail market by showcasing the cultural heritage of the region and developing a comprehensive mix of shopping, dining, and entertainment.

60 million EURO INVESTMENT | 10+ million VISITORS EVERY YEAR

52,000 SQM RETAIL PREMISES | 200 STORES

1,300+ PARKING PLACES

food court, coffee shops • Auchan hypermarket • the largest multiplex cinema in the north of romania with 8 auditoriums • bowling & billiards

*Where
tradition
meets
modernity*

E. UPCOMING PROJECTS

PALAS CAMPUS IAȘI – THE LARGEST OFFICE BUILDING IN ROMANIA

The development of Palas Iași continues via Palas Campus, a mixed-use project in itself under construction nearby. The challenge with this new project lies in transforming an underdeveloped area in downtown Iași into a business district, in connection with a landmark regional complex.

The project is set to be completed in 2022 and open at the beginning of 2023 and will consolidate the city center as a destination that supports the evolution of local entrepreneurship and creative industries.

*We continue
to transform
communities*

120 million EURO INVESTMENT | 54,000 SQM CLASS A OFFICE SPACES

6 BUILDING BLOCKS | 6,000 SQM RETAIL PREMISES | 1,700 JOBS DURING THE CONSTRUCTION PERIOD

5,000 JOBS AFTER THE GRAND OPENING | 4,500 SQM GREEN COMPONENT

650 METERS OF BIKE LANES | 500 BIKE PARKING SPACES

OUTDOOR CO-WORKING SPACES • A NEW ARTERIAL ROAD • FIVE WIDENED AND UPGRADED STREETS • TWO LEVELS OF UNDERGROUND PARKING • FOOD MARKET, RESTAURANTS, COFFEE SHOPS, AND TERRACES • MEDICAL HUB • SERVICES AREA • CHANGING ROOMS FITTED WITH SHOWERS

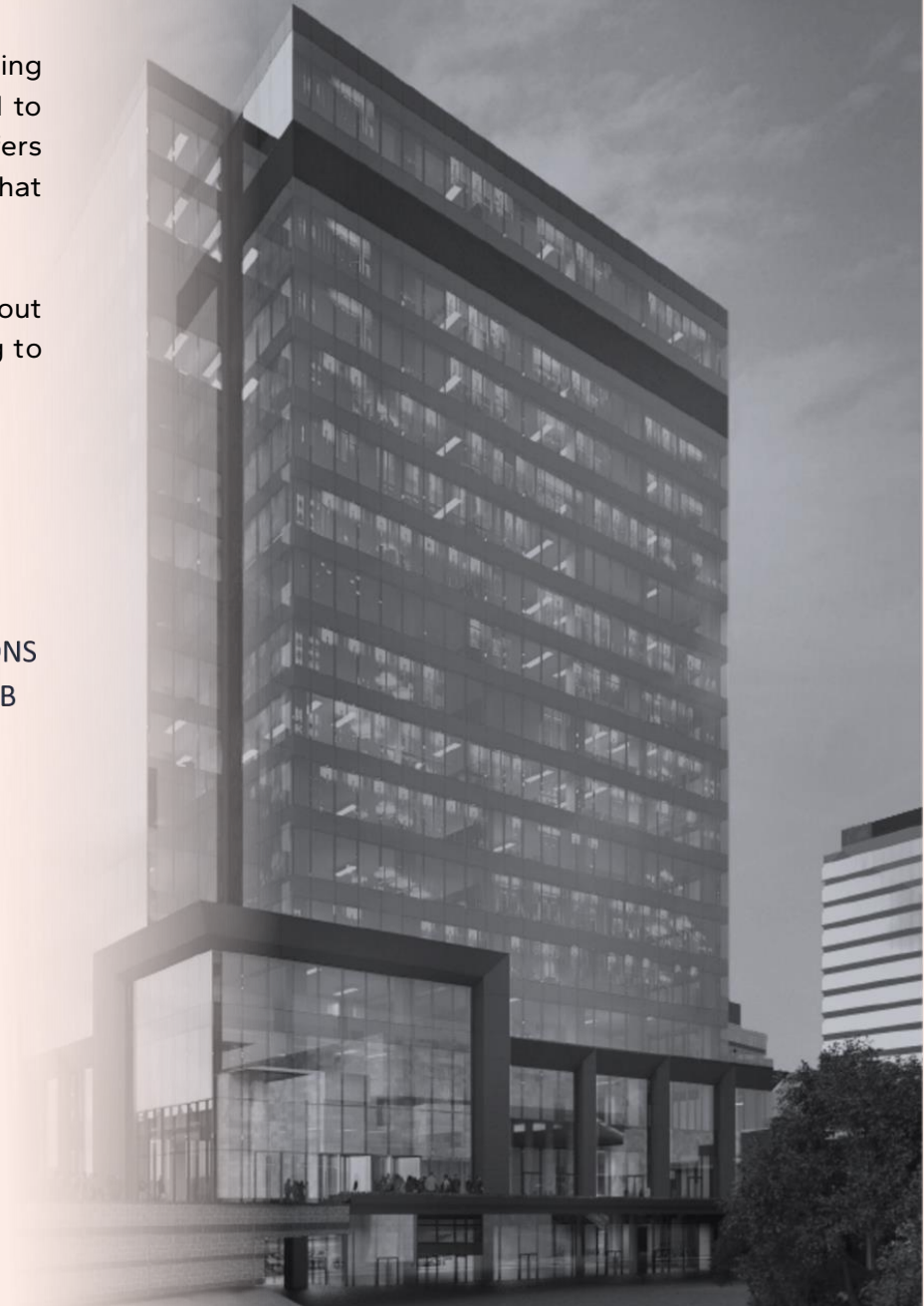
UNITED BUSINESS CENTER "ZERO" –MIXT-USE VERTICAL CONCEPT

UBC „ZERO“ Timișoara is an ultra-modern and ultra-central building under construction within Iulius Town. This is a project designed to make life easier for those who will work here, because it offers services both inside and outside the building, as well as facilities that allow for more effective time management.

Aside from its technical features, what makes UBC „ZERO“ stand out is the spectacular view overlooking the city from any angle owing to its full-glass façade.

30,000 SQM | **15** FLOORS

STATE-OF-THE-ART TECHNOLOGIES AND ENERGY EFFICIENT SOLUTIONS
STORES, THEMED RESTAURANTS AND COFFEE SHOPS • MEDICAL HUB
CHANGING ROOMS AND SHOWERS



FAMILY MARKET – BRINGING LOCAL PRODUCERS CLOSER TO THE COMMUNITY

Family Market is a retail concept that caters to the needs of inhabitants in booming residential areas. It is designed to provide access to everyday services close to home, with a focus on efficiency, sustainability, and time management.

The first two Family Market projects are developed in Iași County, they are comprised of a supermarket combined with a customized mix of services and locations of local producers.

KEY FIGURES FAMILY MARKET MIROSLAVA

7 million EURO INVESTMENT

7,000 SQM GLA | 4,000 SQM GREEN AREAS

137 PARKING SPOTS

MATURE TREES, LAWN AND DECORATIVE PLANTS

- PEDESTRIAN ALLEYS • ARTESIAN FOUNTAIN •
- MONUMENT OF HEROES • EVENT HALL
- WIDENING THE ADJACENT STREET •
- NEW PUBLIC TRANSIT STATION

KEY FIGURES FAMILY MARKET BUCIUM

9 million EURO INVESTMENT

5,500 SQM GLA | 5,000 SQM GREEN AREAS

188 PARKING SPOTS

ACCESS ALLEYS AND PROMENADES

- RETHINKING THE ROAD
- INFRASTRUCTURE

sustainability strategy

INTEGRATING SUSTAINABILITY IN OUR ACTIVITIES

VISION. MISSION. VALUES

OUR MATERIALITY PROCESS

STRATEGY AND OBJECTIVES





A. INTEGRATING SUSTAINABILITY IN OUR ACTIVITIES

In line with its constant commitment to maintain the highest of standards in its activity, IULIUS has started an extensive process of developing its sustainability strategy, which has the role of providing the framework for the implementation of the organization's vision, to actively contributing to the development of the communities in which we operate, and to adapt to a constantly changing environment.

The sustainability strategy has an integrative character, covering all operations carried out by the organization. However, to be successful and effective, a company needs to prioritize its efforts, channeling investment into the most important areas. The basis for identifying the material themes relevant to the company came from the stakeholder consultation process, as well as from the internal assessment of the impact of those themes on the achievement of the long-term vision and objectives. Thus, the IULIUS Group sustainability policy is centered on addressing 3 main pillars, covering environmental issues, community investment with a strong focus on people and business ethics.

For IULIUS, is more than just a statement, it is one of the defining principles of our business, as evidenced by the championing of complex and innovative projects that add value to all our stakeholders.

Dan-Adrian CHELARU | Group Sustainability Officer

the IULIUS BUSINESS MODEL



B. VISION. MISSION. VALUES

[GRI 102-16]

A VISION FOR A BETTER TOMORROW

Designed to bring a new kind of lifestyle closer to the community, that is modern, cosmopolitan and dynamic, the IULIUS projects have redefined and revitalized the urban centers of Iași, Timișoara, Cluj-Napoca, and Suceava.

These have transformed not only the cities, but the regions where they operate, constituting poles of urban attraction and strong business centers.

IULIUS projects are not about buildings, but rather about the people. They are designed to work for the community, to embellish the city, to boost its growth, and to integrate with the urban identity in as natural a manner as possible, via gardens that bring people together, offering experiences and emotions.

We passionately innovate. Our high-performance stems from our committed responsibility, professionalism in action and collaboration amongst us.



*Together, we build
strong communities!*

MISSION

We add value and contribute to the change for the better in communities, through unique multifunctional urban regeneration projects. It is the specific way in which we became the largest developer and operator of shopping malls and mixed-use projects in Romania.

We are aware of our role and the mark of our projects within the community, and our mission is straightforward: to boost people's quality of life. Everything we do is to build the cities of tomorrow, our legacy for the generations to come.

Sustainable development and social responsibility are the principles that define our activity and are the basis of mid- and long-term decisions and investments. The concept of sustainability within the IULIUS company covers the environmental, social and economic aspects of our operations throughout the value chain, integrating human rights into the company's core principles.

We change the urban footprint of cities and foster the development of communities through projects built with passion and committed responsibility.

#PASSION

#INOVATION

#PERFORMANCE

#RESPONSABILITY

#COLLABORATION

C. OUR MATERIALITY PROCESS

[GRI 102-40, 102-42, 102-43, 102-44]

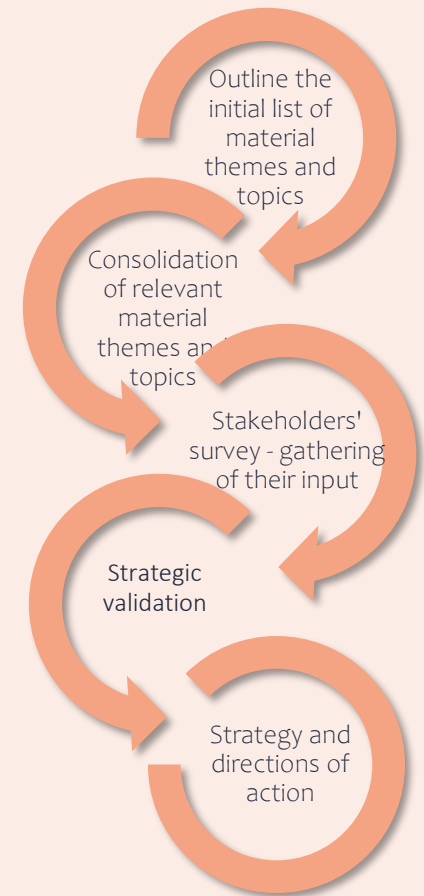
MATERIALITY IN A GENERAL CONTEXT

In late 2020 and early 2021, respectively, IULIUS Group launched the materiality assessment process that will underpin the development of the sustainability strategy and that is based on a number of material themes, the importance of which will be assessed through the lens of the local context by both company management and identified stakeholder groups.

Being one of the major players on the “real estate” market in Romania, we cross our paths in our activity with a diverse array of stakeholders, from strategic business partners (investors, consultants etc.), central and local public authorities, to employees, clients, suppliers, the civil society, or the academic environment. We are fully aware that the engagement of stakeholders is an essential process for the sustainable development of the company, able to generate mutual advantages, helping the company in adapting its endeavors in such a way as to meet the requirements and expectations thereof.

The stakeholders (interested parties) - defined as being any of the entities that can help in the identification of topics and themes which would bring an added value for the company, are significantly influenced by the actions of an organization, or which can influence, by their actions, the organization’s capacity to meet its goals.

SYNTHETIC PRESENTATION OF THE MATERIALITY ASSESSMENT PROCESS



Stakeholders are categorized depending on their relationship with the organization and on the influence exercised by them within same:

- a) **The strategic business partners** have an essential role in the development of business activities and the consolidation of long-term relationships. The company's manner of interaction with such entities is reflected in the strategic business decisions.
- b) **The partners / tenants** represent an important category of stakeholders, the company seeking to continuously maintain long-term and profitable relationships with same, based on the development of sustainable places, in accordance with the best practices in the field.
- c) **The central and local public authorities** can influence the company's activity, by setting out legal regulations for the conduct thereof.
- d) **The civil society (NGO-s, associations, the local community)**. As we are a major investor in the economies where we conduct our business, we want to maintain an open dialogue with the partner organizations, engaging the local communities in our actions. Furthermore, our development projects are also based on the local communities' needs for durable development. We have launched the "IULIUS within the Community" platform based on a wish to bring people closer together, supporting initiatives, people, communities, and companies that collaborate for the achievement of a better future.
- e) **The academic environment**. Education represents one of the main points of support for the communities where we operate. The IULIUS Group champions education as a vector to attract and retain talents in Romania. To this end, we have developed a series of partnerships with representative institutions from the academic environment, considering that our business operations are conducted in university cities.

- f) **The suppliers.** As they are a part of our operations, we constantly cooperate with our suppliers, as to implement the best practices from a sustainability perspective. Our guiding principles in the relation with suppliers as well are integrated in the Internal Code of Ethical Conduct.
- g) **Mass-media** is one of the important stakeholders with respect to the communication with the target audiences, contributing to the transparency and clarity of information concerning the carried-out operations and actions.
- h) **The clients/visitors** of our centers are the end users of our projects, and this is the reason why we want to create attractive places, which are efficient and especially focused on the requirements and needs thereof.
- i) **The employees.** The IULIUS Group manifests a constant concern to provide a climate auspicious for the personal development, for performance and excellence, values fundamentally required for the individual development of each.

To this end, the IULIUS Group manifests a constant concern for the development of communication with the stakeholder parties, both internally and externally, as to gain a clear perspective upon our partners' needs and expectations in relation to the conducted operations.

STAKEHOLDER ENGAGEMENT

The material themes are topics that reflect the most significant impacts generated by the organization upon the economy, the environment, and the people, including the impact upon human rights.

The main reasons for which approaching the stakeholders is essential in the development of a successful strategy:

- a) We bring forth answers to their needs / concerns related to certain themes;

- b) They can provide timely warnings related to certain deficiencies, leading to a mitigation of risks, generation of a competitive edge and facilitation of an easier adaptation to change;
- c) They can provide innovative perspectives/ suggestions that usually could not be identified internally.

Internal and external validation. Pursuant to the identification of stakeholders, next step is the review and engagement thereof in the materiality assessment process. As a principle, the materiality assessments prove to be useful in the situations where the information of interest are gathered both from inside and from outside of company's "walls".

The materiality assessment process has involved the collection of information both from the decision makers within the company, as to identify how important are such themes for the reaching of the IULIUS goals and vision on a short-, medium- and long-term, and from the external partners, as to identify the magnitude of influence upon them generated by how the IULIUS Group approaches said relevant themes.

IDENTIFICATION OF MATERIAL MATTERS

We are aware that the engagement of stakeholders represents a key success factor for the company's sustainability program, therefore we must address the issues that directly affect our partners, employees, or communities.

For this reason, we have applied as start point in defining the materiality matrix the sustainability themes included in the GRI Sustainability Standards, adding some further themes relevant for the IULIUS Group activities. The themes cover all 3 ample fields: economic, social, and environmental, these being measured as to obtain the desired information.

MATERIALITATY MATRIX

The materiality matrix helps us set a priority ranking for the main material themes and topics, both from the perspective of their importance for the company, and from that of their relevance for the stakeholders. Thus, pursuant to the processing of results, one was able to identify the high-priority matters and those that offer the most important opportunities from the perspective of a sustainable development of the company.

Thus, in the **economic and corporate governance area** one notices the importance of presence on the local market by way of the direct contribution to the development of communities, generation of an indirect economic impact upon communities, as well as the taxes and fiscal compliance (the company's operation guiding fiscal principles, contribution character, organization's approach in relation to fiscal authorities). Other important aspects are related to the anti-corruption policies and practices, the anti-competitive practices, or the promotion of local entrepreneurs.

In respect of the **environment matters**, one notices the design of sustainable buildings, but also the observance of environmental regulations. Also, a high importance is allotted to actions in the energy efficiency field, the promotion of circular economy principles, sustainable connectivity and urban mobility, or the measures aiming to diminish the greenhouse gases emissions.

Also, finally, in relation to the **social matters**, one notices as interesting the human resources policy, the health, safety, and well-being in the workplace, both for the employees and for the clients, the training and education, the client's confidentiality, as well as the communication with the public via mass-media. Furthermore, an accent is put on the engagement of the local communities, the diversity and equal opportunities, the fight against discrimination or the initiatives concerning education in the community.

ECONOMY AND CORPORATE GOVERNANCE

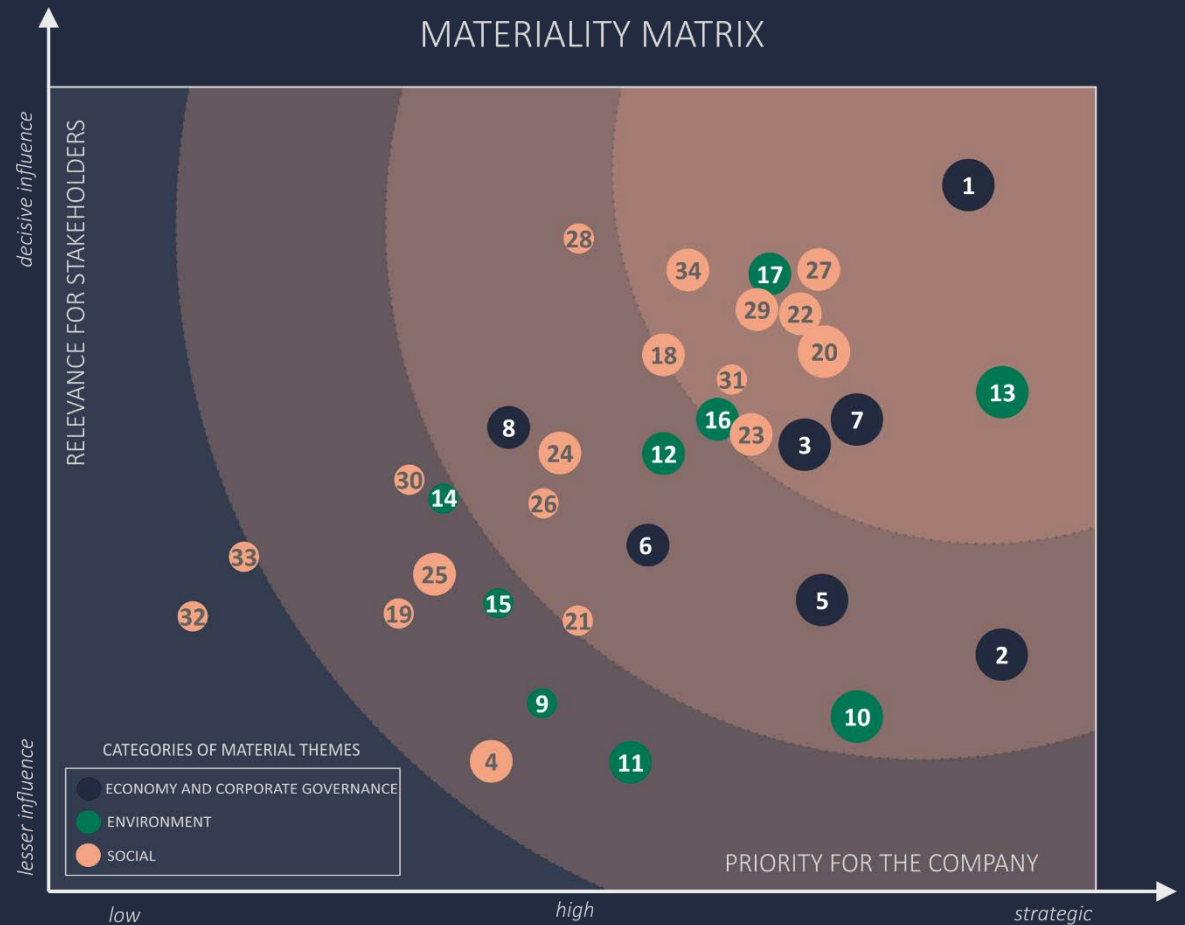
1. Presence on the local market
2. Company's economic performance
3. Indirect economic impact
4. Responsible purchasing practices
5. Anti-corruption policies and practices
6. Anti-competitive practices
7. Taxes and fiscal compliance
8. Promotion of local entrepreneurs

ENVIRONMENT

9. Materials and resources
10. Energy efficiency
11. Water resources
12. Connectivity and urban mobility
13. Sustainable buildings
14. Nature and bio-diversity
15. Green-house gases emissions / climatic changes
16. Waste management / circular economy
17. Environmental legal regulations

SOCIAL

18. Engagement of local communities
19. Public policies
20. Human resources policy
21. Diversity and equal opportunities
22. Health, safety, and well-being in the workplace
23. Training and education
24. Fight against discrimination
25. Human rights
26. Responsible goods and services
27. Health and safety of clients
28. Responsible marketing campaigns
29. Client's confidentiality
30. Sustainable supply chain
31. Educational initiatives in the community
32. Investments in the health-care system
33. Involvement in the development and preparation of the civil society
34. Communication with the public, via mass-media



The role of the materiality matrix is to provide information that is essential in the outlining of the company's future action directions.

D. STRATEGY AND OBJECTIVES

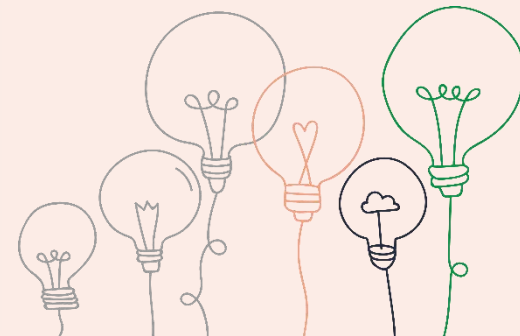


We believe that carrying out developments of the scale of our projects, which significantly change the life of cities, comes with a responsibility in this regard.

We are aware of the impact of our projects in the life of the community, so the mission we aim to achieve is simple: to increase the quality of life of the community in which we operate.

To strengthen our commitment to sustainability, our projects are centered on 3 main pillars:

- 1 CARE FOR THE ENVIRONMENT
- 2 BUILD STRONG COMMUNITIES
- 3 GOVERNANCE AND BUSINESS ETHICS





Pillar #1 – CARE FOR THE ENVIRONMENT

Our projects are developed in line with the best practices in the field and seek to transition toward an economy with low carbon emissions, in accordance with the global climate change initiatives.

STRATEGIC GOAL

TRANSITION TOWARDS A LOW CARBON EMISSIONS ECONOMY

SECTORIAL GOALS

- i. Development of landmark mixed-use urban projects and models that constitute poles of sustainable development within their respective communities
- ii. Creation of a property portfolio that is efficient in terms of greenhouse gas emissions (GHG) and that will help in achieving the 'Net-Zero Emissions' level
- iii. Reduction of the quantities of un-reclaimed waste, near-zero landfilling, via joint actions undertaken with our partners
- iv. Promotion of sustainable urban mobility, both within the company, and among our partners / local communities, in full compliance with international trends



SUSTAINABLE BUILDINGS AND LOCATIONS



LOW CARBON EMISSIONS



CIRCULAR ECONOMY AND EFFICIENT USE OF RESOURCES



CONNECTIVITY AND URBAN MOBILITY



Pillar #2 - WE INVEST IN PEOPLE AND BUILD STRONG COMMUNITIES

STRATEGIC GOAL

INCREASE QUALITY OF LIFE VIA THE SYNERGIC INTEGRATION OF OUR ACTIVITIES WITHIN LOCAL COMMUNITIES

SECTORIAL GOALS

- i. Consolidating strong communities via educational actions and projects that encourage all forms of knowledge and support young talents.
- ii. Developing, together with our partners, projects that generate a positive impact in the local community and provide added socioeconomic value. We aim to instill a sense of social responsibility in our area of influence via annual community awareness and engagement actions.
- iii. Active contribution toward increasing the employment rate within local communities in view of retaining talents. At an internal level, we wish to have our company recognized as a model employer, by promoting a culture based on inclusion and development, and by providing a safe and healthy work environment
- iv. Increasing the quality of life for the people we interact with daily, by promoting health and the concept of 'wellbeing', improving the level of satisfaction for the visitors and employees in our centers alike. Furthermore, employees will be encouraged to become factors of change in terms of sustainability within the community.



