

# EUROCOMMERCIAL

# VAB LLB



## ESG update Report 2023

31 December 2023



# **Environmental, Social and Governance**

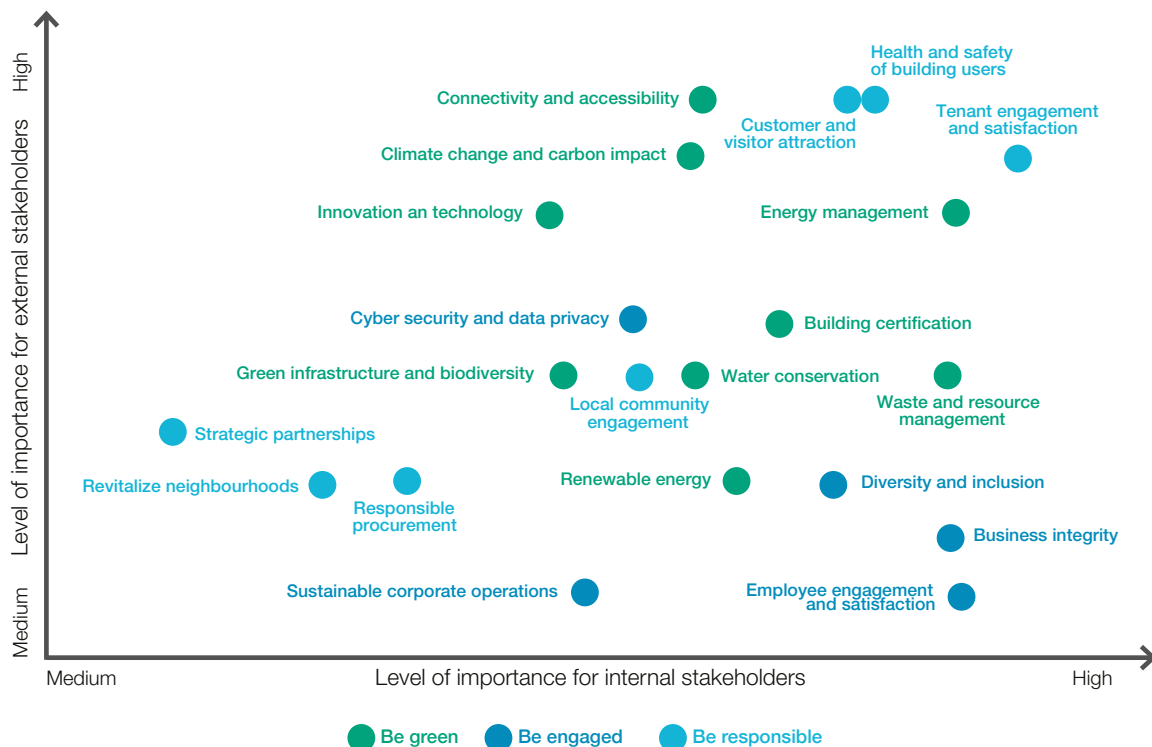
## Our ESG strategy

At Eurocommercial Properties, we recognise that building a sustainable and resilient business is the foundation for long-term success. The ESG and business strategies are carefully aligned, and each business decision is approached with a long-term view, supported by detailed research to evaluate its environmental and socio-economic impact. While each shopping centre presents its individual set of challenges and opportunities, Eurocommercial has developed a broad ESG vision and strategy to meet global challenges and the future demands of customers, tenants, and employees while creating sustainable centres. The ESG approach is centred around three strategic pillars: Be green, Be engaged, Be responsible. These pillars guide our efforts to reduce environmental impact, engage with stakeholders, and act responsibly towards society and the environment.

## Materiality assessment

ESG applies to all aspects of Eurocommercial's business operations. In 2020, the Company mapped out particular topics and targets to help develop the business with impact while enhancing value. These clear objectives underpin the current strategy. The first step was to execute a detailed materiality assessment to thoroughly assess a wide range of ESG topics. The Company then selected which topics would create the most value for Eurocommercial and its stakeholders, while aligning with the United Nations Sustainable Development Goals on the global agenda. Eurocommercial carefully examined the core components of its business strategy, progressing their integration with the ESG strategy over the short, medium, and long term.

## Eurocommercial materiality matrix (2020)





In 2023, Eurocommercial took proactive steps in anticipation of upcoming European regulations, particularly the Corporate Sustainability Reporting Directive (CSRD). The CSRD, a regulatory framework aimed at strengthening corporate accountability and sustainability, requires companies to provide detailed disclosures regarding their sustainability and environmental impact within corporate reports. Eurocommercial is committed to aligning its 2024 financial report with the CSRD regulations to enhance transparency and accountability in its sustainability efforts.

Recognising the importance of this directive for Eurocommercial, the ESG Committee has taken an active role in advancing its disclosure on ESG matters in the coming years. An integral part of this effort is the undertaking of a double materiality assessment, planned for completion in the first half of 2024.

The double materiality assessment encompasses two distinct perspectives: impact materiality and financial materiality. Impact materiality focuses on evaluating Eurocommercial's influence on both people and the environment across various timeframes, considering factors such as scale,

scope, and irreversibility of impact. In contrast, financial materiality relates to sustainability matters that may affect the Company's financials, taking into account the likelihood of occurrence and the size of potential financial effects.

Furthermore, in 2023, the Company began a peer analysis and stakeholder mapping exercise to gain deeper insights into the ESG priorities within the real estate market. Key stakeholders, including shareholders, tenants, banks, suppliers, and property management companies with whom Eurocommercial collaborates closely, have been identified. Qualitative interviews were conducted in the first quarter of 2024 and will be followed by a quantitative assessment through an online survey, with active leadership from the ESG Committee.