COMMUNITY PARTNERSHIP



COMMUNITY EDUCATION



MAINTAINING LOCAL TALENTS



WELLBEING / HEALTH AND SAFETY



We wish to become an engine for the development of communities in which we operate, by integrating our centers in the local socioeconomic fabric, developing joint projects and community actions. We have committed to boost the quality of life for the people we interact with daily, by promoting health and the concept of 'wellbeing', improving the level of satisfaction for the visitors and employees in our centers alike.



Pillar #3 - CORPORATE GOVERNANCE AND BUSINESS ETHICS

Our long-term success could not be achieved without a solid foundation built on principles and values such as business ethics, integrity or responsibility.



STRATEGIC GOAL

SUSTAINABLE COMPANY DEVELOPMENT BY PROMOTING BEST PRACTICES

SECTORIAL GOALS

- i. Formalizing the sustainability commitment via the sustainability strategy and the responsible governance policy
- ii. Observing business rules and ethics, as well as the zero-tolerance policy regarding corruption, are part of our business model
- iii. Reporting to the highest of standards in terms business relations, by observing business rules and ethics, in relation to both internal and external factors.
- iv. Implementing the best procurement practices regarding the supply chain, by evaluating suppliers in terms of their impact in society and based on their compliance with human rights and environmental regulations.



COMMITMENT TO SUSTAINABILITY



RESPONSIBLE GOVERNANCE



BUSINESS ETHICS



SUSTAINABLE SUPPLY CHAIN



THE IULIUS SUSTAINABILITY APPROACH

The three pillars cover sustainability at the business level in a general context, and address the 3 ESG dimensions:

- **E** – Indicators related to efficiency actions and measures undertaken to monitor and reduce the environmental footprint of the portfolio;
- **S** – Indicators related to the relation between the company and stakeholders and the direct social impact of company's activities;
- **G** – Indicators related to corporate governance, policies and procedures, as well as the organization-wide ESG approach.

IMPLEMENTATION

In the strategic development process, the stage of outlining the directions of action is followed by the implementation of the Action Plan. This marks the transition from the informational, analytical strategy formulation stage to the action stage, in which the previously defined objectives are implemented, a difficult process often marked by rejection of the idea of change and all sorts of unforeseen circumstances.

These operational actions must be permanently coupled with actions to monitor, control and evaluate the performance that results from implementing the strategy. It is therefore essential that the implementation of the sustainability strategy be overseen by specialists who manage the level of stakeholder involvement in the process.

Certain aspects have to be observed for the strategy to be properly implemented:

- Optimal management of material and human resources required to achieve the proposed objectives;
- Emphasis on the efficient allocation of responsibilities, actions and budget for each strategic initiative;
- Interdisciplinary cooperation between all key departments of the company.

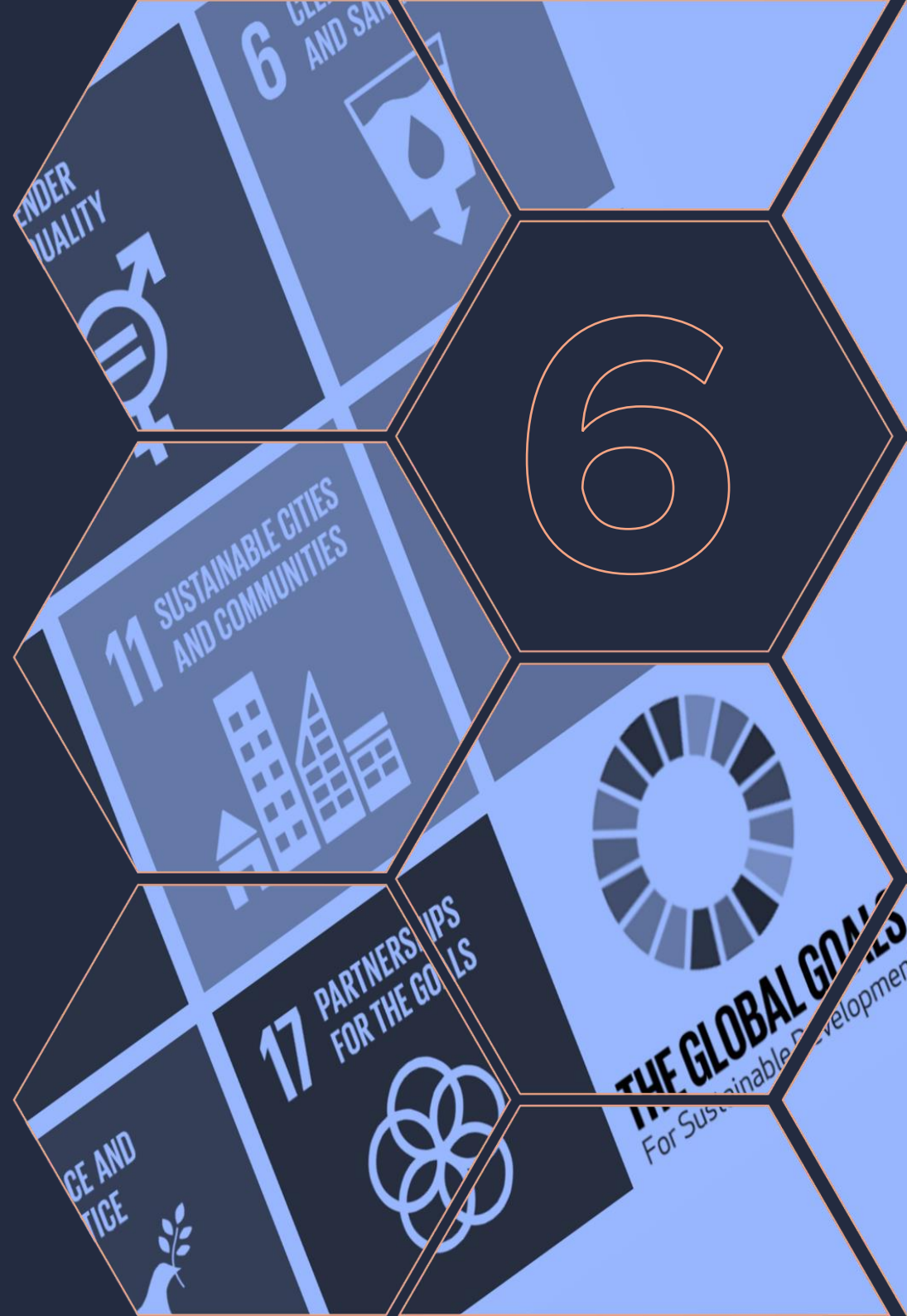
The process of implementing the actions in the Sustainability Strategy will be carried out in an organized manner, by setting up a Sustainability Committee and a Sustainability Task Force with the following responsibilities:

- Oversee the implementation of the Sustainability Strategy;
- Analysis and verification of new activities initiated within the Group that may have an environmental, social or governance impact;
- Reporting its position on ESG issues and possible irregularities related to key ESG issues, etc.

MONITORING AND EVALUATION

The implementation of the plan of measures and actions outlined in the Sustainability Strategy requires a thorough planning process, and the monitoring and evaluation seek to assess the degree of achievement of the activities proposed in the strategy document, as a whole, and to inform potential revisions and modifications of objectives, targets, plans of measures and actions.

our contribution
to achieving the
UN's Sustainable
Development
goals




SUSTAINABLE DEVELOPMENT GOALS

[GRI 102-12]

By means of the Sustainability Strategy, IULIUS has declared its commitment to contribute to the sustainable development of communities in full accordance with the UN's Sustainable Development Goals. The table below highlights the correlation between the goals undertaken in the IULIUS sustainability strategy and the Sustainable Development Goals.

The Sustainable Development Goals (SDGs) are an ambitious action plan of the United Nations through the 2030 Agenda to achieve global peace and prosperity. The goals set a number of ambitious targets that address issues such as eradicating extreme poverty, fighting inequality and injustice, and protecting the planet by 2030.

| PILLAR | DIRECTIONS OF ACTION | SECTORIAL GOALS | SDG | SDG TARGET |
|--------------------------|---|--|--|---|
| CARE FOR THE ENVIRONMENT | FIGHTING CLIMATE CHANGE, AND ENERGY EFFICIENCY | Creation of a property portfolio that is efficient in terms of greenhouse gas emissions (GHG) and that will help in achieving the 'Net-Zero Emissions' level |  | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix |
| | SUSTAINABLE BUILDINGS AND LOCATIONS | Development of landmark mixed-use urban projects and models that constitute poles of sustainable development within their respective communities | | 7.3 By 2030, double the global rate of improvement in energy efficiency |
| | CIRCULAR ECONOMY AND RESPONSIBLE USE OF RESOURCES | Reduction of the quantities of un-reclaimed waste, near-zero landfilling, via joint actions undertaken with our partners | | 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management |
| | SUSTAINABLE BUILDINGS AND LOCATIONS | Development of landmark mixed-use urban projects and models that constitute poles of sustainable development within their respective communities | | 11. By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities |

INVESTING IN PEOPLE AND BUILDING STRONG COMMUNITIES

CIRCULAR ECONOMY AND RESPONSIBLE USE OF RESOURCES

Reduction of the quantities of un-reclaimed waste, near-zero landfilling, via joint actions undertaken with our partners



12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

FIGHTING CLIMATE CHANGE, AND ENERGY EFFICIENCY

Creation of a property portfolio that is efficient in terms of greenhouse gas emissions (GHG) and that will help in achieving the 'Net-Zero Emissions' level



13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

PARTNERSHIP FOR THE COMMUNITY

Developing, together with our partners, projects that generate a positive impact in the local community and provide added socioeconomic value. We aim to instill a sense of social responsibility in our area of influence via annual community awareness and engagement actions.



12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature



17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

RETAINING LOCAL TALENT AND DEVELOPING HIGH - PERFORMANCE TEAMS

Active contribution toward increasing the employment rate within local communities in view of retaining talents. At an internal level, we wish to have our company recognized as a model employer, by promoting a culture based on inclusion and development, and by providing a safe and healthy work environment



8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

CORPORATE GOVERNANCE AND
BUSINESS ETHICSWELLBEING, HEALTH
AND SAFETY

Increasing the quality of life for the people we interact with daily, by promoting health and the concept of 'wellbeing', improving the level of satisfaction for the visitors and employees in our centers alike. Furthermore, employees will be encouraged to become factors of change in terms of sustainability within the community.



3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all



11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

COMMITMENT TO
SUSTAINABILITY

Formalizing the sustainability commitment via the sustainability strategy and the responsible governance policy



12.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



17.14 Enhance policy coherence for sustainable development

SUSTAINABLE SUPPLY
CHAIN

Implementing the best procurement practices regarding the supply chain, by evaluating suppliers in terms of their impact in society and based on their compliance with human rights and environmental regulations.



12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

corporate governance and business ethics

COMMITMENT TO SUSTAINABILITY

RESPONSIBLE GOVERNANCE

BUSINESS ETHICS AND ANTI-CORRUPTION

SUSTAINABLE SUPPLY-CHAIN



A. COMMITMENT TO SUSTAINABILITY

[GRI 102-18, 102-19, 102-20]

ESG COMMITMENT

In the current context, sustainability is a topic that must be addressed responsibly and should be a staple in the business strategy of major companies. We are aware that non-financial performance is becoming increasingly important and is an essential component in creating the overall image of the company.

For IULIUS, sustainability is integrated into the business model. As of 2021, the company has governance structures dedicated to sustainability and designed to ensure the development and the unified and consolidated implementation of the sustainability strategy across all companies within the Group, as part of its corporate governance best practices.

In this regard, we have reinforced our commitment to maintain the highest environmental, social and corporate governance standards in all the activities we carry out, so as to deliver long-term value to communities.

Emilian GROSU, CEO | Chairman of the Sustainability Committee



DELEGATING AUTHORITY ON ESG ISSUES

Considering the need to ensure the uniform and consolidated development and implementation of the sustainability strategy across all IULIUS Group companies as part of corporate governance best practices, the organization **has set up a sustainability committee (the “Sustainability Committee”)**, consisting of representatives of the Group’s senior management, so that the highest professional competences of the Group are involved in the sustainability decision-making process, and the implementation of these decisions is properly ensured.

The primary role of the Sustainability Committee is to assist the management of IULIUS in developing its sustainability strategy and to coordinate the management of sustainability issues within its business operations in line with the company’s values.

By resolution of the Sustainability Committee, a Sustainability Task Force (the “Sustainability TASK-FORCE”) was set up, whose main role is to assist the Committee in implementing the sustainability strategy.

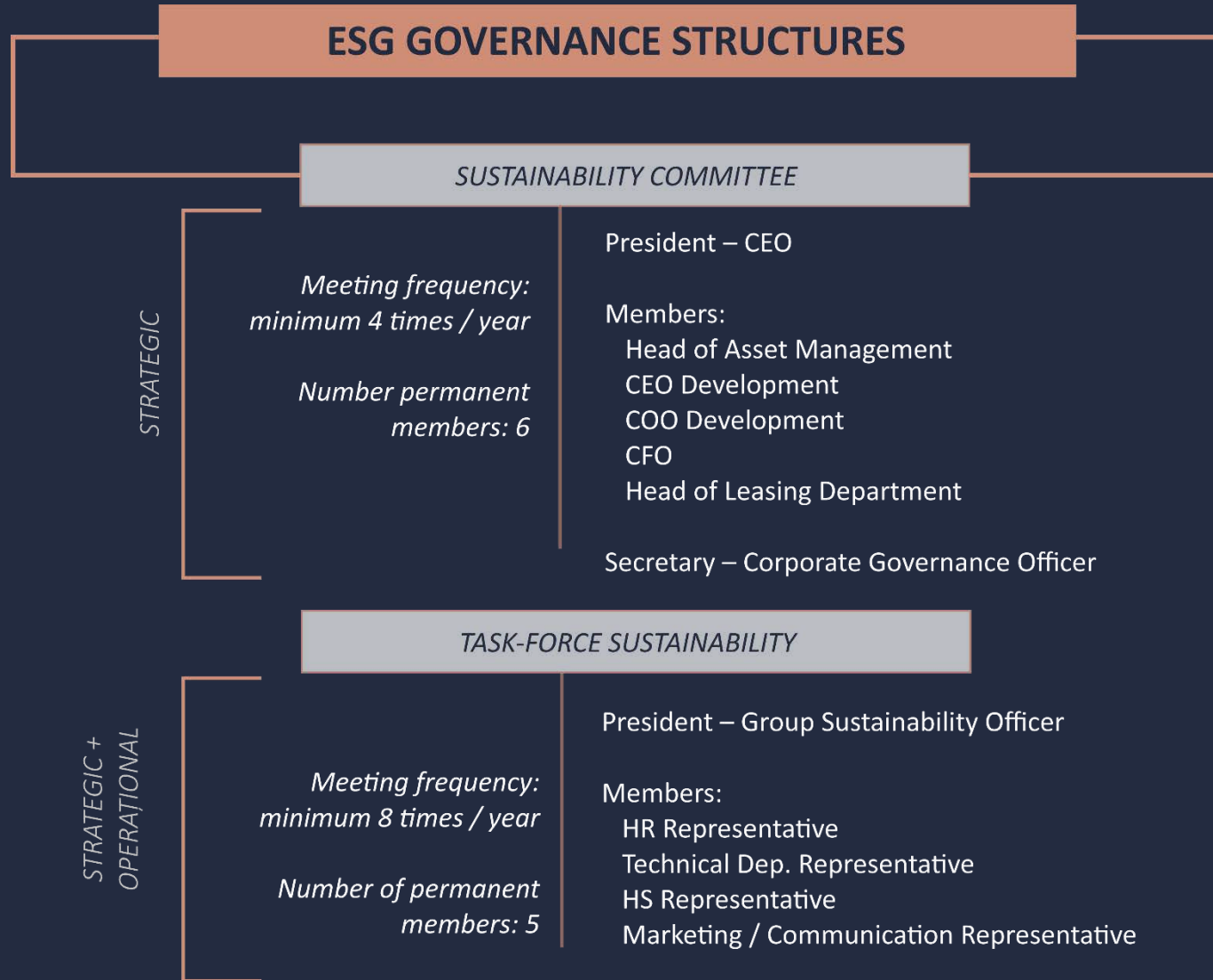
The Sustainability Committee therefore has a **strategic role**, while the Sustainability Task Force **establishes and implements the appropriate tactics to implement the sustainability vision of the Group**. In order to fulfil its duties, the Sustainability Task-Force must comply with the best environmental, social and corporate governance (“ESG”) standards, as well as applicable legal regulations.

The Sustainability Task-Force is comprised of 5 (five) people, one chairperson and 4 members, appointed such as to ensure a balanced decision-making process, representing as many stakeholder perspectives as possible, according to the scheme below.

The most important duties of the Sustainability Task-Force include:

- Identifying the needs and development opportunities in terms of ESG and proposing them to the Sustainability Committee for inclusion in the Group's Sustainability Strategy;
- Initial ESG assessment of any new development project or for any substantial changes to existing, planned or ongoing projects within the group;
- Development and implementation of the Environmental and Social Management System (ESMS), in line with best practice in the field;
- Identifying relevant performance indicators in terms of ESG, in particular environmental, health and safety;
- Developing the ESG reporting system, monitoring the accurate and timely reporting of environmental, social and governance factors that may impact the business of IULIUS Group.

ESG DEDICATED GOVERNANCE STRUCTURES



B. RESPONSIBLE GOVERNANCE

[GRI 102-18, 102-22]

IULIUS Group is committed to conducting its business in a responsible and sustainable manner, pursuing the well-being of all stakeholders.

To this end, the IULIUS team has a sustainable development expert as Group Sustainability Officer, whose role and mandate is to develop the sustainability strategy of IULIUS Group, to coordinate and supervise the correct implementation of relevant operating procedures, as well as to identify the most effective means to improve same.

Furthermore, IULIUS has also completed its team with a corporate governance expert (Corporate Governance Officer), with a role in establishing the governance architecture of the group, developing governance policies and processes, and the effective Group-wide implementation of the governance framework.

MANAGEMENT STRUCTURE

Given the specific organization across IULIUS Group, the management of the group is ensured via the management structure of the management companies (SC IULIUS Management Center SRL, SC IULIUS Real Estate SRL, and SC ATTRIUS Developments SRL), respectively via administrators and general managers (executive management). The administrators' and executive managers' duties are determined in the articles of incorporation of the companies and are in line with the applicable legal framework.

Composition of the management structure – gender diversity targets:

IULIUS Group recognizes that management diversity is essential to ensure a healthy decision-making process, creating the necessary framework for constructive debate. In the process of identifying suitable candidates for employment and promotion within IULIUS Group, we consider the professional merits of each candidate, while also seeking the benefits of diversity, taking into account the characteristics of each candidate.

We offer equal opportunity of promotion at every career stage by means of recruitment actions recruitment (career fairs) and retention actions alike (professional development programs, leadership and management programs), which are expressly accessible to all employees, regardless of their gender.

The goals in terms of diversity and balance of professional competencies (theoretical and practical experience, knowledge etc.) are set as of 2021 in the Sustainability Strategy and are checked annually during the corporate governance regular review process.

DECISION-MAKING PROCESS

The management structure of IULIUS ensures a balance between its members so that no one person or small group of people can dominate the decision-making process within this structure. Decision-making within the management is transparent, based on functional and value criteria, so that leaders can be held accountable for all decisions made in the exercise of their powers.

RISK AND INTERNAL CONTROL

RISK MANAGEMENT

Risk management within the company contains the effective analysis and monitoring of significant risks that may arise within our operations. Practically, within the IULIUS Group, operational risks were mapped via a comprehensive matrix within all the 116 operational activities. For each operational activity, the specific risks were made aware of, together with the persons in charge of these internal processes. The effective methods of risk management are well established together with the best practices for the permanent updating of the internal regulatory framework to keep them updated.

Their analysis, documentation, assessment, together with the planning of mitigating actions continue to be centralized by the **Group's internal audit team**, consisting of employees with extensive experience in their specialized field and carries out periodic audit missions, punctual or thematic, based on an annual audit plan or within ad hoc missions.

Our Internal Audit Department is well established at a high hierarchical level within our organization having a direct reporting line to the top management and, as such, it has the required independence and authority to effectively fulfill the role of the main internal control function.

EMERGENCY SITUATION MANAGEMENT

Procedures, equipment and interventions during emergency situations are managed in compliance with the relevant national laws in force. Prevention and intervention actions in the event of emergency situations are constantly analyzed, optimized and tested, and employees are frequently trained on how to eliminate risks and how to behave in such situations. To this end, practical exercises to simulate emergency situations and first aid trainings are constantly organized. Information is also provided on techniques to prevent computer fraud.

COMPLIANCE AND SUSTAINABILITY

The company strives to comply with the best practices and standards existing in our industry and focuses on the sustainable development of its business for the benefit of all stakeholders.

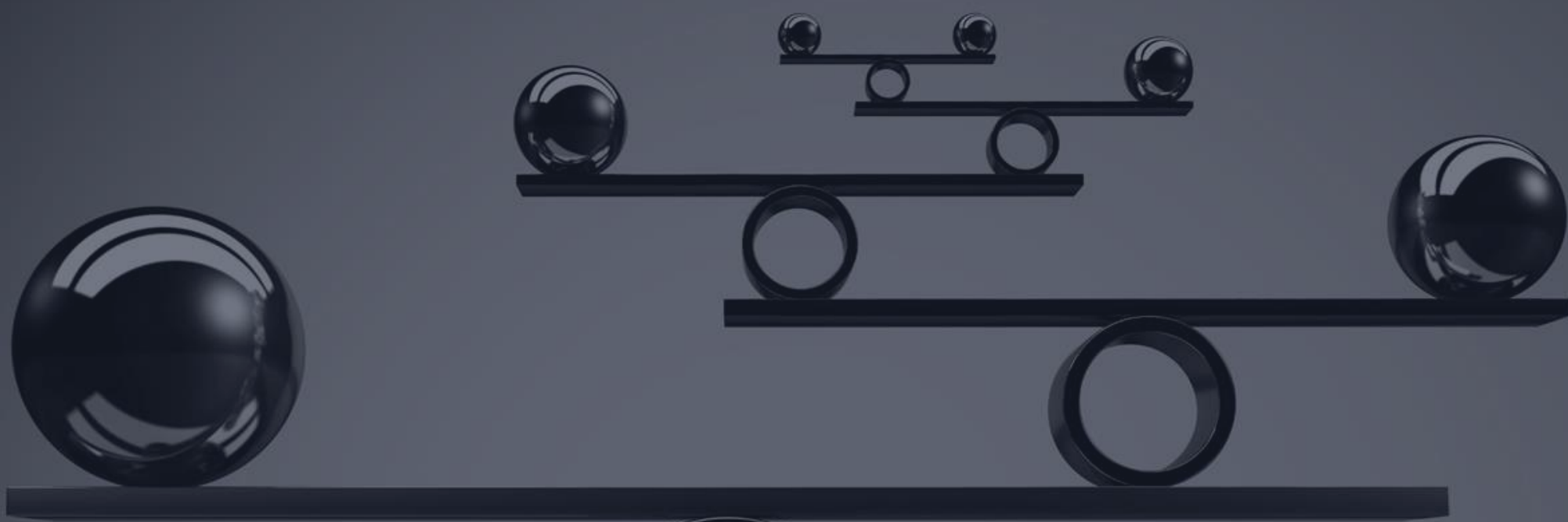
C. BUSINESS ETHICS AND ANTI-CORRUPTION

[GRI 103-1, 102-25, 205-2]

IULIUS is a fair and honest competitor, following business standards that are observed by the staff of all Group companies. IULIUS Group strictly follows the national legislative framework as well as the best practices and standards existing within its industry. Any violation of national policies or legislation relating to the prevention and punishment of corruption is deemed a serious departure from the Group's values, rules or principles and leads to disciplinary sanctions or, where appropriate, the termination of any contractual or collaborative relationship with IULIUS Group.

IULIUS employees are people of integrity and responsibility, both in their dealings with the public, partners and customers and in the way they interact with other colleagues. The activity of the company is based on a code of ethical conduct, which outlines the principles, standards of integrity and business conduct of IULIUS. A Whistleblower tool is also implemented, which allows any information about employee activity, recommendations or possible irregularities to be submitted anonymously to management. IULIUS Company provides professional services in accordance with policies and technical standards to meet contractual obligations and maintain good reputation.

IULIUS is passionately committed to respecting human rights as set out in the Universal Declaration of Human Rights and, through its Internal Regulations and Code of Ethical Conduct, it imposes firm obligations on its employees with regard to respecting human dignity, equality of opportunity and treatment, to protect the life and health of staff and collaborators by ensuring a safe and healthy working environment.



As a general policy, conflicts of interest are prohibited within IULIUS Group. Conflicts of interest may arise whenever a person's interest interferes with the interests of the Group. Given the unclear nature of conflicts of interest, employees may consult with the HR Manager for a better understanding of situations that may give rise to conflicts of interest.

As of 2021, IULIUS Group has been implementing a set of policies addressing respect for human rights, equity and diversity, as well as ethics and anti-corruption as part of its internal sustainability framework.



D. SUSTAINABLE SUPPLY CHAIN

[GRI 102-9]

We are fully aware that the development of a sustainable supply chain is a real opportunity to make a genuine impact in local communities by adopting sustainable procurement principles.

PRINCIPLES

The themes and principles that will guide the implementation of the IULIUS Group's Sustainable Procurement Policy are set out in the table below. Moreover, the table also includes the complementarity of the themes with the three pillars: environmental, social and economic.

OUR VISION

Developing and implementing a sustainable supply chain is no longer a choice but an ethical obligation to address the challenges of the world we live in, marked year after year by increasing climate change and human and labor rights abuses. Developing a sustainable supply chain will be IULIUS Group's contribution to achieving Sustainable Development Goal 12 – Sustainable Consumption and Production.

| TEMĂ | ESG Pillars | | |
|--|-------------|--------|----------|
| | ENVIRONMENT | SOCIAL | ECONOMIC |
| GHG emissions (carbon footprint) | ✓ | | |
| Energy efficiency | ✓ | | ✓ |
| Circular economy – waste reduction, reutilization, recycling | ✓ | | ✓ |
| Responsible use of resources | ✓ | | |
| Community impact | | ✓ | ✓ |
| Employees health and safety | | ✓ | |
| Labor and human rights | | ✓ | |
| Supply chain ethics | ✓ | ✓ | ✓ |
| Business ethics | | | ✓ |



care for the environment

8


SUSTAINABLE LOCATIONS & BUILDINGS

LOW CARBON EMISSIONS

CIRCULAR ECONOMY AND EFFICIENT USE OF RESOURCES

SUSTAINABLE URBAN CONNECTIVITY AND MOBILITY



A teal-tinted photograph of a city skyline reflected in a body of water. The scene is framed by weeping willow branches hanging down from the top and sides. The water is calm, creating clear reflections of the buildings and trees. The sky is a uniform teal color.

Sustainability means first and foremost 'Care for the ENVIRONMENT', which for us aims to achieve a strategic objective – reducing the environmental footprint of the IULIUS operating portfolio via global initiatives regarding climate change.

A. SUSTAINABLE BUILDINGS AND LOCATIONS

HIGH-PERFORMANCE SUSTAINABLE BUILDINGS

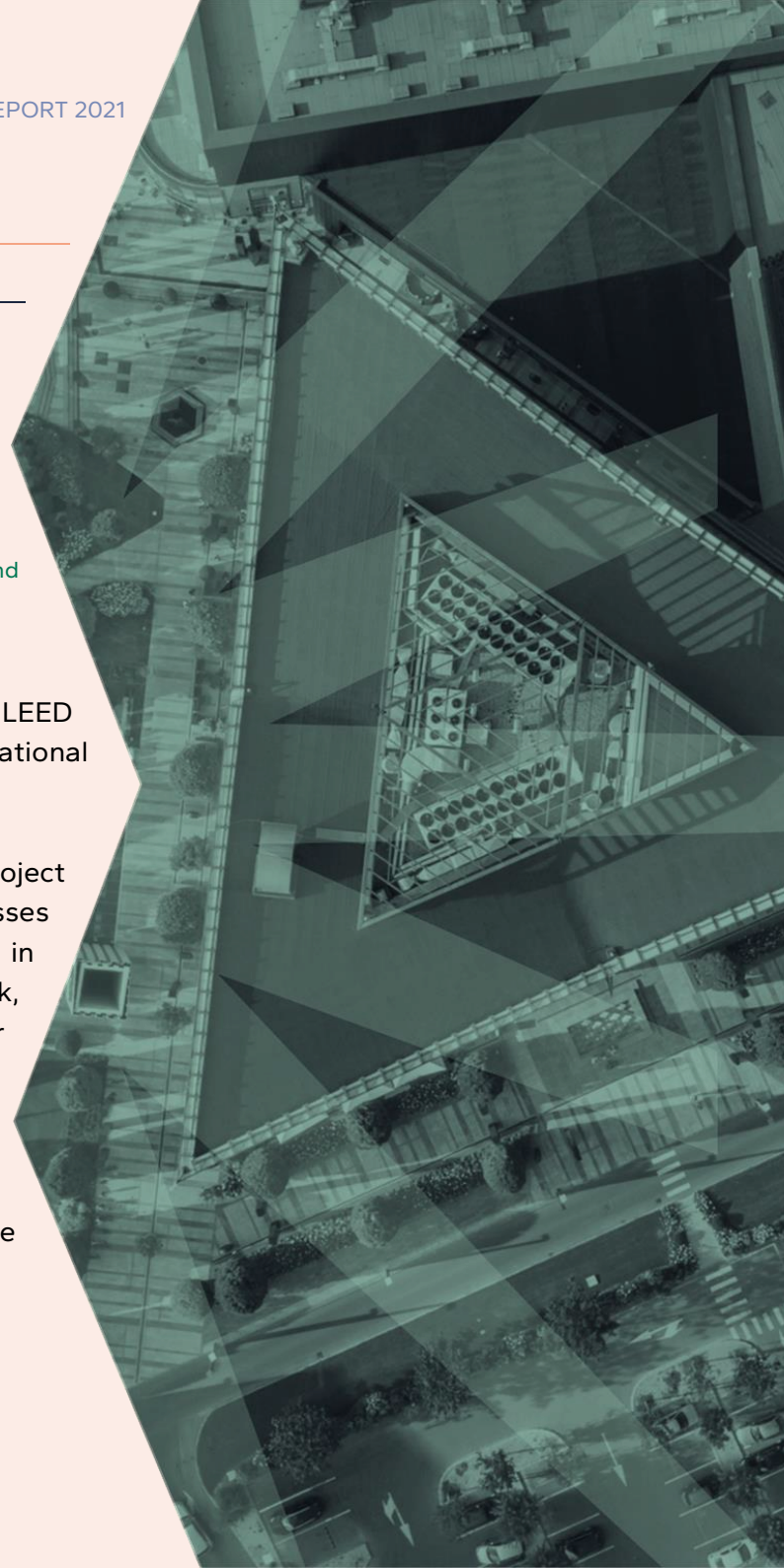
KEY ASPECTS:

- The entire portfolio of IULIUS projects either has green certifications or is pending certification
- Palas Campus – the first green loan; the first project of its kind undergoing two certification processes simultaneously
- Palas urban complex – the only LEED Neighborhood certified project in Central and Eastern Europe
- UBC3 office building in Timișoara – LEED Platinum certified

Each project in our portfolio, both operating and pending development, has LEED certifications, which means they are designed and built-in line with international efficiency and sustainability principles.

lași stands out in this respect owing to Palas Campus, the first mixed-use project pending development in Romania that is undergoing two certification processes simultaneously: EDGE and LEED. The project obtained the first green loan in Romania (72 million Euro) granted by the IFC, a division of the World Bank, which means it will be EDGE certified (Excellence in Design for Greater Efficiencies).

Palas lași urban complex is the only project in Central and Eastern Europe to be awarded the LEED® Neighborhood Development certification for its positive impact on the community and the sustainable manner in which the integrated buildings were designed and built.



IULIUS PORTFOLIO – GREEN CERTIFICATES

| LOCATION | PROJECT | CERTIFICATION | TYPE | CERTIFICATION LEVEL | YEAR | |
|-------------|-----------------------|--------------------------------|----------------------------|--------------------------------|--------|------|
| IAȘI | PALAS Ensemble | LEED | ND ¹ | Silver | 2020 | |
| | UBC 1 | LEED | EBOM ² | Gold | 2019 | |
| | UBC 5 | LEED | EBOM | Gold | 2019 | |
| | Iulius Mall | LEED | EBOM | Gold | 2020 | |
| | Palas Campus | | LEED | <i>under certification</i> | - | - |
| | | | EDGE | <i>Preliminary certificate</i> | - | - |
| | | Family Market Miroslava | | <i>under certification</i> | - | - |
| | | Family Market Bucium | LEED | <i>under certification</i> | - | - |
| | SUCEAVA | Iulius Mall | LEED | EBOM | Silver | 2019 |
| | | Iulius Mall | LEED | EBOM | Gold | 2021 |
| UBC0 | | LEED | <i>under certification</i> | - | - | |
| TIMIȘOARA | UBC1 | LEED | CS ³ | Gold | 2020 | |
| | UBC2 | LEED | EBOM | Gold | 2019 | |
| | UBC3 | LEED | CS | Platinum | 2020 | |
| | Iulius Mall | LEED | EBOM | Silver | 2019 | |
| CLUJ-NAPOCA | UBC Tower | LEED | NC ⁴ | Gold | 2017 | |
| | UBC1 | LEED | NC | Gold | 2017 | |

¹ ND – Neighborhood Development

² EBOM – Existing Buildings & Operations

³ CS – Core & Shell

⁴ NC – New Construction

ENVIRONMENTAL COMPLIANCE

[GRI 103-1, 103-2, 103-3, 307-1]

The impact our activities have on the environment ranges from the impact on the water we consume and discharge, all the way to our carbon footprint. The environmental management system of the company includes an assessment of the risks and impacts our operations have on environmental factors and ensuring compliance with performance requirements for energy consumption, GHG emissions, waste management.

The general goals in the environmental standard of the company refer to:

- compliance with the legal requirements laid down in the permits and opinions we hold in the field of environmental and related legislation;
- fulfilment of commitments to customers;
- identifying, controlling and reducing the environmental impacts of our operations.

We comply with environmental legislation and regulations in accordance with the obligations arising from environmental permits issued by local environmental bodies. In 2021 there were three significant exceedances of wastewater quality indicators. No exceedances were recorded in the other environmental factors analyzed, demonstrating a continued commitment to improving environmental performance.

Number of significant exceedances of water quality indicators

| 2021 | 2020 | 2019 |
|------|------|------|
| 3 | 1 | 2 |



Iulius Gardens are fitted atop underground parking facilities, but they are embellished by thousands of mature trees as old as 200 years and imported from Italian nurseries, which makes it seem like they have been here forever.

GREEN AREAS

KEY ASPECTS:

- GREEN SPACE RATIO of the total area: Palas Iași – 45.7%;
- INVESTMENTS – over 17 mil. euro initial investment in fitting out green spaces across our centers
- The trees in Palas Iași, Iulius Town Timișoara and Iulius Mall Cluj annually absorb ca. 75 tons of CO2

IULIUS is the first developer to have its projects primarily anchored by urban gardens. Nature belongs among people, therefore we created green oases where they already existed, in the heart of our projects. The community embraces these spaces, as they play a social catalyst role, while also providing a green connection to the city.

The EU recommendation on the ratio of green spaces/inhabitant is a minimum of 26 sqm/inhabitant. According to data from the National Institute of Statistics, none of the cities below reach this value:

| | |
|-------------|--------------------------------------|
| IASI | 17,7 sqm of green space / inhabitant |
| CLUJ-NAPOCA | 25,0 sqm of green space / inhabitant |
| TIMIȘOARA | 16,0 sqm of green space / inhabitant |

Our projects meet this need by being located in the central areas of cities and offering diversified leisure opportunities. For example, in Palas Iași alone the area of fitted green spaces makes up more than 45% of the total area owned by the complex.

3 urban gardens * 130,000 sqm * 80,000-plus mature trees and shrubs * Venetian carousel * lakes * outdoor plazas * 1,000 events every year * 17 million Euro initial investment.





PALAS



PALAS IAȘI PARK

Palas Park is a cohesive complex that is splendidly integrated with the Palace of Culture, the unanimously recognized symbol of Iași. The garden is located on the former grounds of the Princely Court of Iași and it preserves the grandeur worthy of a palace, while also addressing the need for an accessible and comfortable space for its modern visitors, adults and children alike.

The park is adorned with approximately 50,000 shrubs from species such as Berberis, viburnum, lilac, mahogany, dwarf pine, juniper, and Cornus shrubs. There are flowers everywhere you look around the garden: azaleas, hydrangeas, roses, daffodils, and lilies. The entire green space comprised in Palas Park is serviced by an efficient automatic irrigation system fitted with fully electronic control, just like the hydraulic and electrical system for the fountains and the lake.

The initial investment committed by IULIUS Company towards developing Palas Park added up to approximately 2.5 million Euro, but the time-tried value of the park is impressive well beyond the figures.

Palas Park is the representation of our vision, namely that by emphasizing the impact we make on people's lives, we can build something sustainable that no architectural project can ever cover: the future of a community.



50.000 sqm | 50.000 shrubs | 1.000 trees

IULIUS PARK CLUJ

As of 2013, on a 30,000 square meters area around Gheorgheni Lake, people have been strolling, lying down on the lawn, running or biking in one of the most beautiful parks in Cluj-Napoca. Regenerating the area entailed planting 18,000 trees and shrubs, plus approximately 10,000 square meters of traffic intensive turf, so that all the visitors can spend time together and lie down directly on the grass. The variety of the park is complete by willows, yellow lilies, roses, and hydrangeas.

The center of the park accommodates a green esplanade surrounded by superb pyramidal oak trees, providing a generous area for recreational and leisure activities. Nearby Iulius Mall, alongside towering lindens and plum trees, there is a Japanese-style corner specially designed around a large Bonsai tree.



30.000 sqm | 18.000 trees and shrubs | 10.000 sqm lawn



IULIUS GARDENS



IULIUS GARDENS TIMIȘOARA

The novelty of the Iulius Town project is complete by original green spaces dominated by linden trees that are carefully groomed and set up to delineate a perimeter of free forms, in opposition to the sky-high buildings of the new town. An 800 square meters lake set in the heart of the garden is the attraction surrounded by various destinations, ranging from playgrounds for children to paved areas, a gazebo and an extensive lawn designed to accommodate events and shows. The park alleys lead towards pergola-shaded relaxation corners, stunning pockets of vegetation, or a unique fountain sculpted in marble by an Italian artist. In addition to the 1,400 mature trees planted here, the vegetation in Iulius Gardens also includes 10,000 shrubs and 45,000 decorative plants.

55.000 sqm | 10.000 shrubs | 1.400 trees

#IuliusGardens stories in photos

Period: June-July 2021

Photo contest for photography and nature enthusiasts to take the most beautiful photos with their phone or camera, capturing their favorite corner of nature in the parks of Palas Iași and Iulius Gardens Timișoara.

www.iuliusgardens.ro





We emit more CO₂ than we can absorb!

Of our centers fitted with gardens / parks / green spaces, namely Palas Iași, Iulius Town Timișoara and Iulius Mall Cluj, we estimate that the planted trees alone absorb a minimum of 75 tons of CO₂ every year.

More precisely, the trees planted in Iulius Town Timișoara absorb an average of 29.4 tons of CO₂ annually, in Iulius Mall Cluj-Napoca approximately 25.2 tons, and in Palas Iași the average annual value is approximately 21 tons.

B. LOW CARBON EMISSIONS

[GRI 103-1, 103-2, 305-1, 305-2]

KEY ASPECTS:

- Corporate Carbon Footprint – carbon footprint audit conducted in 2021

The real estate industry is responsible for 38% of the total energy consumption and 29% of GHG emissions in the EU. Thus, a real estate industry-wide approach to decarbonization is key to achieving the EU's carbon footprint reduction targets and efforts.

Given the high level of concern about climate change, IULIUS Group is committed to reducing the overall environmental impact of its operations by applying best practices. The way we manage energy efficiency, water and waste plays an important role in achieving our sustainability goals.

To this end, IULIUS has conducted a baseline inventory of carbon emissions from its entire portfolio of operations to better understand where these emissions are coming from. The purpose of such a GHG emissions audit is to provide a basis for developing a plan of measures and actions to reduce the carbon footprint, and to improve the environmental performance of the company in the context of meeting the targets set by the Paris Convention.

Sectorial Objective 2: Create a portfolio of GHG efficient properties that contribute to achieving Zero Net Emissions.

CH₄N₂O

HFC

Scope 2
INDIRECT

Scope 1
DIRECT

Scope 3
INDIRECT

electricity, steam,
cooling for own use

leased assets

company
facilities

employee
commuting

business
travel

company
vehicles

Reporting company

GREENHOUSE GAS EMISSIONS (GHG) BALANCE SHEET

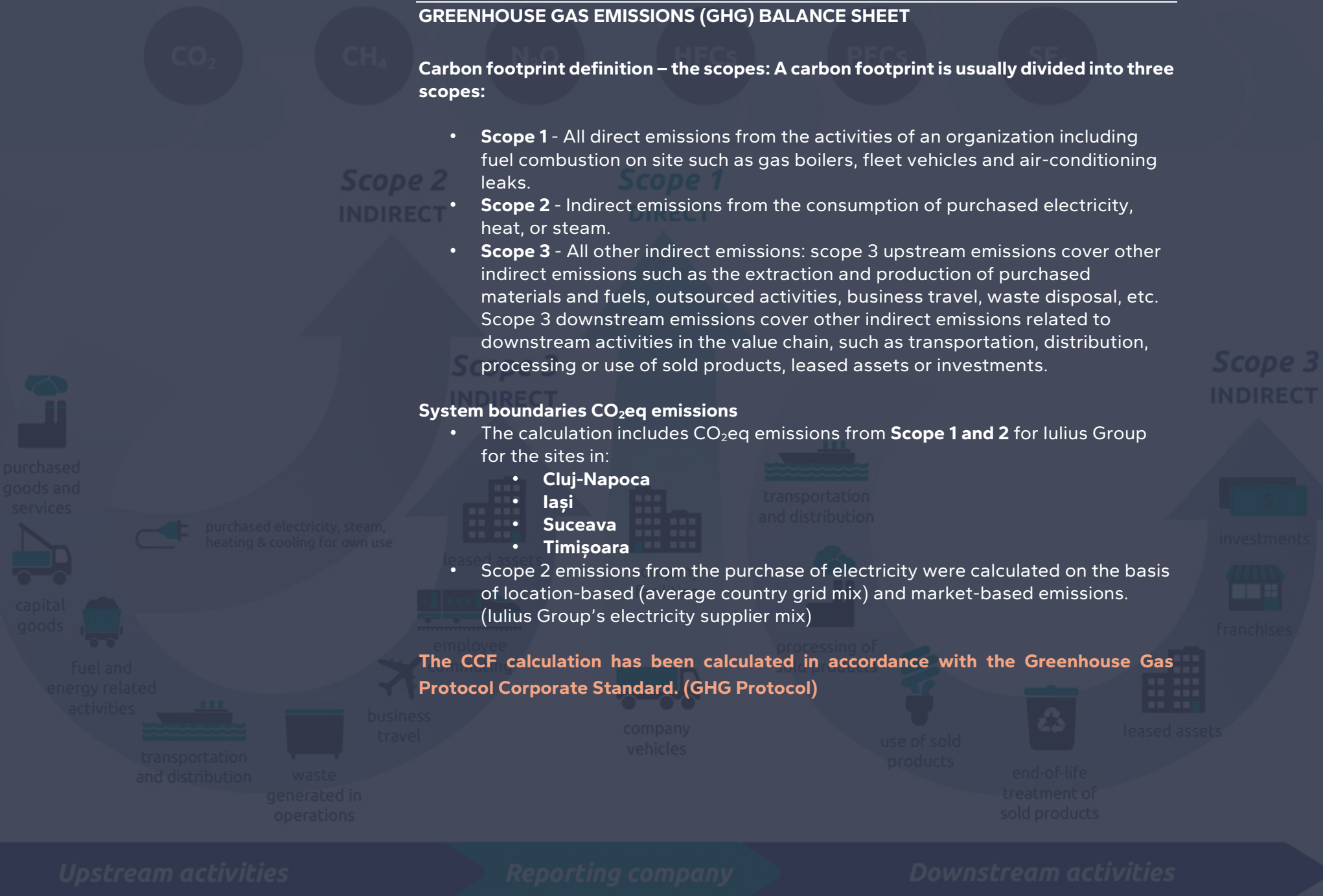
Carbon footprint definition – the scopes: A carbon footprint is usually divided into three scopes:

- **Scope 1** - All direct emissions from the activities of an organization including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.
- **Scope 2** - Indirect emissions from the consumption of purchased electricity, heat, or steam.
- **Scope 3** - All other indirect emissions: scope 3 upstream emissions cover other indirect emissions such as the extraction and production of purchased materials and fuels, outsourced activities, business travel, waste disposal, etc. Scope 3 downstream emissions cover other indirect emissions related to downstream activities in the value chain, such as transportation, distribution, processing or use of sold products, leased assets or investments.

System boundaries CO₂eq emissions

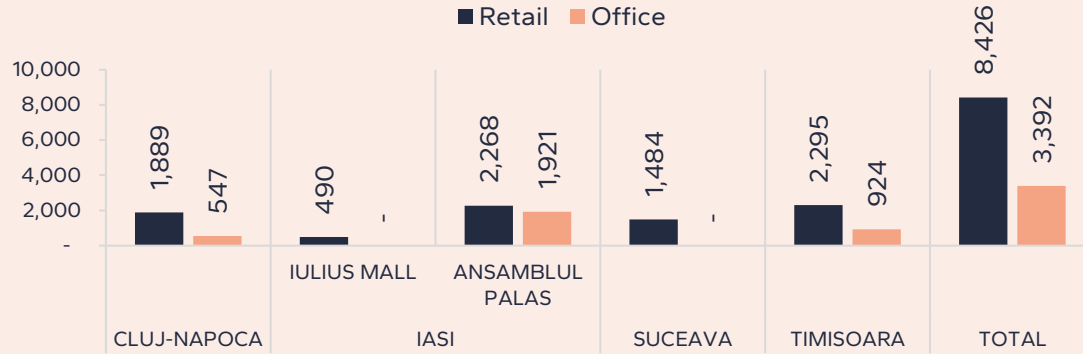
- The calculation includes CO₂eq emissions from **Scope 1 and 2** for Iulius Group for the sites in:
 - Cluj-Napoca
 - Iași
 - Suceava
 - Timișoara
- Scope 2 emissions from the purchase of electricity were calculated on the basis of location-based (average country grid mix) and market-based emissions. (Iulius Group's electricity supplier mix)

The CCF calculation has been calculated in accordance with the Greenhouse Gas Protocol Corporate Standard. (GHG Protocol)

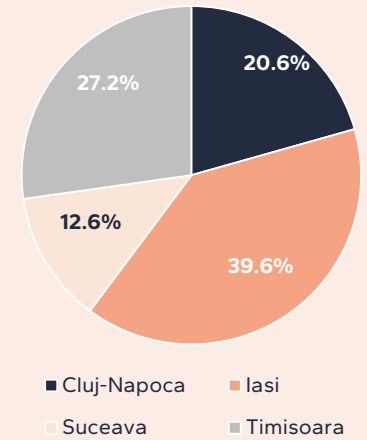


TOTAL EMISSIONS – SCOPE 1 + 2 /2019

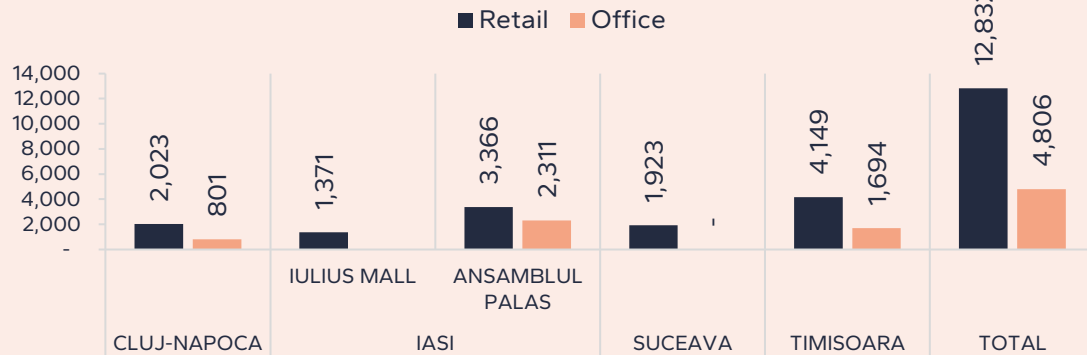
Scope 1 GHG emissions from retail and office buildings (tCO2eq) - 2019



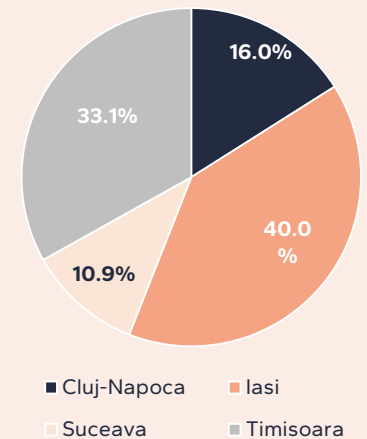
Scope 1 - 2019



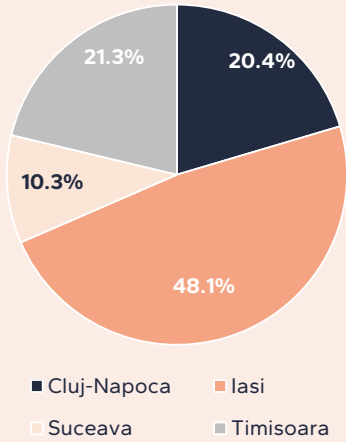
Scope 2 GHG emissions from retail and office buildings (tCO2eq) - 2019



Scope 2 - 2019

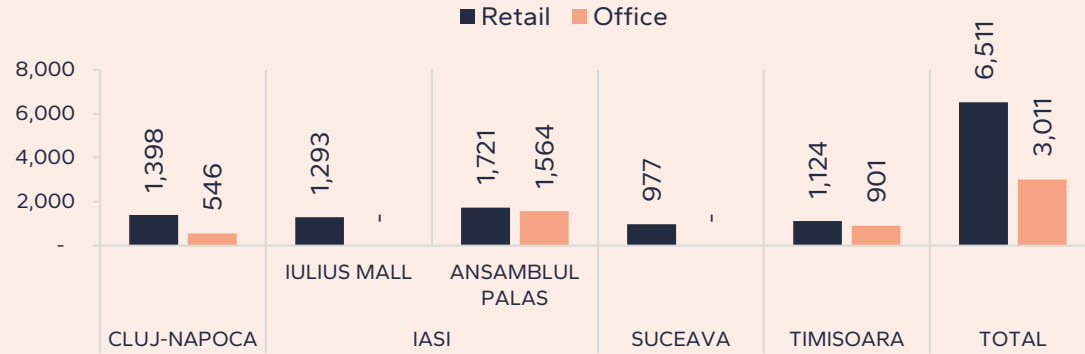


Scope 1 - 2020

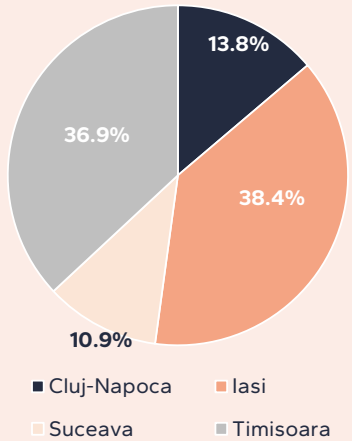


TOTAL EMISSIONS – SCOPE 1 + 2 /2020

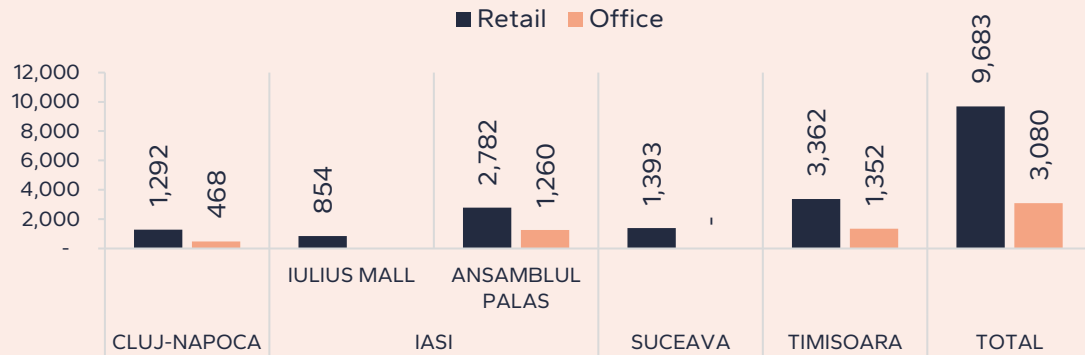
Scope 1 GHG emissions from retail and office buildings (tCO2eq) - 2020



Scope 2 - 2020

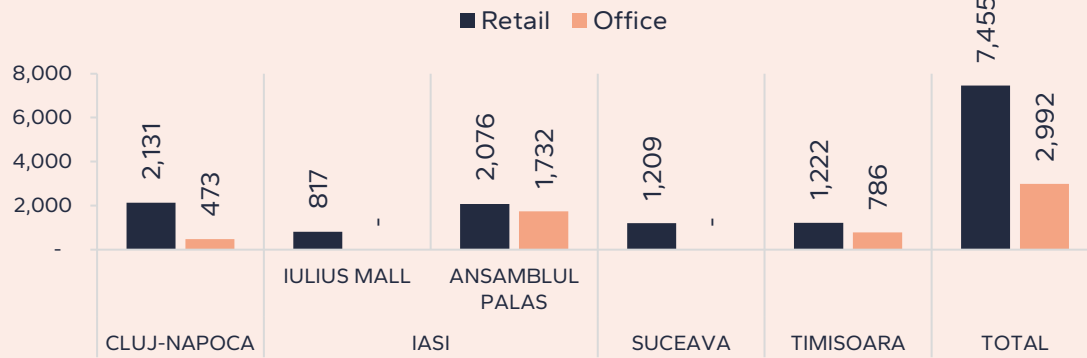


Scope 2 GHG emissions from retail and office buildings (tCO2eq) - 2020

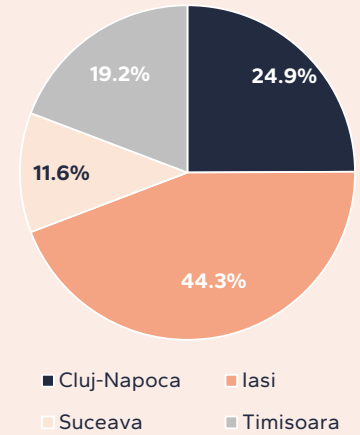


TOTAL EMISSIONS – SCOPE 1 + 2 /2021

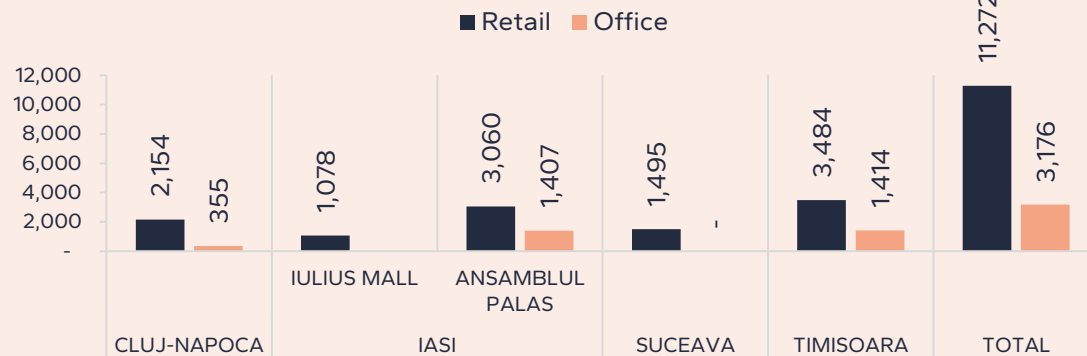
Scope 1 GHG emissions from retail and office buildings (tCO₂eq) - 2021



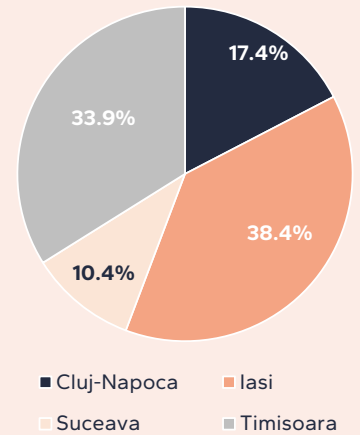
Scope 1 - 2021

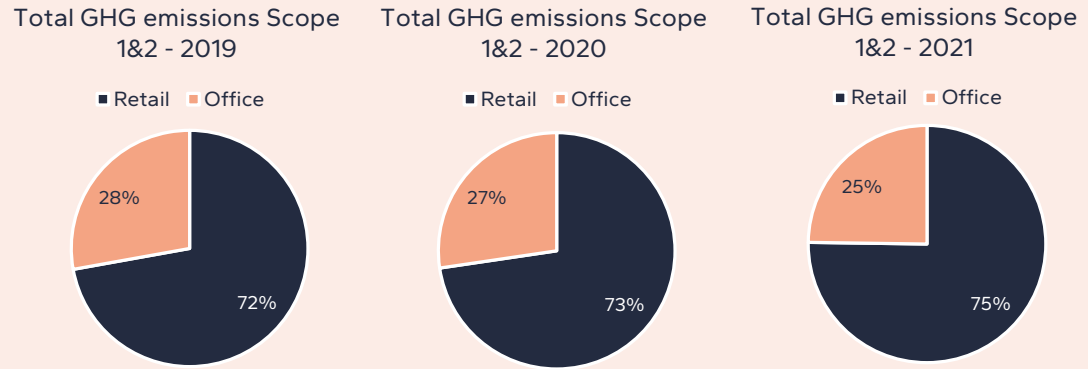


Scope 2 GHG emissions from retail and office buildings (tCO₂eq) - 2021



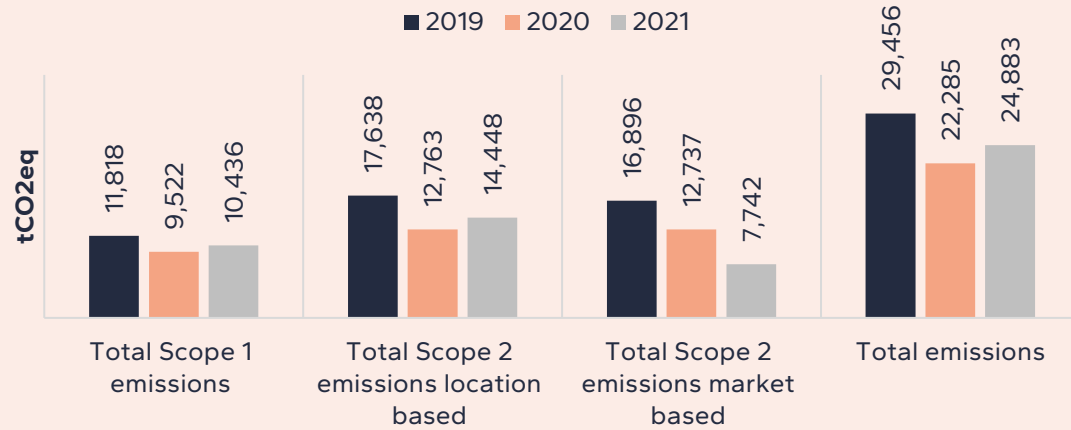
Scope 2 - 2021





IULIUS: Greenhouse Gas emissions – multiannual analysis

IULIUS: Evolution of GHG emissions



ENERGY CONSUMPTION & EFFICIENCY

[103-1, 103-2, 302-1, 302-3, 303-3]

The activities of IULIUS Group involve energy consumption in various forms (electricity, natural gas, fuel, heat), which is purchased from authorized operators.

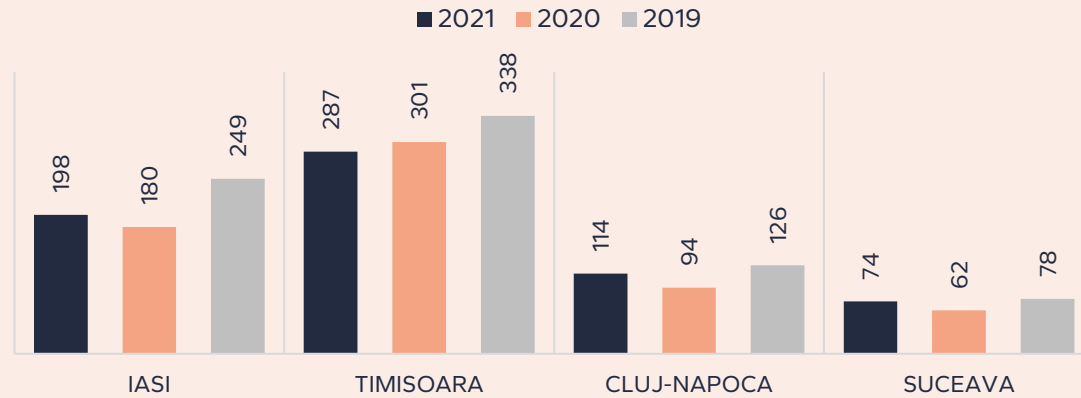
In line with our commitment, we aim to reduce energy consumption by implementing measures to increase energy efficiency and increase the share of renewable energy. To this end, as of the second half of 2021, the energy we consumed came from renewable sources, supplied by third parties.

Increasing the share of renewable energy consumption is an important part of our sustainability strategy and a key objective in the Group's future decarbonization strategy. Thus, in the second part of 2021, we started implementing projects to diversify the energy we consume by installing photovoltaic panels at our sites. Also, all the new development projects are designed to use renewable energy production opportunities.

| Energy consumption evolution* | | | | |
|-------------------------------|-----------|------------|------------|------------|
| Location | UM | 2021 | 2020 | 2019 |
| Iași | TJ | 198 | 180 | 249 |
| Timișoara | TJ | 287 | 301 | 338 |
| Cluj-Napoca | TJ | 114 | 94 | 126 |
| Suceava | TJ | 74 | 62 | 78 |
| Total | TJ | 670 | 623 | 791 |

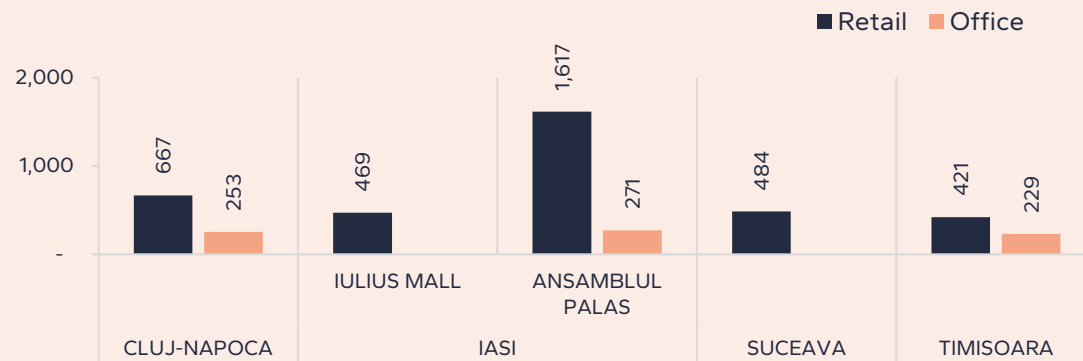
*1 Terajoul = 0,278 GWh

Total energy consumption (terajoules/yr)

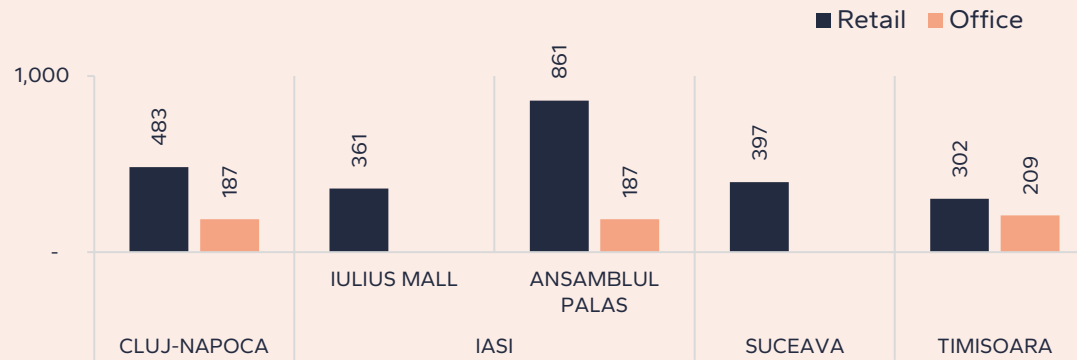


ENERGY EFFICIENCY

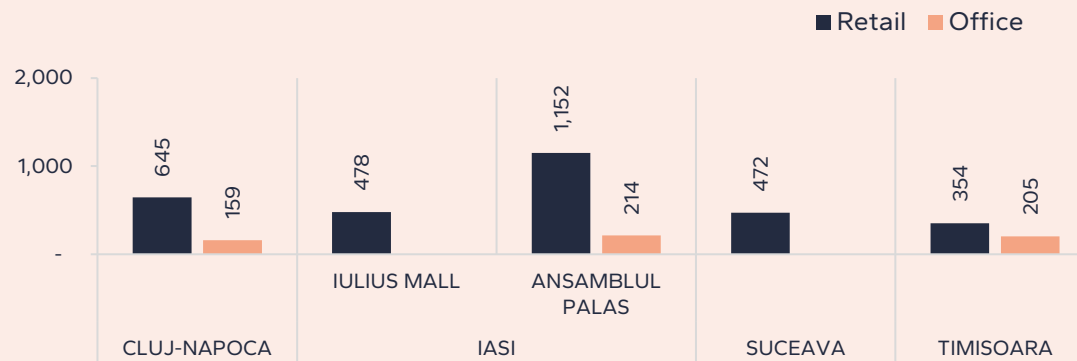
Energy intensity from retail and office buildings (kwh/sqm GLA) - 2019



Energy intensity from retail and office buildings
(kwh/sqm GLA) - 2020



Energy intensity from retail and office buildings
(kwh/sqm GLA) - 2021



DECARBONISATION & CLIMATE STRATEGY

There is no longer any doubt that climate change is causing disruptions to people and economies around the world. The direct consequences of these changes, caused by the intensification of human activity over the last hundred years through increased concentrations of greenhouse gases, lead to rising temperatures, rising sea levels, increased extreme phenomena (floods, droughts, melting glaciers, etc.). At the same time, the indirect consequences of these changes are far-reaching and complex, ranging from famine, poverty and political unrest to loss of biodiversity.

The latest approaches to tackling climate change are based on the premise that global temperatures must not exceed 1.5 °C above pre-industrial levels in order to avoid the most catastrophic effects that climate change could have in the near future. Achieving this goal requires halving current emissions by 2030 and reaching the net-zero target by 2050.

Via its sustainability strategy, IULIUS Group has expressed its commitment to contribute to the transition to a low carbon economy by creating a portfolio of greenhouse gas efficient properties leading to the achievement of 'zero net emissions'.

To achieve this goal, the organization will develop a Decarbonization Strategy, which aims to reduce the carbon footprint across its portfolio and aligning with existing industry standards and best practices.

The strategy will comprise the targets and goals that IULIUS Group sets for the medium and long term.

C. CIRCULAR ECONOMY AND RESPONSIBLE USE OF RESOURCES

[GRI 103-1, 103-2, 103-3, 306-3, 306-4]

EFFICIENT WASTE MANAGEMENT

KEY ASPECTS:

- Compared to the base year, in 2021 the generated quantities of household waste decreased by 34%.
- Medium term GOAL: decreasing the amount of landfilled household waste by more than 50%.

The transition to a circular economy, where the value of materials and resources is maintained in the economy for as long as possible and waste generation is minimized, is a key contribution to achieving a sustainable, competitive, low-carbon, resource-efficient economy. Around 2.5 billion tons of waste are generated annually in the EU.

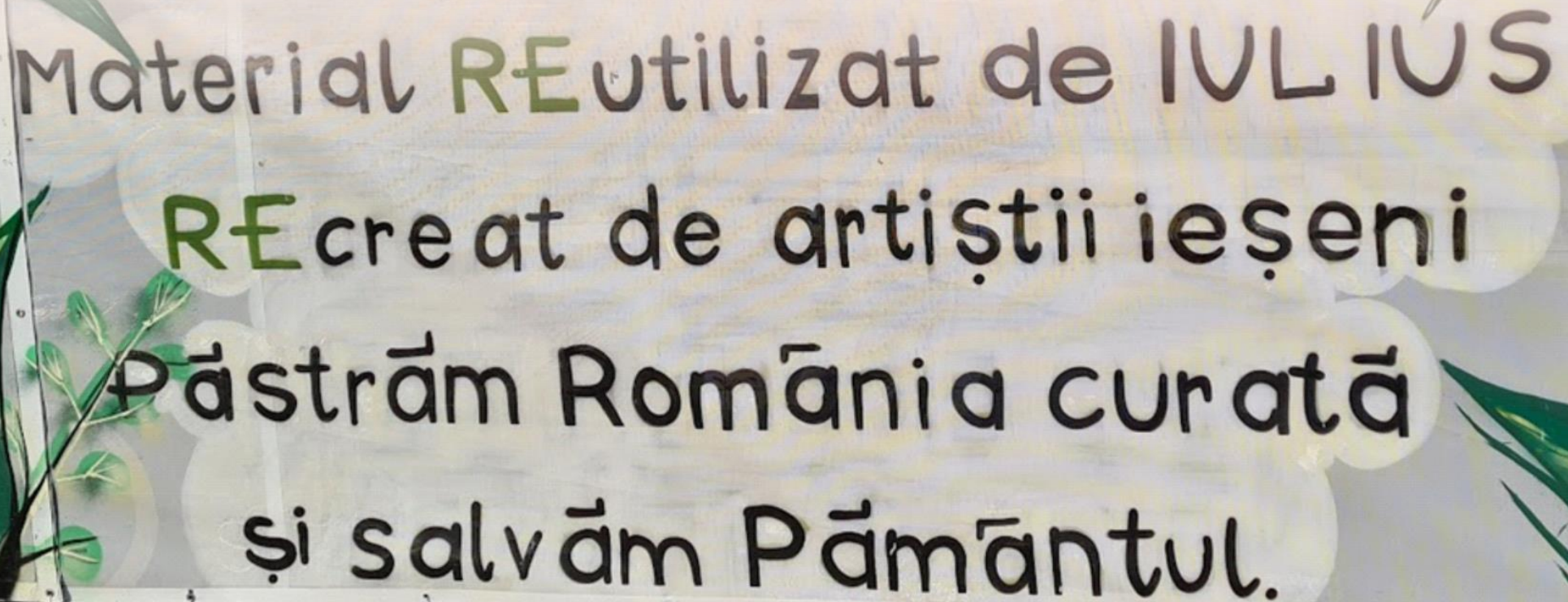
In this context, the European Union is in the process of updating its waste management legislation with a view to shifting the paradigm towards a new model of production and consumption that involves extending the life cycle of products with direct effects on waste minimization.



Circular economy and responsible use of resources is one of the main directions of action within the IULIUS Group. For concrete actions, we look at the following phases:

- Phase 1 – Group-wide improvement of the selective collection process;
- Phase 2 – Implementation of compost system for food waste (Palas Pilot project);
- Phase 3 – Group-wide information and awareness campaigns on the need for selective collection.

Meeting European and therefore national targets via the Compost Law, IULIUS Group also aims to reduce food waste by composting food scraps, which will reduce household waste by up to 40%. Of course, all these initiatives can only be successful if they are supported by Group-wide information and awareness campaigns on the benefits of the circular economy.



Material REutilizat de IULIUS
REcreat de artiștii ieșeni
Păstrăm România curată
și salvăm Pământul.

WASTE MANAGEMENT

Waste management is central to the efforts of IULIUS to reduce its environmental impact. We monitor the quantities of waste we generate on a monthly basis. In our operations we generate non-hazardous waste, which includes mostly household waste, as well as a significant amount of recyclable waste.

The main types of recyclable waste generated are packaging waste, glass, metal, etc. We collect separately, by fractions, which are then handed over only to the operators authorized to take the waste.

Within the group, our approach to waste management aims to reduce waste quantities by applying the principle of waste hierarchy: preventing waste generation where possible; reuse, recovery and only finally, safe disposal. We aim to significantly reduce the amount of waste going to landfill under the IULIUS – ZERO WASTE PROGRAM.

In order to achieve our main vision, we aim to eliminate waste generated in our operations, while urging our suppliers and partners to reduce the amount of waste they generate in their own logistic chains, and we primarily focus on the following areas:

- **Reducing operational waste** – Developing an integrated waste management system internally, leading to increased levels of separate collection;
- **Reducing the amount of food/organic waste going to landfill** – Implementing a bio-waste composting system;
- **Increasing awareness** – Implementing an employee/partner/visitor education/information/awareness program on the recycling programs we are developing and implementing;

- **Increasing recyclable waste quantities by up to 50% by 2025 compared to 2019;**
- **Sustainable procurement** – implementing the concept of sustainable procurement.

In procurement, we aim to prioritize those purchases that are not likely to generate hazardous waste and do not generate large quantities of waste. We favor the use of reusable packaging, and where reusable packaging is not available, we prefer options that favor recyclable packaging.

CHALLENGES

Implementing the vision of IULIUS regarding waste depends on a number of unknown variables that are independent of us. These unknown variables may include issues related to the level of availability and accessibility of local waste generation infrastructure in the places where we operate.

The scale of our operations presents with challenges. Implementing and operating a waste management system is costly and often difficult. However, the operations of IULIUS Group will continue to evolve and develop in line with our set goals.

The last few years have been marked by exceptional circumstances. These situations may cause delays in achieving targets and goals.

WASTE GENERATION

KEY ASPECTS:

- In 2021 IULIUS generated 22,515 m³ of household waste, 34% less compared to 2019 levels.

Compared to the base year, 2021 shows a decrease in the amount of household waste generated within IULIUS Group by 34%. Considering the exceptional situation in 2020, when the activity was strongly affected, the amount of waste generated decreased by 54%.

Waste generation trends

| | 2020/2019 | 2021/2019 | 2020/2021 |
|--------------------|-----------|-----------|-----------|
| Group level | -54% | -34% | 42% |

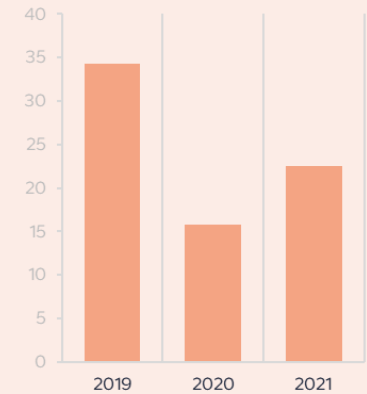
Waste generation trends, by location

| Location | 2020/2019 | 2021/2019 | 2020/2021 |
|-------------|-----------|-----------|-----------|
| Iași | -65% | -50% | 42% |
| Timișoara | | 42% | |
| Cluj-Napoca | -54% | -43% | 23% |
| Suceava | -41% | 6% | 81% |

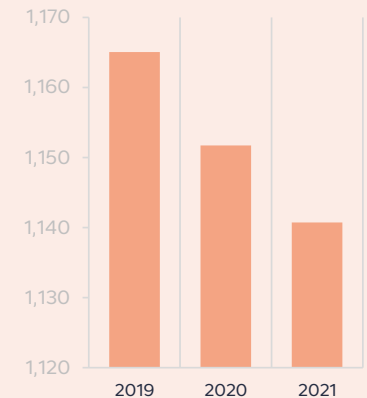
Recyclables rates, by location

| Location | 2020/2019 | 2021/2019 | 2020/2021 |
|-------------|-----------|-----------|-----------|
| Iași | -13% | 74% | -52% |
| Timișoara | 33% | -52% | 59% |
| Cluj-Napoca | 16% | -16% | -24% |
| Suceava | -13% | 74% | -52% |

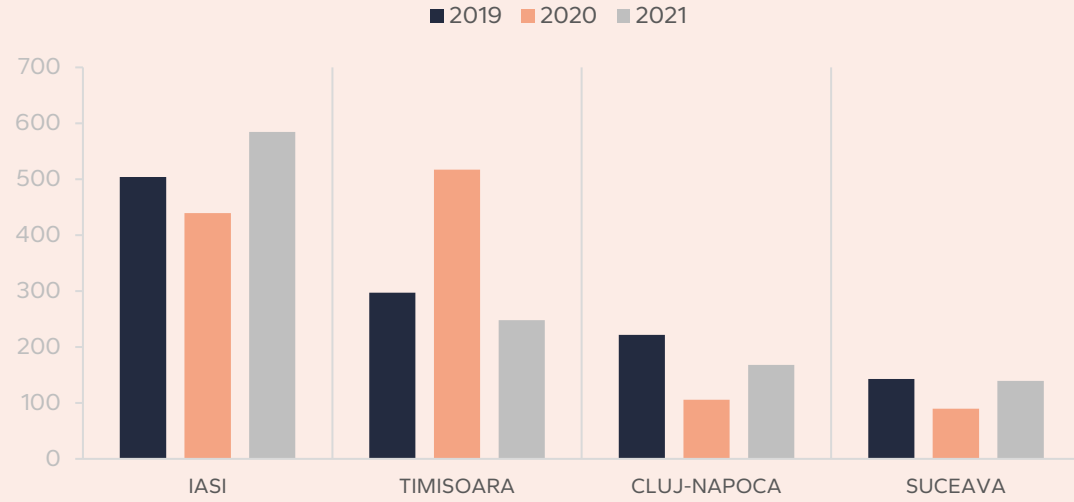
Total municipal waste generated (thousand m³)



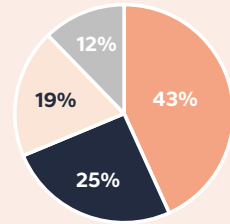
Total recyclable waste (thousand tonnes)



Total recyclable waste generated (tonnes)

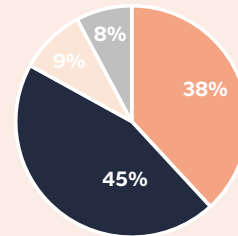


Share of recyclables by location 2019



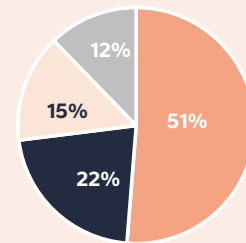
Iasi Timisoara
Cluj-Napoca Suceava

Share of recyclables by location 2020



Iasi Timisoara
Cluj-Napoca Suceava

Share of recyclables by location 2021



Iasi Timisoara
Cluj-Napoca Suceava

WATER RESOURCES MANAGEMENT

[GRI 103-1, 103-2, 303-1, 303-4, 303-5]

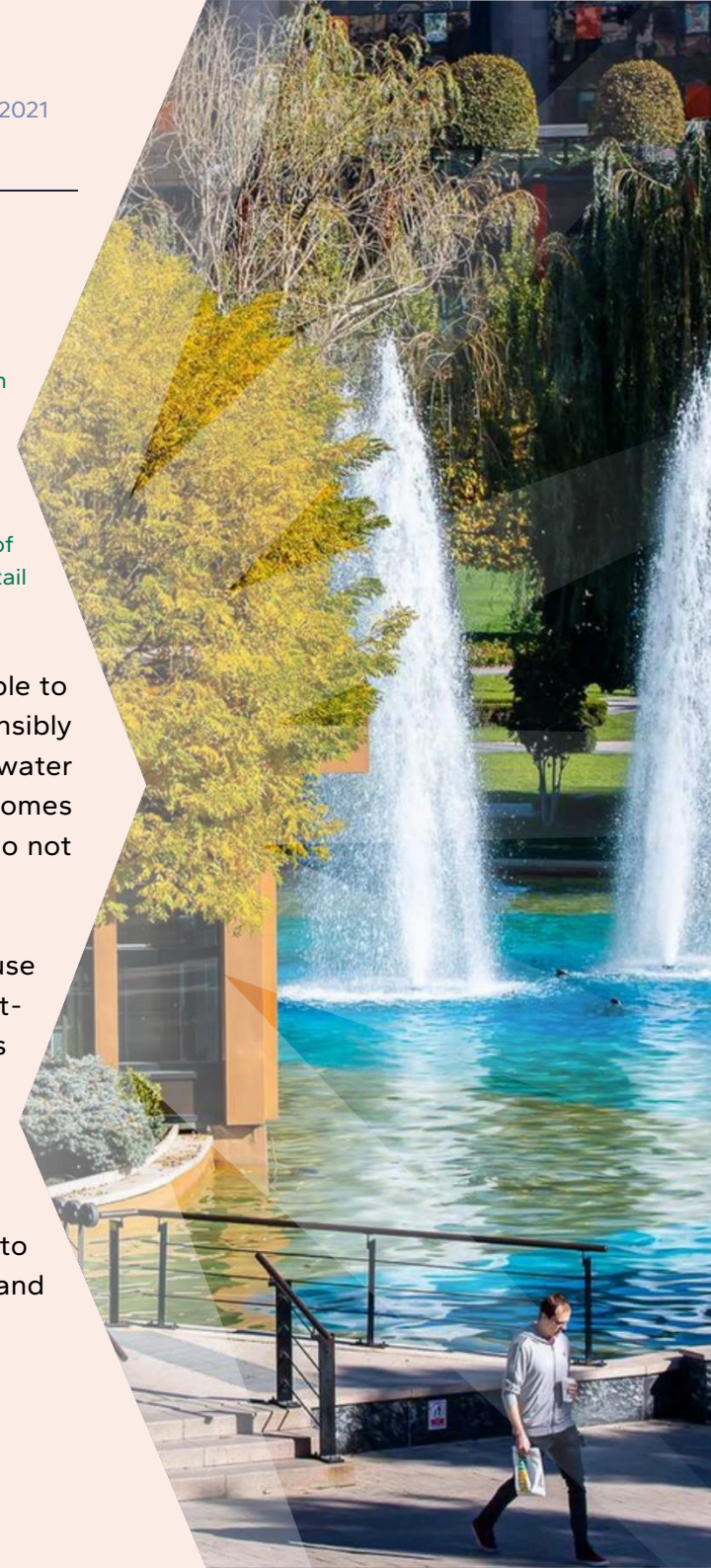
KEY ASPECTS:

- Compared to the base year, group-wide water consumption decreased by 33% in 2021, in absolute figures the decrease being of 173 ML.
- regarding water consumption by type of activity, in 2021, 77% of the consumption was made by the retail component (110 ML less than in 2019) and 23% by the office operations respectively (34 ML less compared to the base year).
- Over the same period, water consumption decreases are registered for both types of activities, with a 44% decrease in the office segment and a 29% decrease in the retail segment.

We believe that water is an essential resource, indispensable to life and vulnerable to climate change. We are aware that water management must be carried out responsibly and for these reasons we are making every effort to achieve the most efficient water management possible. The water used in the operations of IULIUS Group comes exclusively from the public supply systems in the cities where we operate. We do not use water from sources other than public water systems.

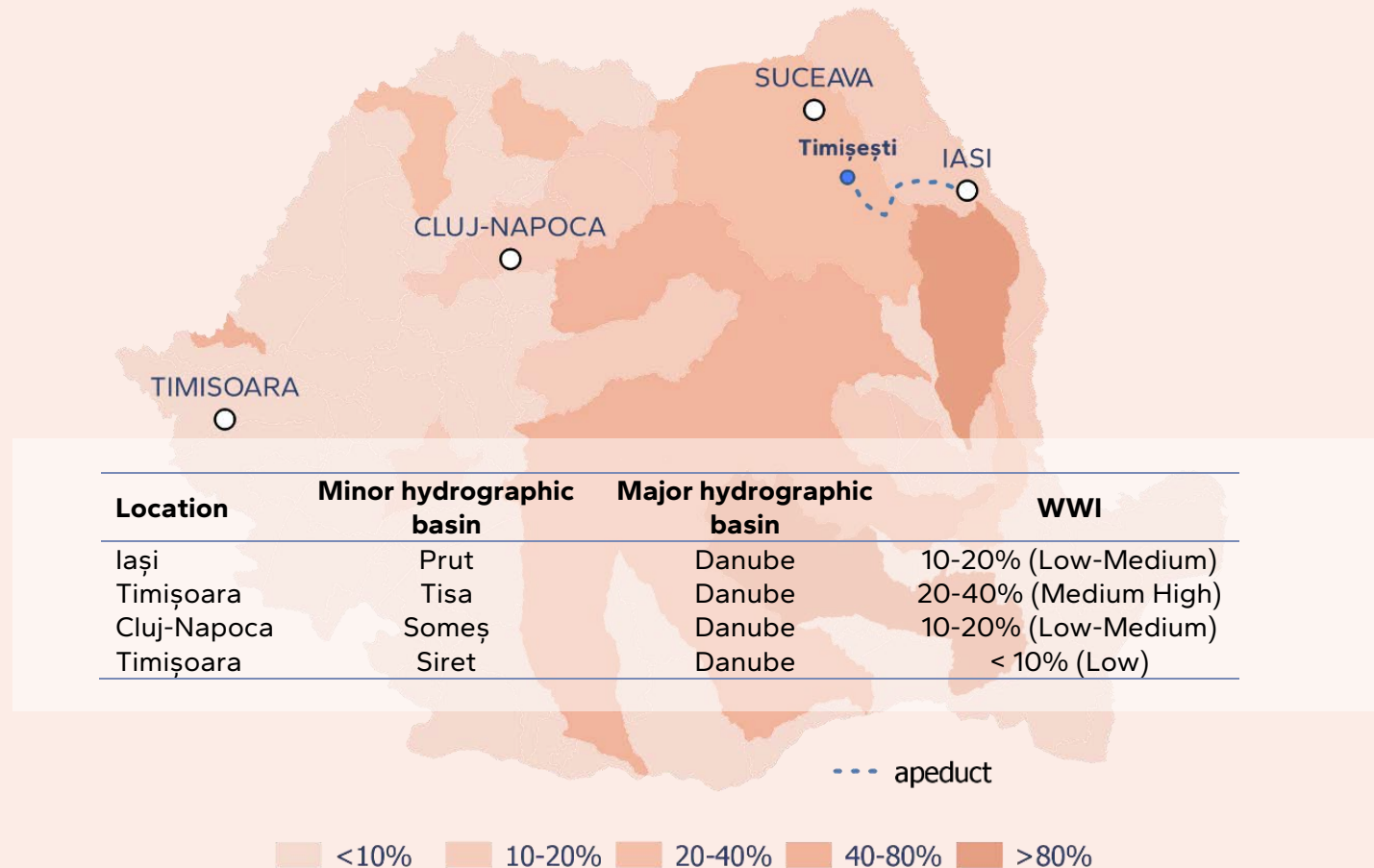
All our locations use low water consumption equipment, both for back of house operations and for the facilities we offer to visitors, such as automatic water shut-off if no one is present in the room, all taps in the restrooms are fitted with aerators and photocells with preset flow times. We closely monitor water consumption on a monthly basis in all the locations where we operate in order to detect any leaks quickly.

The group's key water management goals are to reduce water consumption and to use water more efficiently. Water is used rationally by implementing modern and efficient equipment and technologies.



In line with the group’s sustainability goals, we aim to reduce water consumption by a minimum of 20% by 2025 and to reuse rainwater collected in all centers.

In accordance with the tools outlined in **GRI 303 – Water and Effluents**, the locations where the group operates have been assessed to identify the type of hydrological stress of the water we are using. All locations were assessed using the methodology provided by the World Water Institute (WWI).



Thus, the water we use in our activities does not come from areas with water-stress as defined in GRI 303-3 (**the ratio of annual volume of extracted water to annual volume of renewed water is high (40-80%) or very high (>80%)**), so there is no immediate risk that the communities in which we operate will not benefit from high quality and highly available water. However, projections made for the year 2030 show that for all three modelled scenarios (pessimistic, business as usual, optimistic) all the water sources we currently use will transition to areas with hydrological stress by the end of the decade.

WATER CONSUMPTION

Total water consumption (in megaliters - ML)*, by location

| | 2021 | 2020 | 2019 | Variație 2019-2021 |
|--------------------------|------------|------------|------------|-----------------------|
| Iași | 143 | 125 | 216 | -34% |
| Timișoara | 97 | 108 | 141 | -31% |
| Cluj-Napoca | 72 | 68 | 109 | -34% |
| Suceava | 39 | 31 | 57 | -32% |
| TOTAL consumption | 350 | 332 | 523 | -33 |

Water consumption values are aggregated based on water meters reading

*1 ML (megaliter) = 1.000.000 litri = 1.000 m³

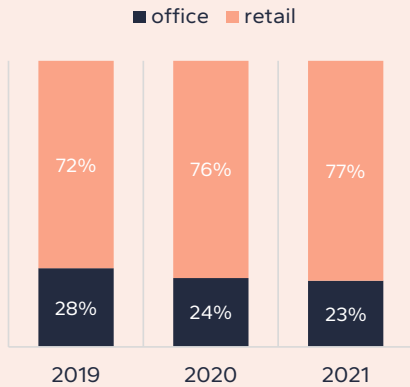
Total water consumption (ML)*, by activity type usage

| | 2021 | 2020 | 2019 | |
|--------|------|------|------|------|
| retail | 269 | 252 | 379 | -29% |
| office | 81 | 80 | 144 | -44% |

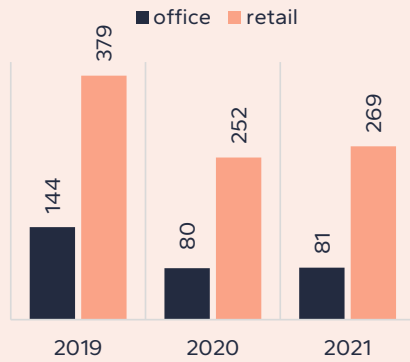
Water consumption values are aggregated based on water meters reading

*1 ML (megaliter) = 1.000.000 litri = 1.000 m³

Share of water use within IULIUS GRUP by activity type



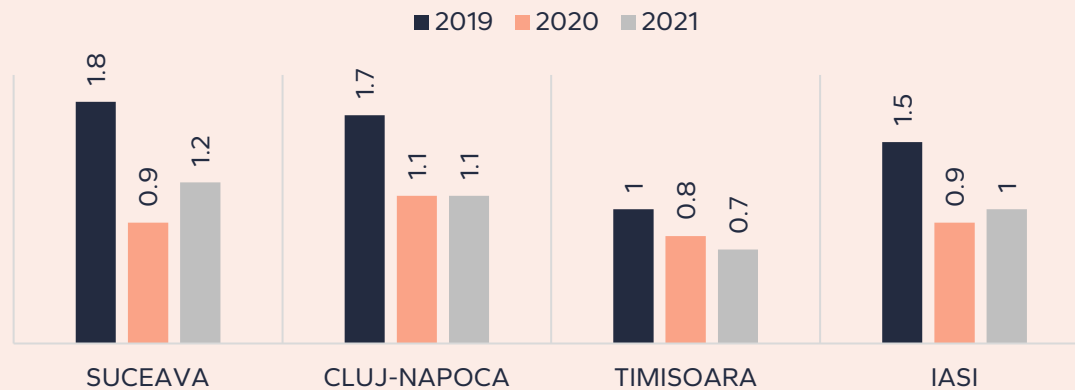
Annual water consumption by activity type (megaliters)



In 2021, the group's operations registered a water consumption of 350 megaliters, down by 33% compared to 2019 levels, when water consumption added up to 523 megaliters. Compared to the base year, consumption in 2021 decreased by 173 megaliters.



| TOTAL water use intensity (m^3/m^2 GLA)* | | | | |
|--|-------------|-------------|-------------|----------------------------|
| | 2021 | 2020 | 2019 | Variation 2019-2021 |
| Iași | 1,0 | 0,9 | 1,5 | -34% |
| Timișoara | 0,7 | 0,8 | 1,0 | -31% |
| Cluj-Napoca | 1,1 | 1,0 | 1,7 | -34% |
| Suceava | 1,2 | 0,9 | 1,8 | -32% |
| Intensity GRUP | 0,9 | 0,9 | 1,4 | -33% |

Water use intensity (m^3/m^2 GLA)

WATER DISCHARGE

In terms of the water we discharge, the volumes of domestic wastewater are similar to the volume of water we consume, given the quality indicators set by the national legislation. In all the group's locations, wastewater is collected into the public domestic wastewater sewerage systems without volume monitoring.

D. CONNECTIVITY AND SUSTAINABLE URBAN MOBILITY

1

Personal cars are the preferred way of travel among the romanians. In 2021, **the average load factor of occupancy was approximately 2 people/vehicle**

Walking remains an important form of mobility, **over 40% of urban trips** in Romania are made by walking

2

3

IULIUS projects are developed **in line with the concepts of „walkable cities”** being open to the community and easily accessible by walking or by bicycle

To promote and encourage sustainable mobility, within Palas Iași and Iulius Town Timișoara, **over 74% and 43% of the length of the routes are exclusively intended for pedestrian traffic**, in safety conditions

4

5

IULIUS projects are developed with a **great level of accessibility to public transport infrastructure**, our projects being located on a maximum average distance of 200 m from the nearest public transport station, in full accordance with the sustainability principle of green buildings

Each IULIUS project is equipped with **EV charging stations**, accessible to visitors, a number increasing every year

6

7

We provide to communities **over 1000 bicycle parking lots**, fully accessible both to employees and visitors

ALTERNATIVE MOBILITY

KEY ASPECTS:

- Bike infrastructure (bike racks, secure spaces, bike lanes)
- The most bike parking spaces in Iași are found in Palas: a total of 269, of which 150 fully secured and accessible for employees, and another 119 spaces available for the general public;
- Facilities for employees who ride their bikes to get to work (changing rooms, showers)
- Connectivity with the public transit and alternative mobility infrastructure (e.g., Palas Campus public transit station, connection to the public bike lane infrastructure etc.)

Concern for sustainability began to take shape for IULIUS around 10 years ago, and Palas and Iulius Town are relevant examples in this respect. They are genuine mixed-use complexes based on integrated concepts, with a major impact on urban development, but without being invasive.

We do not set out to just create sustainable buildings, but rather projects that work in an integrated manner, which contribute to sustainable community development, and that are in harmony with the urban landscape. We design our projects to follow the principles of 'walkable cities' that meet the requirements of sustainable development, especially as our projects are centrally located, not only facilitating pedestrian access, but also encouraging it by providing ample space for pedestrians and ensuring connectivity with the city through alleys and green spaces. All of our projects are well connected to local public transit systems.

That is why, in this whole equation, INFRASTRUCTURE is an essential component in our projects, because it ensures their accessibility. Our projects include investments in road infrastructure (here we refer to a well-designed traffic network, integrated into the urban fabric), connection with the public transit infrastructure, as well as solutions that encourage alternative transportation.

In full accordance with the principles of sustainable urban mobility, our vision is not to create more road infrastructure that draws even more traffic, but to optimize the existing infrastructure and to identify those solutions that lead to a decrease in car dependency in favor of alternative mobility and micro-mobility.

WALKING AND CYCLING

We are witnessing a paradigm shift from car-centric urban mobility to sustainable individual-centric mobility. The existing urban infrastructure, often undersized and overcrowded, can no longer support sustained increases in traffic and thus require sustainable solutions. Iulus Group is committed to helping change the vision of urban mobility by integrating a sustainable approach to mobility into its projects.



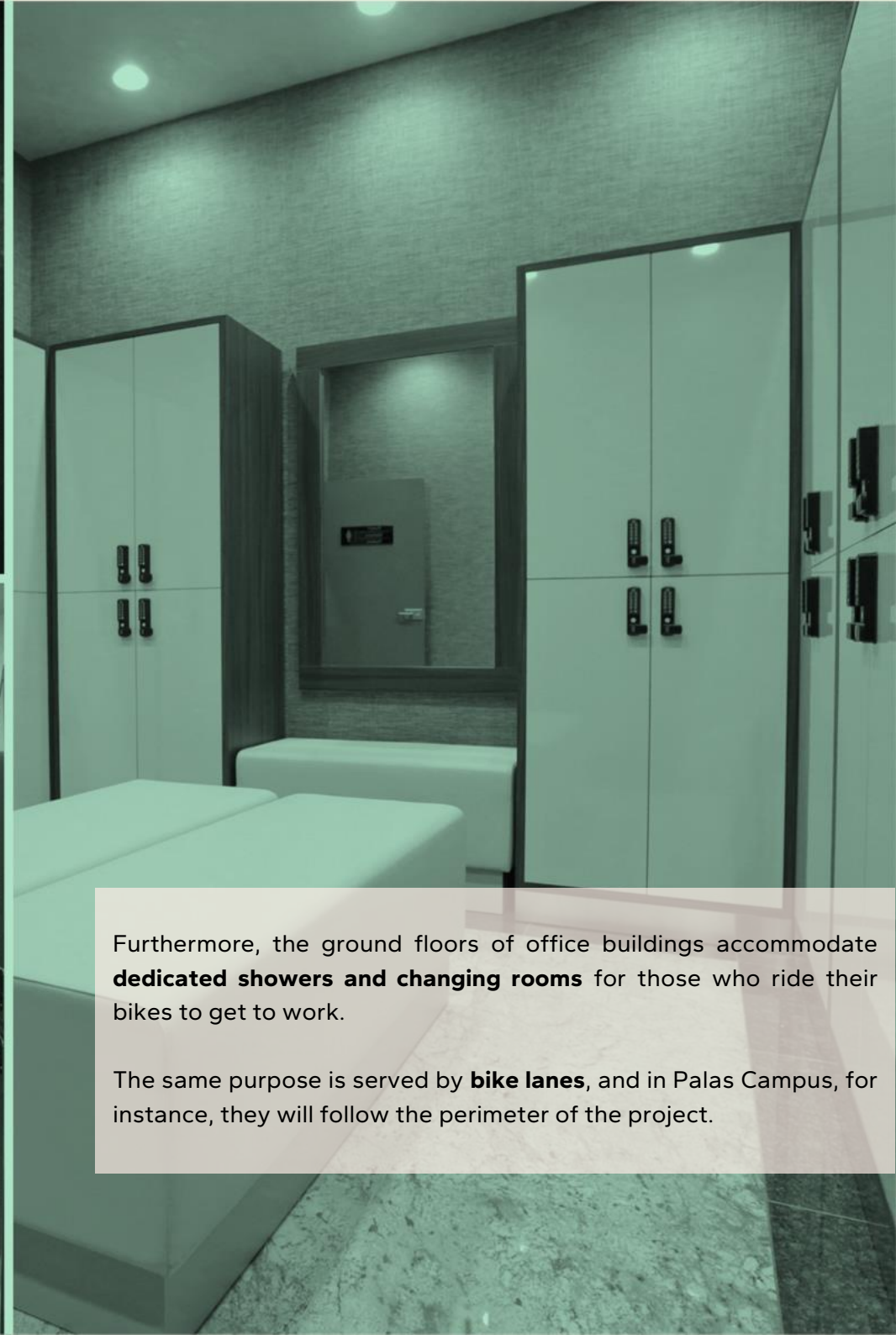


Our projects provide the community with **over 1,000 properly equipped and signposted bicycle parking spaces** for people who choose to bike to our locations.

We pride ourselves on the fact that the Palas area is considered the most cyclist-friendly area in Iași, and it is not us who are saying it, but associations in the field.

At the same time, **our projects promote walking**, ensuring complete safety. In the PALAS project, 74% of the length of the road infrastructure is dedicated exclusively to pedestrian traffic, while in Iulius Town Timișoara it adds up to 43%.





Furthermore, the ground floors of office buildings accommodate **dedicated showers and changing rooms** for those who ride their bikes to get to work.

The same purpose is served by **bike lanes**, and in Palas Campus, for instance, they will follow the perimeter of the project.

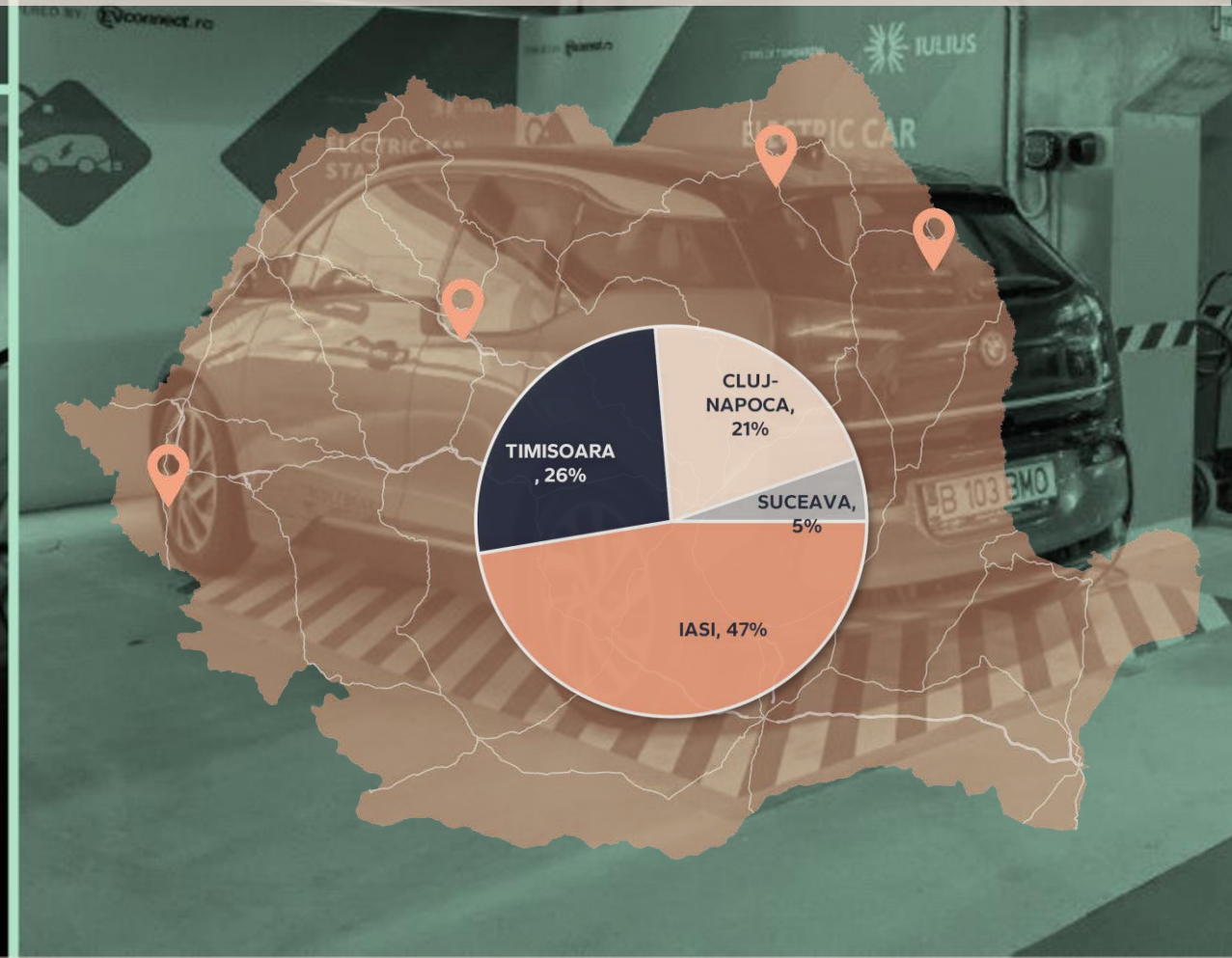
ELECTRIC MOBILITY

KEY ASPECTS:

- There are charging stations in every IULIUS center.
- Medium- and long-term plan to expand the charging station network.

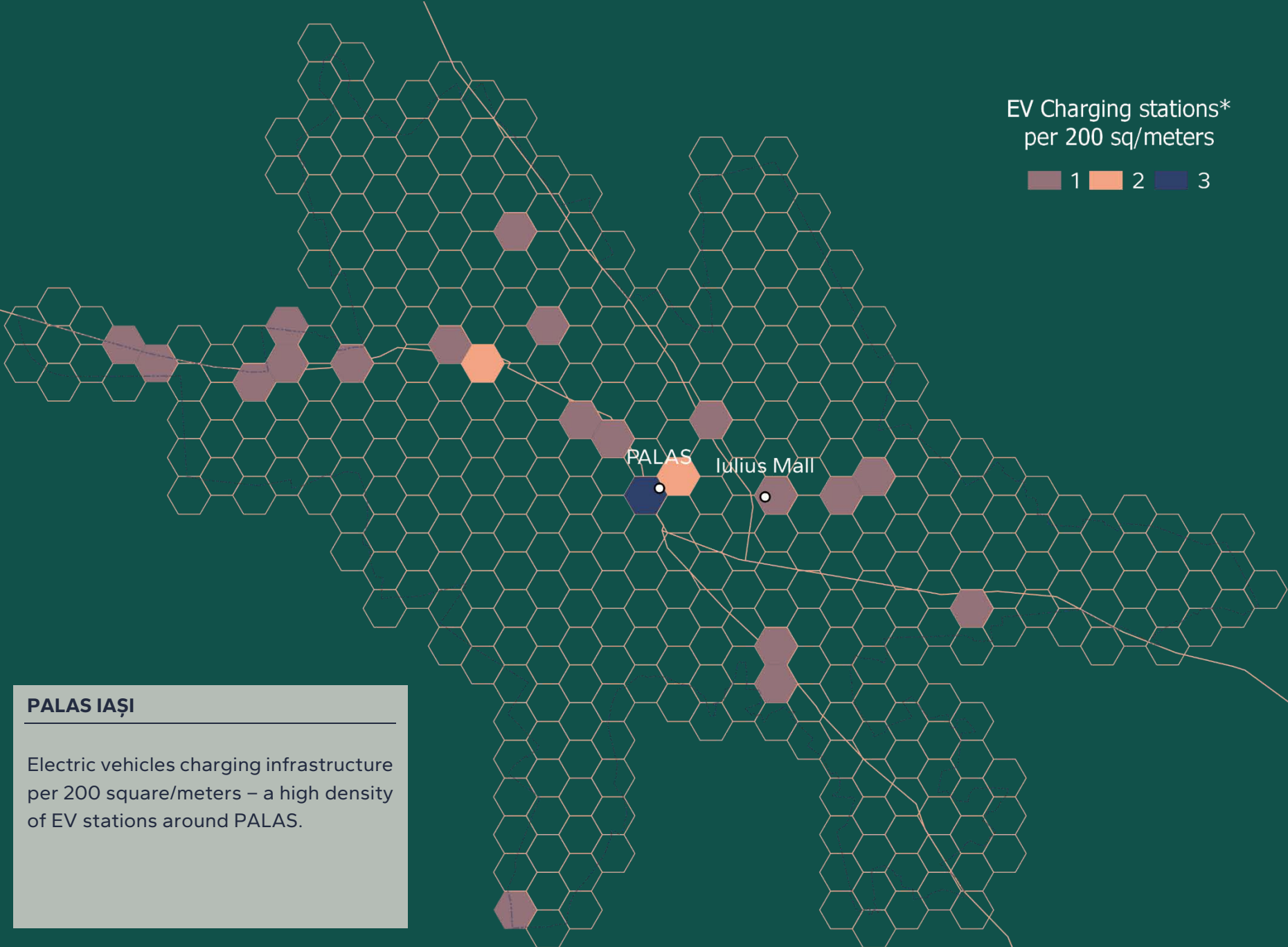
Although a few years ago electric cars were regarded with real skepticism in Romania, either for price considerations or for reasons such as the insufficient number of charging stations, we have recently witnessed a radical change in the sense that electric cars are becoming more and more accessible, and the electric mobility infrastructure is growing.

IULIUS supports the adoption of electric mobility by developing the charging station infrastructure. To this end, in 2021 we have provided **19 properly equipped and signposted charging points in all our locations**, all of which have a combined installed capacity of around 600 kWh.



EV Charging stations*
per 200 sq/meters

1 2 3



PALAS IAȘI

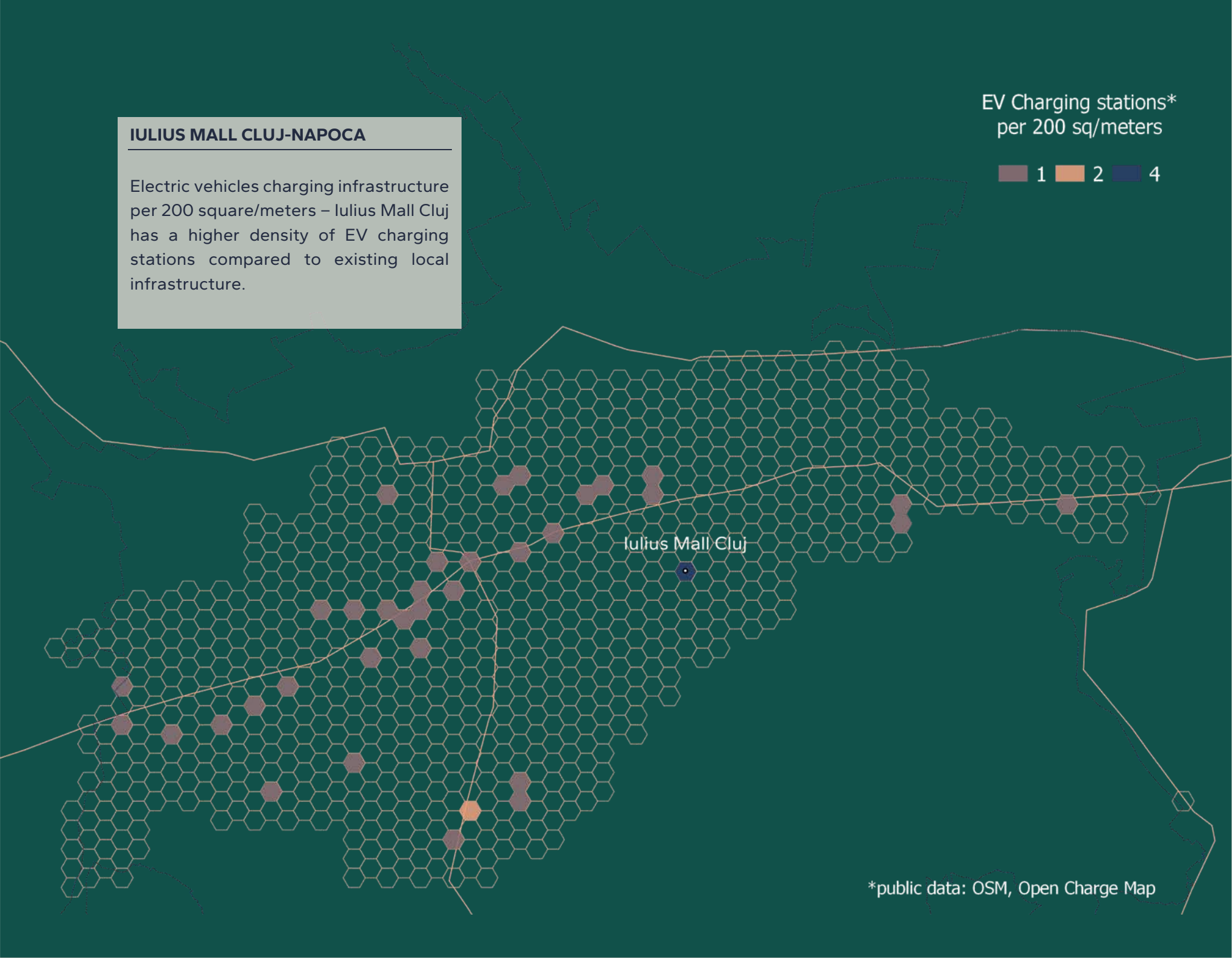
Electric vehicles charging infrastructure per 200 square/meters – a high density of EV stations around PALAS.

*public data: OSM, Open Charge Map

IULIUS MALL CLUJ-NAPOCA

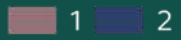
Electric vehicles charging infrastructure per 200 square/meters – Iulius Mall Cluj has a higher density of EV charging stations compared to existing local infrastructure.

EV Charging stations*
per 200 sq/meters



*public data: OSM, Open Charge Map

EV Charging stations*
per 200 sq/meters



Iulius Town

IULIUS TOWN TIMIȘOARA

Electric vehicles charging infrastructure per 200 square/meters – Iulius Town provides one of the highest densities of EV charging stations around the city.

*public data: OSM, Open Charge Map

ACCESSIBILITY

All our projects aim to facilitate urban connectivity by interconnecting with existing public transit systems, ensuring optimal distances to transit stations. On average, in all group locations, the average distance to the nearest public transit stations does not exceed 200 m.

| Location | Distance (m) |
|-----------------------|--------------|
| Palas Iasi | 184 |
| Iulius Mall Iași | 150 |
| Iulius Mall Cluj | 70 |
| Iulius Town Timișoara | 100 |
| Iulius Mall Suceava | 50 |

The "15 minutes city" will transform our cities. 'Quarter-hour city' is a new form of urban organization whereby you can find everything you need on a regular day within a 15-minute walk or bike ride from your home. About 10% of the urban population of the relevant cities is found within a 15-minute radius of our locations.

The total population within 15 minutes of our locations adds up to approximately 100,000 inhabitants.

| Urban population within 15 minutes by our locations | | | |
|---|---------------|---------------|---------------|
| | 5' | 10' | 15' |
| Palas Iași | 3.100 | 12.000 | 27.300 |
| Iulius Mall Iași | 3.000 | 10.400 | 23.200 |
| Iulius Town Timișoara | 1.400 | 8.100 | 20.300 |
| Iulius Mall Cluj | 2.000 | 8.200 | 19.600 |
| Iulius Mall Suceava | 600 | 2.600 | 6.700 |
| TOTAL Group | 10.100 | 41.300 | 97.100 |

PALAS ENSEMBLE

Share of population within one walkable km

| 0,5 km | 0,75 km | 1 km |
|--------|---------|-------|
| 0,7%* | 2,0%* | 3,7%* |

* % total urban population; Data: National Census, 2011

Share of population within 15 walkable minutes

| 5 min | 10 min | 15 min |
|-------|--------|--------|
| 0,8%* | 3,1%* | 7,0%* |

* % total urban population; Data: National Census, 2011



IULIUS MALL CLUJ-NAPOCA

Share of population within one walkable km

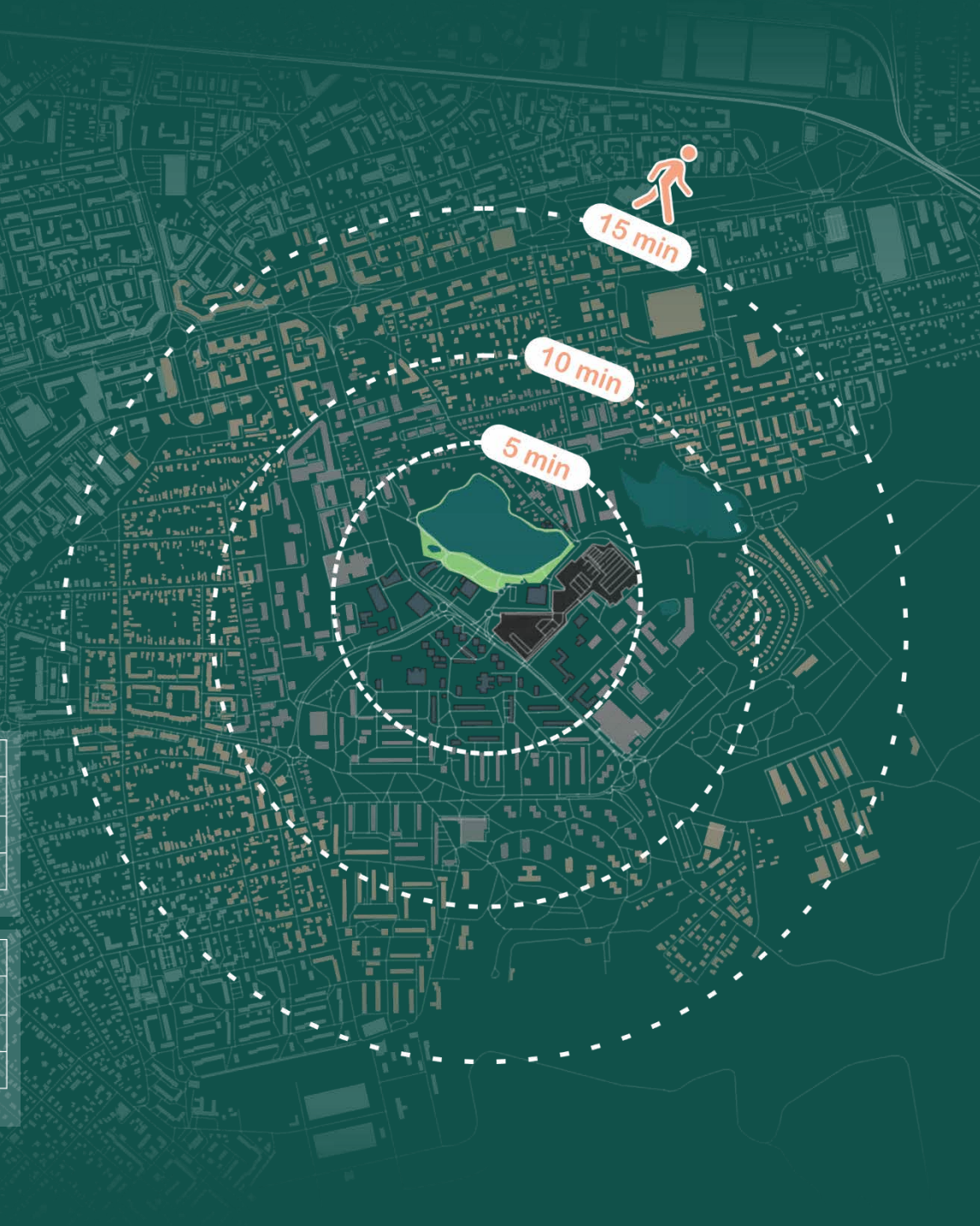
| | | |
|--------|---------|-------|
| 0,5 km | 0,75 km | 1 km |
| 0,9%* | 2,0%* | 3,7%* |

* % total urban population; Data: National Census, 2011

Share of population within 15 walkable minutes

| | | |
|-------|--------|--------|
| 5 min | 10 min | 15 min |
| 0,6%* | 2,5%* | 6,0%* |

* % total urban population; Data: National Census, 2011



IULIUS TOWN TIMIȘOARA

Share of population within one walkable km

| 0,5 km | 0,75 km | 1 km |
|--------|---------|-------|
| 0,4%* | 2,5%* | 6,4%* |

* % total urban population; Data: National Census, 2011

Share of population within 15 walkable minutes

| 5 min | 10 min | 15 min |
|-------|--------|--------|
| 0,4%* | 2,5%* | 6,4%* |

* % total urban population; Data: National Census, 2011



building strong communities

PARTNERSHIP FOR THE COMMUNITY

EDUCATION IN THE COMMUNITY

9





A. PARTNERSHIP FOR THE COMMUNITY

In our vision, community engagement is a whole, focused on developed the social component beyond the operation of our projects to the benefit of people. When you achieve performance, it is important to also transfer it to those around you.

The direct impact of our project is evident in the parks that were fitted out, the jobs created, the services brought closer to the people, as well as in the engagement actions that focus on three main directions.

IULIUS has invested more than 150 million Euro directly in the community via infrastructure, connectivity and mobility works, urban gardens, social and administrative objectives etc.

IULIUS Company supports young artists and encourages local talents in every location where it operates (Iași, Cluj-Napoca, Timișoara and Suceava), via positive impact projects, competitions, shows, exhibitions, courses, afforestation actions, etc.

We believe in the power of EDUCATION as a vector in attracting and retaining talents in Romania. We believe that humanity and responsibility towards the others can help in shaping more united COMMUNITIES. We believe it is only by working together that we can ensure a cleaner ENVIRONMENT for the generations to come.

COMMUNITY INVOLVEMENT

| PILLAR | ACTION TYPE | IMPACT |
|-------------|-----------------------------|---|
| ENVIRONMENT | TREE PLANTING | <ul style="list-style-type: none"> • “Every tree has a story. You write it now!” <p><u>Date:</u> April 2021</p> <p><u>Participants:</u> 150 employees and partners of IULIUS Company in Iași and Suceava</p> <p><u>Results:</u> planting 3,000 oak saplings nearby Hlincea, Iași County, and 500 spruce saplings in Slatina Commune, Suceava County, on areas of land without forest vegetation and prone to various degradation processes. In Cluj County, 1,000 spruce saplings were planted in the Apuseni Natural Park.</p> |
| | REUSING/RECYCLING CAMPAIGNS | <ul style="list-style-type: none"> • „Palas Iași reuses” <p><u>Date:</u> July 2021</p> <p><u>Results:</u> in July 2021, a team of graffiti artists in Iași accepted the challenge launched by IULIUS to tackle the theme of sustainability and capture it on the banners surrounding the construction site in the showroom pavilion area. For two weeks, they infused color on the reused banners, using water-based paints that are both environmentally friendly and user friendly.</p> |

SOCIAL

DONATING
CLOTHES AND
TOYS

- **Partner: Salvation Army**

Period: starting November 2021

The campaign encourages customers to donate clothes they no longer use in the specially set up container, and the Salvation Army is in charge of donating them.

Results: by the end of 2021, about 3 tons of clothes have been collected. The campaign remains active for an indefinite period at Palas Iași.

OTHER
CAMPAIGNS WITH
SOCIAL IMPACT

- **„Santa Clause’s Friends”** - Support provided to the European Cultural Association for conducting the “Santa Clause’s Friends” campaign.
- **“Christmas Tree of Wishes”** campaign – organized by the UBC community together with the Star of Hope Foundation in Romania and now reaching its sixth edition. It is one of the social responsibility campaigns with a strong community involvement geared towards local development and concrete support for a better future for the younger generation. Results: during the 2021 campaign, more than 130 children from underprivileged backgrounds were pleasantly surprised in the run-up to the holidays.
- **“Gift Boots”** – Support for the “Gift Boots” campaign for children from underprivileged backgrounds in Iași.
- **Christmas campaigns** – Support for activities around the Christmas holidays for the children in the “Glasul Vieții Iași” association.

HUMANITARIAN CAMPAIGNS SUPPORT

SPORT & HEALTH

 MEDICAL SECTOR
SUPPORT

- **Vaccination spaces** - IULIUS continued to support the health sector in the midst of the pandemic, getting involved in the vaccination campaign by making premises available free of charge to the authorities in the projects it operates in Iași, Timișoara, Suceava and Cluj-Napoca.
-

SUPPORT FOR THE MEDICAL SECTOR DURING THE PANDEMIC

 BLOOD DONATION
CAMPAIGNS

- **„Blood for life”** – Iulius Mall Suceava is responsibly involved, together with the “NORD 2001” Humanitarian Foundation in the “Blood for Life” campaign. Thus, people who donated blood at the Suceava County Blood Transfusion Center received a voucher to one of the restaurants in Iulius Mall Suceava.
 - **„Together we donate life!”** – In July, 400-plus people from Iași donated blood through the campaign and made a difference for more than 1,000 people who needed blood. IULIUS, United Business Center, NESS Digital Engineering Iași and Centric IT Solutions organized a raffle to reward those who donated at the Regional Blood Transfusion Center (CRTS) in Iași. Moreover, another 20 people enjoyed shopping sessions with vouchers valid in the Intersport store in Palas Iași.
-

SPORT EVENTS
SUPPORT

- **Supporting swimming competitions** for the children in the Little Dolphins and Mermaids (Micii Delfini și Sirene) Association, as well as supporting the award ceremony for the tennis competition organized by the “Tenis Club 97” foundation on the courts located inside the CFT Club in Iași.
 - **Supporting the Politehnica Iași rugby team**
 - **Supporting the activity of the “Știința Miroslava” Sports Club** in the organization of sports competitions in 2021.
-

| | | |
|------------------------------|---------------------------------|--|
| EDUCATION & ENTREPRENEURSHIP | FREE EVENT SPACE | <ul style="list-style-type: none"> For three months after pandemic restrictions were lifted, IULIUS accommodated educational, business, technological, creative and entrepreneurial events on a free of charge basis. |
| | REAL ESTATE BUSINESS MANAGEMENT | <ul style="list-style-type: none"> The Real Estate Business Management course is delivered by specialists from IULIUS. * 70-plus students attended the course * 2 interns in the company following the Real Estate Business Management course |
| | CREATIVE BUSINESS LAB | <ul style="list-style-type: none"> One of the directions of the IULIUS sustainability strategy is to increase the quality of life for the community, and the actions it undertakes includes activities designed to support education. Thus, IULIUS, together with Amazon Development Center Romania, Canopy and Hindawi Iași, as well as other actors in the local business environment, have created the first Creative Business Lab within the Faculty of Economics and Business Administration of Iași (FEAA). |
| | RISING STARS AT IULIUS | <ul style="list-style-type: none"> The “Rising Stars at IULIUS” internship program was first organized simultaneously in all four academic cities where IULIUS operates: Iași, Cluj-Napoca, Timișoara and Suceava. For the 2021 edition, the company received a record number of applicants for the 37 available positions. Of the 900 applicants wishing to be a part of the IULIUS projects, more than half were from the academic center in Iași. |
| | EDUCATIONAL PROJECTS SUPPORT | <ul style="list-style-type: none"> Supporting the SuperTeach Association – project offering free access to professional training courses for teachers Seaside summer camp for children from underprivileged backgrounds Supporting health education activities Supporting learning activities Zi de bine – educational projects |
| | | |

COMMUNITY

„IAȘI FOR THE
FUTURE”

- **“Iași for the Future” – Interactive online consultation** launched by IULIUS Company on the community perception on the development directions of the city.
Results: The research drew a remarkably high level of community engagement, with 2,155 people expressing their vision, expectations and outlook for the development of the city. The exercise was a national first, as the main findings could be followed in real time on the online platform at- <https://iasipentruviitor.ro/rezultate>.

INTERNATIONAL
ARCHITECTURE
COMPETITION

- **International Architecture Competition** – IULIUS continues to invest at home, in Iași, and is organizing an international architecture competition with guest participants for the design of a new complex in the downtown area of the city.
The competition is a promise undertaken by the Iași based company back in 2019, following the public consultations preceding the development of the same area. This is a national best practice approach to architectural-urban intervention, carried out in collaboration with a team of architecture, urban planning, history and heritage specialists.
As part of this new project, IULIUS is launching the Iași for the Future (Iași Pentru Viitor) platform, which mirrors the city as it is today and the city of tomorrow. The local community is invited on this platform to express their own vision of how Iași should develop.



„Palas lași reuses”

„Wish tree” – social responsibility campaign

SOCIAL

„Salvation Army” – donating clothes and toys campaign



Blood donation campaigns - „Blood for life”

HEALTH



Supporting the medical sector during the pandemic

vezi orașul?

COMMUNITY

Tu cum vezi Iașul?

 IULIUS
 Un Iași
 pentru
 viitor


„Iași for the future” – Interactive online consultation launched by IULIUS on the community perception on the development directions of the city.

Implică-te!

iasipentruviitor.ro

Împreună scriem povestea
 Iașului de azi, pentru viitor.
 Păreră ta contează!

B. EDUCATION IN THE COMMUNITY

[GRI 103-1, 413-1]

IULIUS Group is committed to building strong communities through educational actions and projects that encourage knowledge in all its forms and support young talent as part of its sustainability strategy.

SUPPORTED EDUCATIONAL PROJECTS

Education, together with community and environment, is one of the directions in which IULIUS has been involved in its 20-plus years of activity. The company has continued its efforts to consolidate strong communities through educational actions and projects that encourage knowledge in all its forms, as well as supporting young talent as part of its sustainability strategy.

COURSE - Real Estate Business Management – In the first edition organized in 2021, 70 students were selected to participate in this course organized by IULIUS in partnership with the Faculty of Economics and Business Administration at the “Alexandru Ioan Cuza” University of Iași. The course entailed a total of 25 hours, during which participants had the opportunity to learn about asset management, operational and technical management, leasing, prospecting and tenant selection, financial management, performance indicators, marketing and communication and much more. Upon completion of the course, two of the participants were employed with the company.

Creative Business Lab – IULIUS, together with Amazon Development Center, Canopy and Hindawi Iași, helped create the first Creative Business Lab within the Faculty of Economics and Business Administration of Iași. The project has been developed to facilitate the integration of creative activities into the educational process and is intended as an invitation to closer collaboration between academia and the private sector.



Creative Business Lab



Curs susținut de



Real Estate Business Management

Curs predat de specialiști
din mediul de business

Proiecte din portofoliul companiei:



Iași • Cluj-Napoca • Suceava



Iași • Cluj-Napoca • Timișoara



Real Estate Business Management Course



OTHER PROJECTS SUPPORTING EDUCATION

- **SuperTeach** – Supporting the SuperTeach Association in the SuperTeach project. The project provides teachers with free access to professional training courses to help make their activity more student-centered instead of skill-centered, so that the teaching process will help children maximize their potential and develop key skills to create a better society in the context of the 21st century.
- **Seaside summer camp for children from underprivileged backgrounds** – Between 31.08.2021 and 06.09-2021, IULIUS provided financial support for organizing a seaside summer camp for group of children in the care of the “Veniamin Costache” Social Center in Iași.
- **Supporting health education activities** – Supporting the Association of the Romanian Society of Audiology and Communication Pathology to carry out educational activities, as well as facilities for continuing medical education in the field of deafness and balance disorders.
- **Supporting learning activities** – Supporting the Brilliant Association in its work to help young people, especially from underprivileged backgrounds, to learn and improve their foreign language skills. Supporting the “Micul Șahist” (Little Chess Player) Sports Club to provide financial support for the children in the club. Supporting the cultural and publishing projects of the International Cultural Center Association by donating books with personal development stories to educational institutions in Iași County.
- **Zi de bine – educational projects** – Supporting the initiative of the “Zi de Bine” Association to increase the capacity to identify and manage educational projects that encourage sustainable behaviors and stimulating urban mobility using car alternatives), addressing communities in Iași, Suceava, Cluj and Timișoara.



Go local
creștem afaceri locale

ENTREPRENEURSHIP EDUCATION

„GO LOCAL” – program supporting local entrepreneurs

The program is an initiative for supporting local entrepreneurs in Iași, Timișoara, Cluj-Napoca, Suceava, as well as in the regions where IULIUS Group has operating projects (Moldova, Transylvania and Banat), and is geared towards providing active support in developing competitive businesses.

The selected entrepreneurs enjoyed customized support measures, such as temporary rent exemption and 25% to 50% discounts, flexibility in terms of lease duration, as well as integrated advertising and consulting campaigns, benefits packages that can add up to maximum 10,000 Euro.

THE ENTREPRENEURSHIP ACADEMY - IULIUS financially supported part of the tuition fee for a student without financial means. The purpose of supporting this scholarship is to develop entrepreneurial skills.

CINE-
AJUTA
PE EROI?

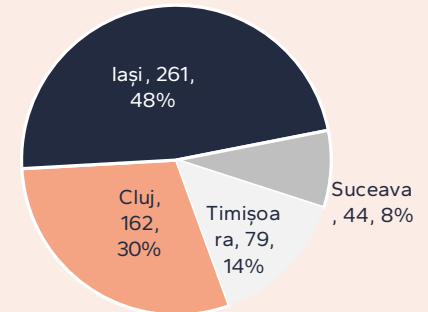
DESCHIS

INTERNSHIP PROGRAMS

“Rising Stars at IULIUS” – Build your future while still in school with the paid internship program!

In 2021 there were 500-plus applicants for the 31 paid internship positions during the August-October period in the IULIUS projects in Iași, Cluj-Napoca, Timișoara and Suceava. By means of this program, IULIUS Company provided senior bachelors and masters students with the opportunity to develop real-estate and mall management skills. For a period of 3 months, alongside a mentor, the students were involved in hands-on activities in their relevant fields. At the end of the program, 21 of the 31 interns became full-time IULIUS employees.

Number of applicants



RISING STARS AT IULIUS

YOUR TIME TO SHINE!

IAȘI, TIMIȘOARA, CLUJ-NAPOCA, SUCEAVA

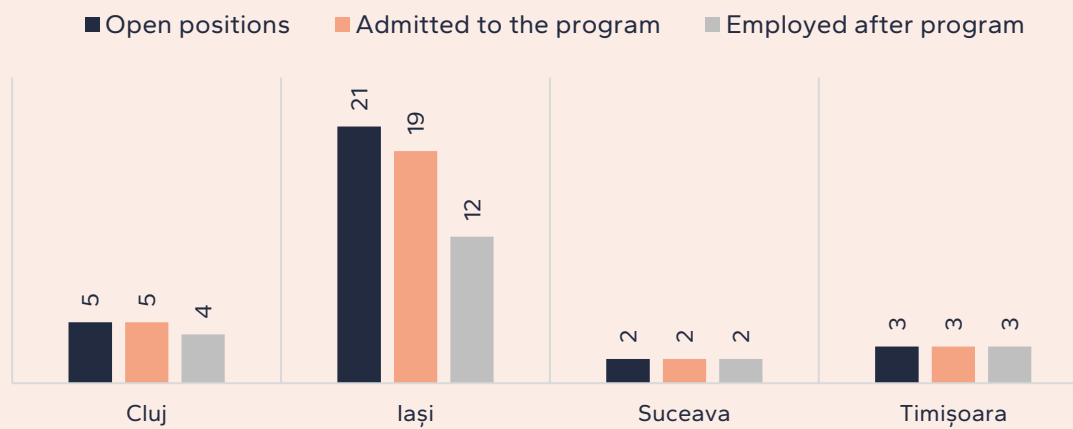
Construiește-ți cariera

alături de cel mai mare dezvoltator de proiecte de tip mixed-use din România!

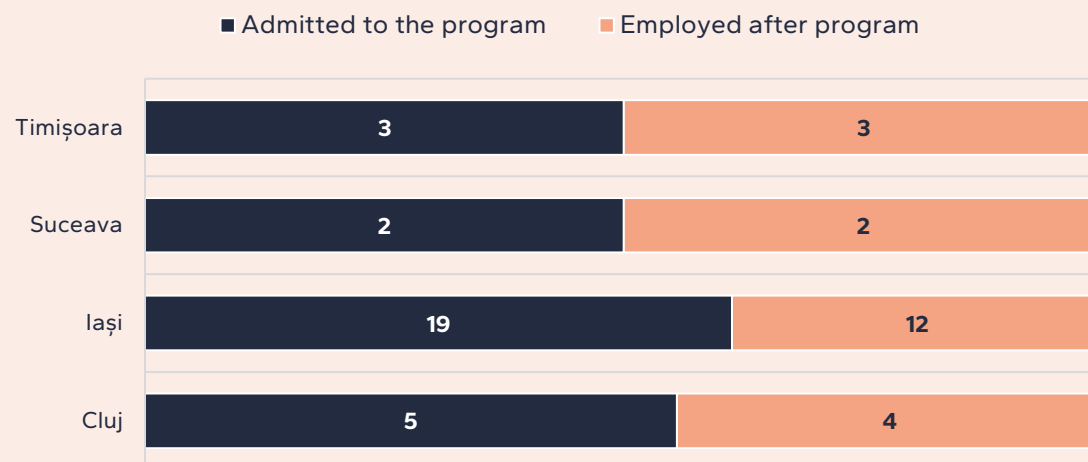
↳ Înscrie-te aici: bit.ly/internship-la-iulius

🕒 Deadline: Duminică, 16 mai 2021

Number of internship positions per location



Internship program evolution



developing high-performance teams

DEVELOPING HIGH-PERFORMANCE TEAMS

WELLBEING, HEALTH AND SAFETY

10



A. DEVELOPING HIGH-PERFORMANCE TEAMS

RESPONSIBLE EMPLOYER – TEAM MEMBERS, EMPLOYEE DATA

[GRI 102-7, 102-8, 103-1, 103-2, 103-3, 401-1, 405-1]

Globalization and digitization, together with demographic changes and the context of recent years, are contributing decisively to structural change in the workforce. The main workforce challenges we face are related to attracting the best employees, ensuring an attractive work environment and providing the conditions for the personal development of employees.

IULIUS believes that people are the main asset of the company, and we pay special attention to the development of our employees. Their level of expertise, skills and adaptability make it possible to perform at a high level. At the same time, our employees are one of the main drivers of our sustainability work.

IULIUS Group respects and supports the principles of human rights as set out in the Universal Declaration of Human Rights, as well as those contained in international treaties, including those of the International Labor Organization (ILO). We are committed to respecting labor rights, including ensuring decent wages, working hours, ensuring collective bargaining for employees, combating forced labor, child labor and human trafficking. In terms of ensuring the conditions for collective bargaining, IULIUS Group has a procedure in place that sets out the process for negotiating with employees. The collective labor agreement sets out the clauses on the rights and obligations arising from the employment relationship. The conclusion of collective labor agreements aims to promote and defend the interests of the parties and to prevent or limit labor conflicts.

WORKFORCE

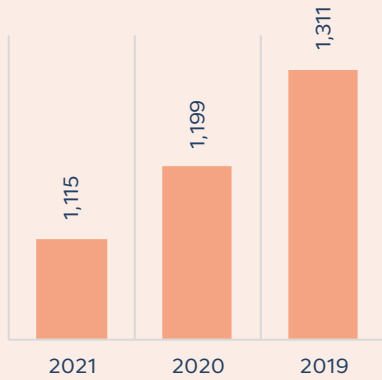
During the reporting period, IULIUS Group had an average number of 1,115 employees, of which 35% were women. The number of employees dropped by 15% compared to the base year and by 7% compared to 2020.

The geographic distribution of employees indicates that the majority are based in Iași (50%), where the company head office is also located, followed by Timișoara (23%), Cluj-Napoca (16%), Suceava (11%) and Bucharest (1%).

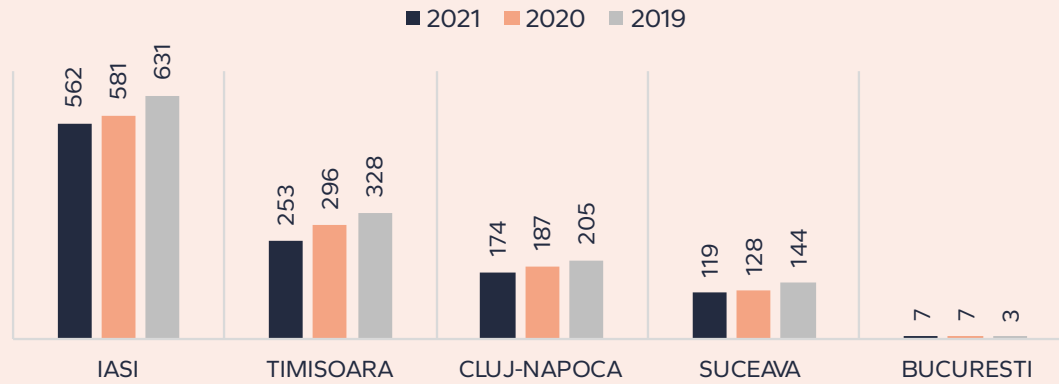
Workforce (average employee no.)

| Romania | 2021 | 2020 | 2019 |
|---------------------------|-------------|-------------|-------------|
| total number of employees | 1.115 | 1.199 | 1.311 |
| <i>of which women (%)</i> | 35 | 35 | 34 |
| Iași | | | |
| total number of employees | 562 | 581 | 631 |
| <i>of which women (%)</i> | 39 | 38 | 36 |
| Timișoara | | | |
| total number of employees | 253 | 296 | 328 |
| <i>of which women (%)</i> | 29 | 28 | 27 |
| Cluj | | | |
| total number of employees | 174 | 187 | 205 |
| <i>of which women (%)</i> | 30 | 31 | 33 |
| Suceava | | | |
| total number of employees | 119 | 128 | 144 |
| <i>of which women (%)</i> | 41 | 39 | 37 |
| Bucharest | | | |
| total number of employees | 7 | 7 | 3 |
| <i>of which women (%)</i> | 43 | 57 | 67 |

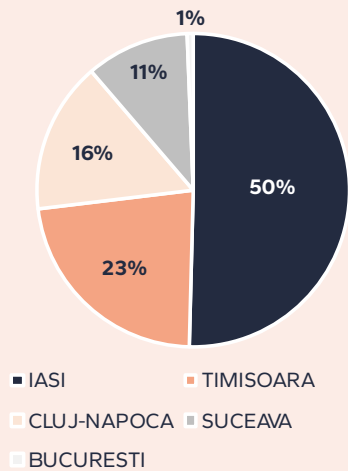
Number of employees



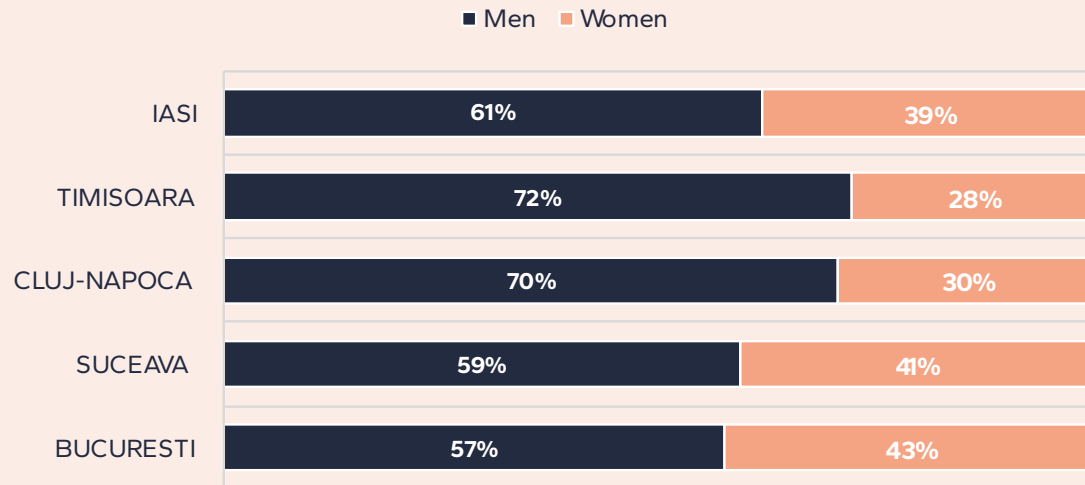
Total number of employees, by year



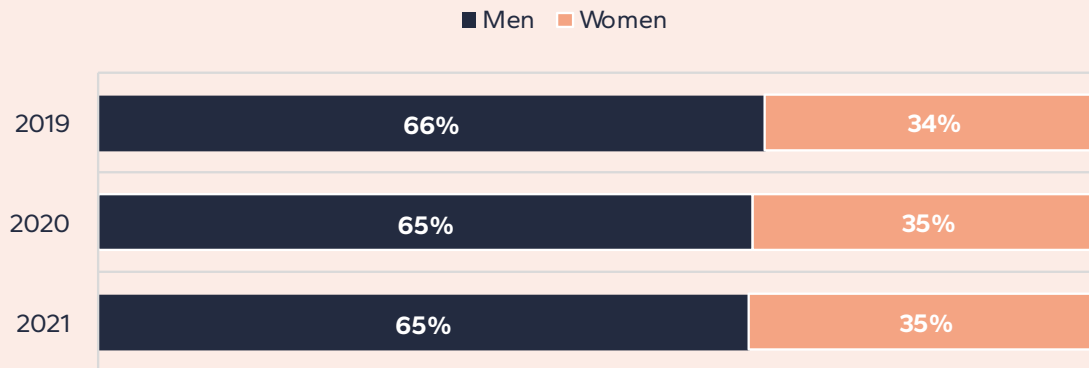
Employees distribution, by locations, in 2021



Share of employees in 2021, by location

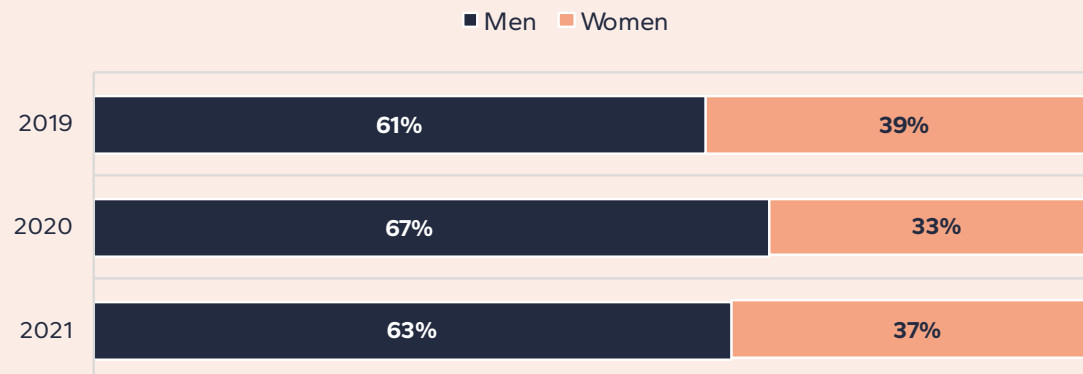


Share of employees, TOTAL Group

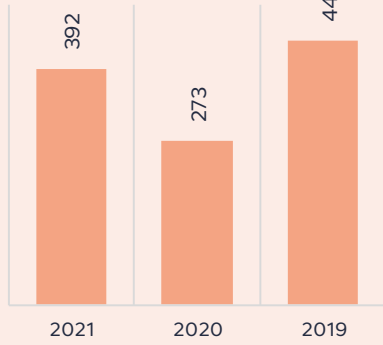


NEW EMPLOYEE HIRES

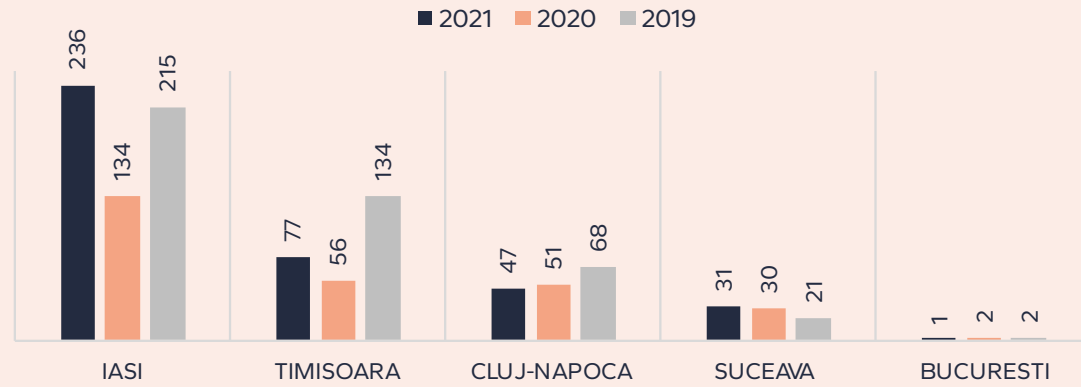
Share of new employees, TOTAL Group



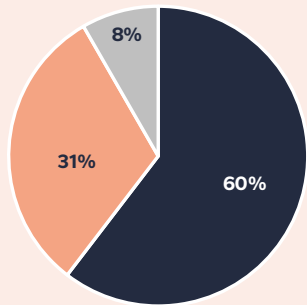
New hires



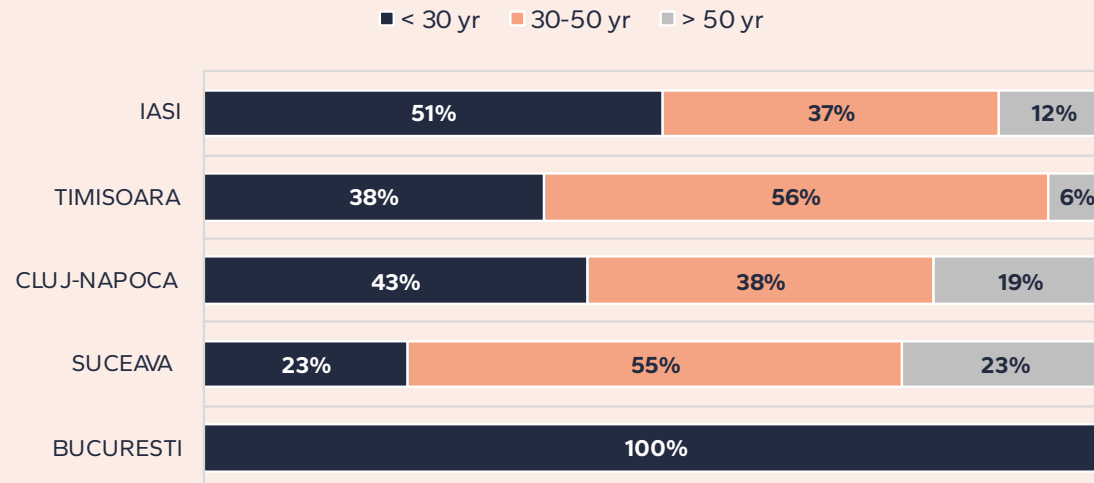
New hires, by location



Share of new hires - women, by age - Total Group

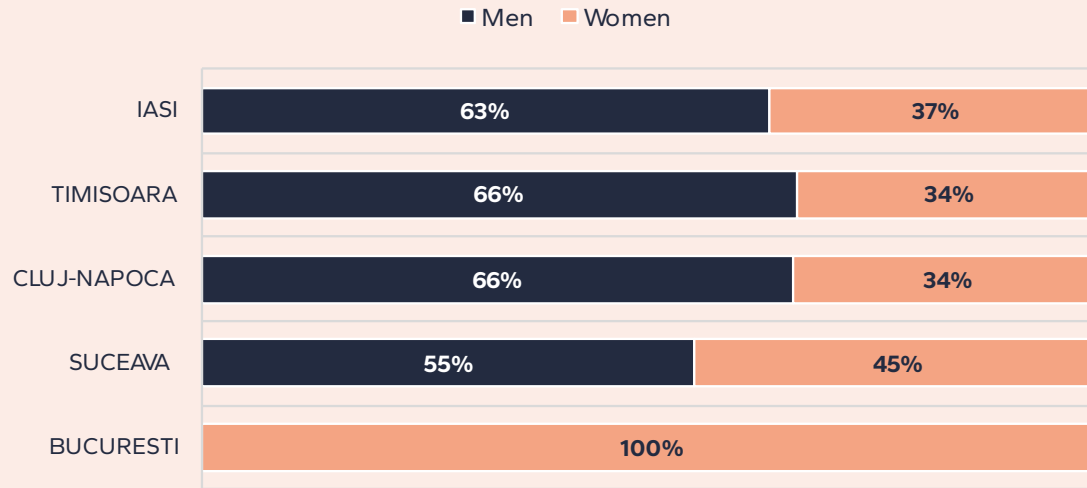


Share of new hires, by group age in 2021

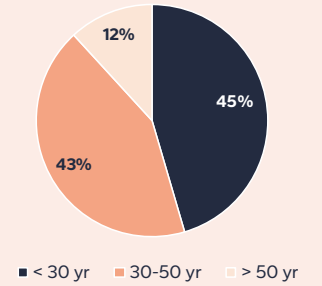


■ < 30 yr ■ 30-50 yr ■ > 50 yr

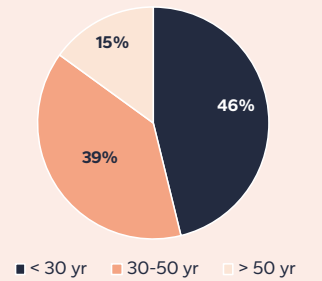
Share of new employees in 2021, by location



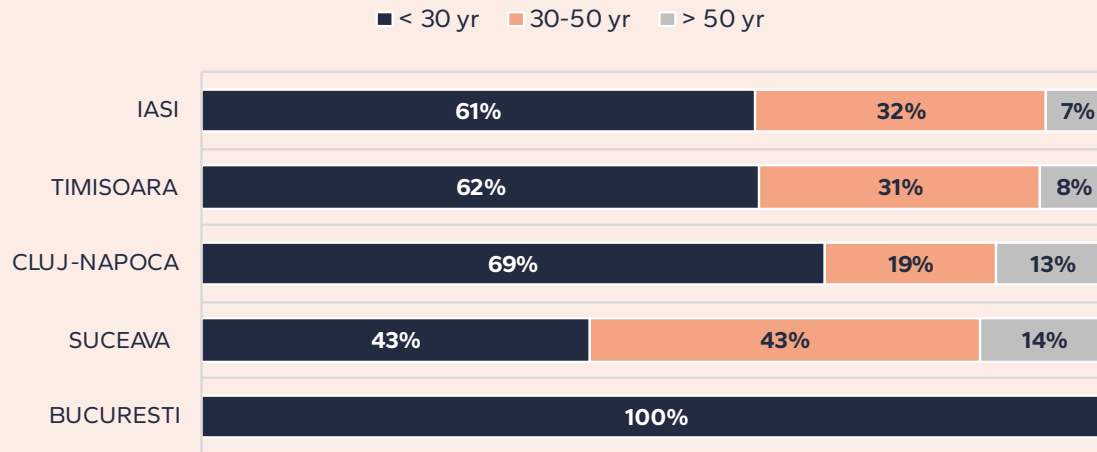
New hires by group age - 2019



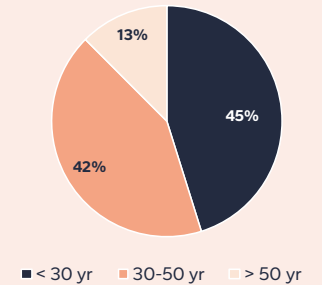
New hires by group age - 2020



Share of new employees - women, in 2021, by group age

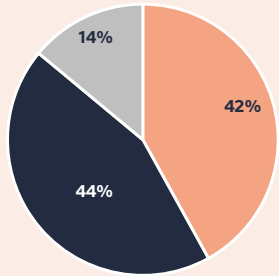


New hires by group age - 2021



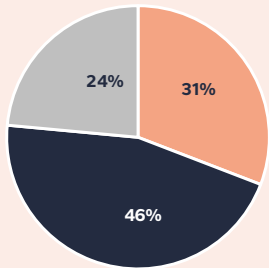
EMPLOYEE TURNOVER

Share of employee turnover- Total , by age în 2021



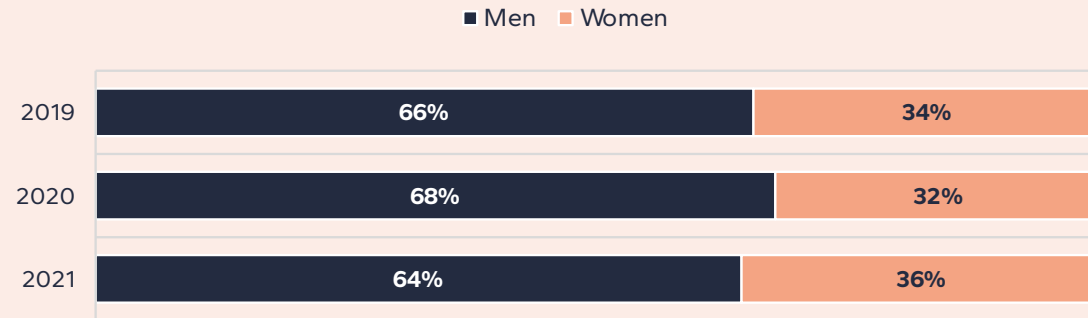
■ < 30 y/o ■ 30-50 y/o ■ > 50 y/o

Share of employee turnover - Women, by age în 2021

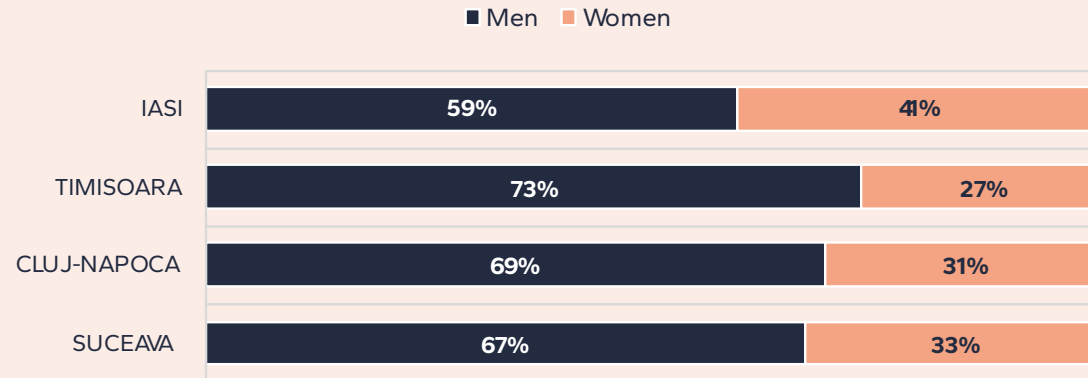


■ < 30 y/o ■ 30-50 y/o ■ > 50 y/o

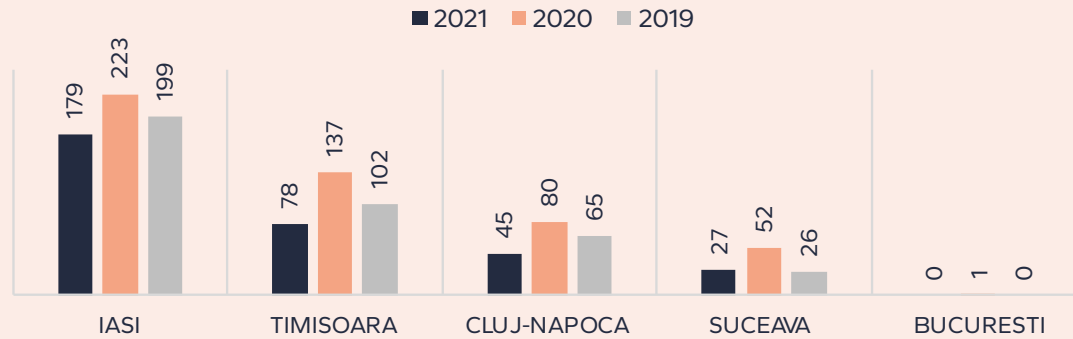
Share of employee turnover in 2021, by gender
TOTAL Group



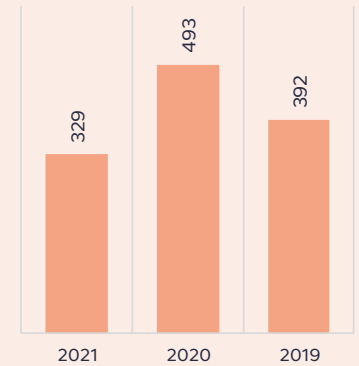
Share of employment turnover in 2021, by gender and location



Employee turnover in 2021, by location



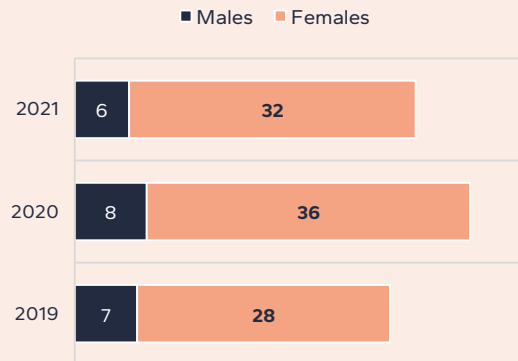
Employee turnover TOTAL Group



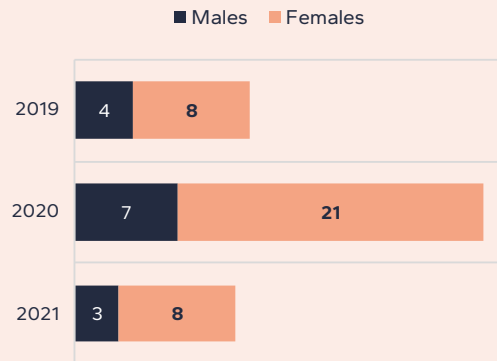
PARENTAL LEAVE

In 2021, there was a total of 38 employees entitled to parental leave of absence, of which 3 men and 8 women benefited from this type of leave during the reporting period.

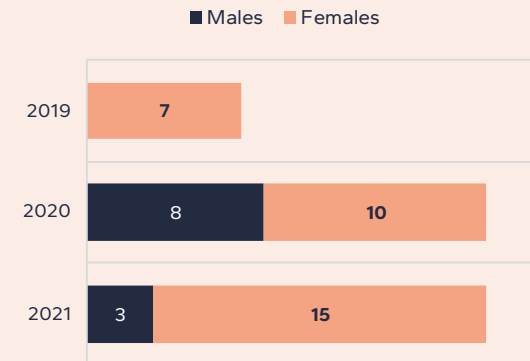
Employees entitled to parental leave, by gender



Employees that took parental leave, by gender



Employees that returned to work after parental leave



WORKSPACE ENVIRONMENT

IULIUS Group provides a competitive work environment and a pleasant working atmosphere that stimulates creativity and performance at work, with quality of office life being one of our strategic objectives. The workspaces benefit from numerous facilities that contribute to a high degree of comfort, but also stimulate interaction between employees and the development of team spirit. At the same time, employees have access to all the resources necessary for the smooth running of their work, including those provided in response to their requests.

In line with the company's concern for employee development, employees are provided with personal and professional development courses. Meetings are also frequently organized where employees can share ideas, teamwork is encouraged, as well as honesty and direct communication. Teams are also consolidated through team-buildings, but also through the employees' active engagement in induction and internship programs.

Occupational safety and health will always be a priority, and employees can work remotely under certain conditions.

COVID-19 Response

The year 2020 was a year full of unprecedented challenges for everyone, and in this context IULIUS Group responded quickly according to the best practices applicable for protecting the health of employees, partners and visitors and maintaining the safest possible environment.

Ensuring the safety and health of visitors was a priority; to this end, the stores, restrooms, food court area, elevators, escalators and revolving doors were disinfected and cleaned both before opening hours and during the business hours and whenever the situation required it. General disinfection was carried out weekly by means of spraying, which remains the safest and most effective disinfection process, including for the ventilation systems. The heating, ventilation and air-conditioning systems operated exclusively based on fresh air supply.

Common areas prone to direct contact such as escalators, access doors, elevators and tables in the food court area were disinfected permanently before and during business hours. The capacity of the food court was reduced by at least 30% to ensure the recommended safety distance and to provide differentiated access for the inbound and outbound flows. Escalators and fixed stairs were fitted with markings to separate the flows.

The signage was updated to complement the self-protection measures. Thus, information on prevention and dissemination measures and recommendations were applied at the entrance into the stores, markings were applied on floors to ensure social distance, elevators were provided with markings indicating their maximum capacity.



RECOMANDĂRI PENTRU SĂNĂTATEA ȘI SIGURANȚA TA

- | | |
|--|---|
| <p>Îți mulțumim că menții 1,6 m distanță față de ceilalți, la shopping sau în parc. Rămânem cu toții sănătoși!</p> | <p>Îți mulțumim că ești responsabil și te speli pe mâini min. 20 de secunde!</p> |
| <p>Cel mai dorit accesoriu al anului: masca de protecție. Poartă și mănuși asortate!</p> | <p>Te rugăm să lași câteva trepte libere între tine și ceilalți clienți de pe scara fixă sau rulantă!</p> |
| <p>Dacă nu te simți bine, mergi acasă! Pe nici o găsești în continuare aici!</p> | <p>Dacă sunt mai mult de 3 persoane în lift, te rugăm să așteți cursa următoare!</p> |
| <p>Când tușești sau strănuți, folosește un servetel! Respectă sănătatea tuturor!</p> | <p>Plata cu cardul e ușoară și sigură! Te scapă și de mărunțișul din buzunar!</p> |
| <p>Vino în parc sau la shopping cu 2 persoane dragi! Restul vor vedea pe story cum te-ai distrat azi!</p> | <p>Dezinfectează obiectele des folosite: telefonul, cheile, cardul!</p> |
| <p>Evită să-ți atingi nasul, ochii sau gura. Așa păstrezi și make-up-ul intact!</p> | <p>Te-ai întâlnit cu o cunoștință? Îmbrașăpăți-vă doar din priviri și rămâneți sănătoși!</p> |

In order to reduce the pressure on the healthcare system, IULIUS Group provided free of charge premises to the health authorities for setting up vaccination centers in the projects it operates in Iași, Timișoara, Cluj-Napoca and Iași.

Ensuring the health and safety conditions of employees in 2021 was achieved in line with the best existing practices, using both active measures (disinfection of common areas and offices via nebulization whenever the situation required it and sanitization of ventilation, heating and air-conditioning systems twice a month) and passive measures (work from home and producing self-protection guides and trainings). In addition, preventative measures were implemented, such as employee temperature screening, installing dispensers and doubling the dosage of active substances, as well as ensuring free PCR testing of employees.

EVALUATION AND REWARD POLICY, BENEFITS

[GRI 103-1, 404-3]

PERFORMANCE ASSESSMENT

Individual professional performance reviews are carried out annually. The employee receives feedback on the results of their work during the reviewed period. At the same time, objectives are identified for the next period and a plan is established to improve future performance.

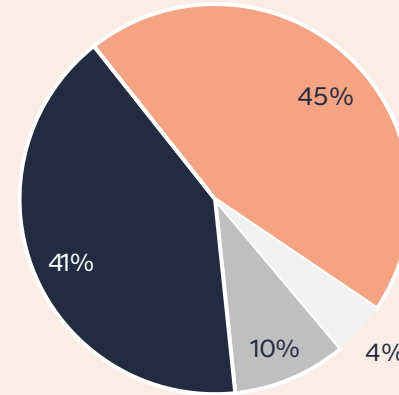
Employee evaluation is transparent and is based on well-established and known individual objectives and Key Performance Indicators (KPIs), which give an overview of their performance. The employees' professional priorities are to fulfill their tasks, duties and responsibilities; therefore, the evaluation has an exceptionally good predictability. Considering the job description, the upper manager sets (measurable) indicators used to assess their subordinates, and regular meetings are held to analyze how the objectives can be met.

Furthermore, IULIUS provides all employees with the opportunity to develop, regardless of gender or age. Thus, both at top management level and at any other hierarchical level, the company has a mixed gender team, whose performance is fairly recognized and appreciated.

Following the evaluation process related to the work carried out in 2021, more than 45% of the employees evaluated had good performance levels, while 41% had performed above expectations. Also, 9.5% of the employees evaluated had performed well above expectations, and at the other end of the spectrum, approximately 4% of the employees evaluated had to improve their performance in 2021.

Annual performance assessment results - 2021

- Well above expectations
- exceed expectations
- good performance
- To be improved



High performing employees promoted in 2021



Because we value performance, the organization's policy is to promote competent people to support them in achieving better and better results. Therefore, 8% of the top performers in 2020 were promoted, as were 10.6% of those who performed above expectations and 7.9% of those who performed well, as expected.

WORK BENEFITS

IULIUS Group complies with the legislation and labor law provisions in force in Romania, concerning pay, worktime and time off, as well as the equipment specific to the job. Job stability is a priority along with the payment of our salary obligations to state institutions so that the employee can benefit from all the rights to which they are entitled, in accordance with labor law. In this regard, all employees, regardless of gender, are eligible for parental leave.

We also make every effort to provide employees with extra pay benefit packages tailored to their needs. The most important fringe benefits granted to employees in 2021 include:

- **Partner Card** – Employee loyalty program whereby they have access to discounts in partner locations. The list of partners participating in this program is constantly updated.
- **Meal vouchers** – Among the best-known and most frequently granted fringe benefits; the value of meal vouchers has been steadily increasing in line with legislative limits.
- **Private healthcare subscriptions** – Based on subscription-type packages for healthcare services in private clinics.
- **Professional development** – We invest in our employees through professional training and development programs designed to help them professionally by acquiring professional qualifications or gaining more in-depth knowledge on specific subjects.

- **Flexible hours or remote work** – The COVID-19 pandemic we have been facing has brought radical changes at all levels, both professionally and personally, and we have had to adapt, including in terms of remote working. Where possible, employees can also work remotely.
- **Holiday bonuses** – Income assimilated to salaries, highly appreciated by employees.
- **Bonuses and performance-based awards** – The performance review policy also contains a reward system based on the results of the evaluation process.

One of the goals of the organization is to diversify the types of fringe benefits provided to employees according to their needs and to increase the percentage of employees benefiting from such diversified packages.



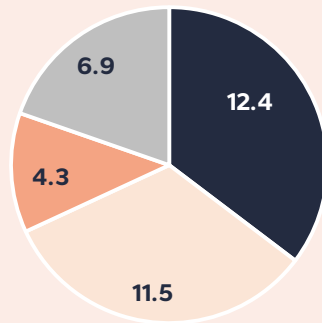
TRAINING AND EDUCATION / DEVELOPING SKILLS

[GRI 103-1, 103-2, 103-3, 404-1]

The training and education of our employees is a key component in the Sustainability Strategy of IULIUS Group. In addition to improving knowledge and skills, employee training programs actively contribute to increasing their motivation and satisfaction, which will subsequently be reflected in increased performance and productivity within the Group.

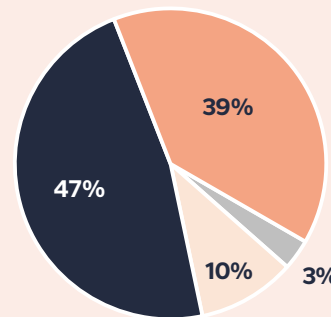
Training programs are tailored to the employees' areas of competence and are delivered with the help of external providers. In 2021, IULIUS Group employees received on **average 6.3 hours of training and education**. The most hours of training, in relation to the number of employees, were recorded for specialists (approx. 5,000 hours), followed by executive staff (approx. 4,000 hours) and the people in management (approx. 2,900 hours).

Average hours of training in 2021



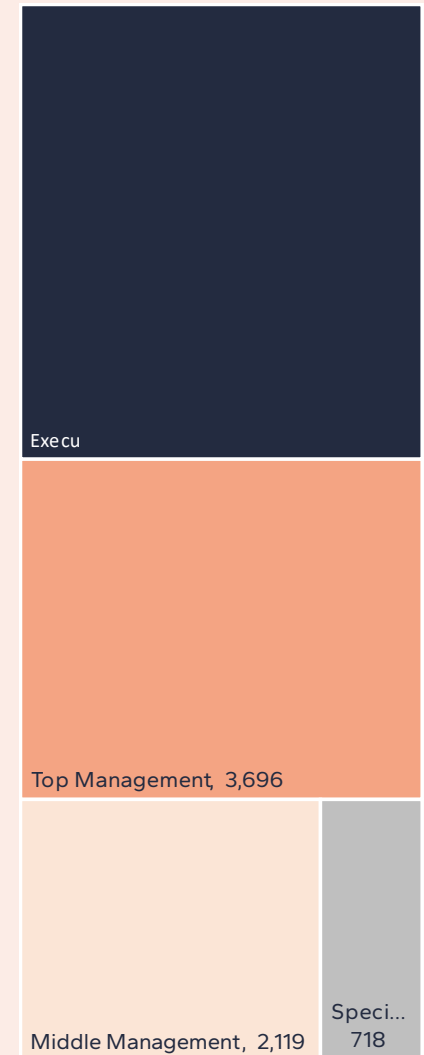
Top Management
 Executive
 Middle Management
 Specialists

Share of employees receiving training in 2021



Top Management
 Executive
 Middle Management
 Specialists

Training hours in 2021



B. WELLBEING, HEALTH AND SAFETY

OCUPPATIONAL HEALTH AND SAFETY

[GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

Providing a safe and healthy workplace is an essential part of being a responsible company and employer. Therefore, at IULIUS we take the utmost care to ensure optimal health and safety conditions for employees, visitors, partners and the communities in which we operate.

In doing so, we are actively supporting the achievement of the Sustainable Development Goals on **Health and Wellbeing (SDG 3)** and **Decent Work Conditions (SDG 8)**.

Our operations are supported by a management system that includes occupational health and safety policies and procedures. IULIUS Group also complies with specific occupational health and safety provisions and laws. Health and safety issues are covered in the Group's Code of Conduct.

Risk identification and assessment are included in the Prevention and Protection Plan applicable in all the locations of the Group. Risk assessment is carried out annually and whenever risk situations are identified. Each incident is investigated, so managers and employees are familiar with how accidents can be prevented. Each employee is bound to inform their upper manager immediately when they notice a risk situation and to stop work immediately.

We aim to identify, mitigate and eliminate all potential sources of danger to all our employees. Each incident is reported and reviewed in-house and corrective action is subsequently taken.

Within IULIUS, employees also have access to the **Occupational Safety and Health Committee** as another means of engaging in occupational safety and health decision-making. The main duties of the committee are related to ensuring compliance with national labor laws, recording incidents, handling complaints and grievances and raising awareness. According to the law, the committee meets quarterly and whenever necessary.

At IULIUS, we are committed to eliminating workplace accidents so that at the end of the day everyone gets home safely. Our employees are actively involved in achieving the goal of zero workplace accidents by means of awareness campaigns, as well as regular on-the-job trainings.

Within IULIUS Group, all employees receive regular training on occupational health and safety (OSH) in accordance with their specific activity and the labor law. Furthermore, OSH trainings are also organized and delivered by external providers. All new employees receive general induction training on occupational safety and health and emergency situations as part of their onboarding. In 2021, alarm and evacuation drills were organized to train employees and tenants.

In 2021, as a result of the health context and the state of emergency and alert restrictions, training that was normally conducted in-person had to be moved online. Thus, in order to support employees, a series of trainings were delivered by specialists on topics of self-protection, first aid and wellbeing measures.

Two (2) minor work accidents were recorded in 2021 within IULIUS Group, with no serious or fatal accidents.

| Work related incidents | 2021 | 2020 | 2019 |
|-------------------------------------|-------------|-------------|-------------|
| Work-related deaths | 0 | 0 | 0 |
| Major work-related injuries | 0 | 0 | 0 |
| Work-related injuries* | 2 | 2 | 1 |
| <i>* Injuries with days of care</i> | | | |



DIVERSITY AND EQUAL OPPORTUNITY

[GRI 103-1, 103-2, 103-3, 405-1, 405-2]

At IULIUS, we provide equal opportunities for all our employees, regardless of gender, age or religion. Respect for diversity is an integral part of our business model. To this end, the company has recognized the strategic importance of diversity and has thus included it in the sustainability strategy.

We recognize that an inclusive work environment that guarantees equal opportunities for all is paramount to the wellbeing of team members.

By the end of 2025 we aim to have at least 20% representation of both genders at top management level. In 2021, women accounted for 21.7% of the top management.

According to the European Institute for Gender Equality (EIGE), women held 21.5% of management positions across Europe. Diversity and inclusion goals are checked annually during CSR processes and the data is published annually in the sustainability reports.

The diversity of company employees is a tremendous company asset. **In 2021, women accounted for 36.7% of new hires.** The number of new hires is calculated from the total number of hires.

Diversity within TOP MANAGEMENT

| | 2021 | 2020 | 2019 |
|----------------------------------|------|------|------|
| % women | 21,7 | 21,7 | 21,7 |
| % men | 78,3 | 78,3 | 78,3 |
| % members under 30 years old | 0 | 0 | 0 |
| % members within 30-50 years old | 73,9 | 73,9 | 73,9 |
| % members over 50 years old | 26,1 | 26,1 | 26,1 |

Diversity within MIDDLE MANAGEMENT

| | 2021 | 2020 | 2019 |
|----------------------------------|------|------|------|
| % women | 27,5 | 27,3 | 17,6 |
| % men | 72,5 | 72,7 | 82,4 |
| % members under 30 years old | 2,9 | 7,6 | 5,9 |
| % members within 30-50 years old | 78,3 | 72,7 | 68,6 |
| % members over 50 years old | 18,8 | 19,7 | 25,5 |

Diversity within the GROUP (SPECIALISTS + EXECUTION LEVEL)

| | 2021 | 2020 | 2019 |
|----------------------------------|------|------|------|
| % women | 35,2 | 35 | 34,2 |
| % men | 64,8 | 65 | 65,8 |
| % members under 30 years old | 17,3 | 17,9 | 18,8 |
| % members within 30-50 years old | 60,3 | 61,8 | 61,1 |
| % members over 50 years old | 22,4 | 20,3 | 20,1 |

ANTI-DISCRIMINATION MEASURES

[GRI 103-1, 406]

IULIUS Group has adopted a 'zero tolerance' policy towards any form of discrimination and/or harassment. Our internal policy provides a transparent framework for combating discrimination on all grounds.

In order to report professional misconduct or any form of discrimination, IULIUS Group has developed a whistleblower tool. This tool allows employees to submit secure and anonymous reports of professional misconduct occurring within the group.

The company is committed to protecting from retaliation the individuals who provide information in good faith to the company or to regulatory bodies when they observe aggressive, abusive or illegal behavior.

CLIENT CONFIDENTIALITY

The privacy of the information we process is especially important to us. Therefore, we are fully committed to respecting the rights of anyone whose personal data we process, including but not limited to employees, partners, visitors, etc.

Our data privacy policy together with the related procedures define how we process this data. The policy is drafted and implemented in accordance with the guidelines and recommendations of the European Data Protection Board.

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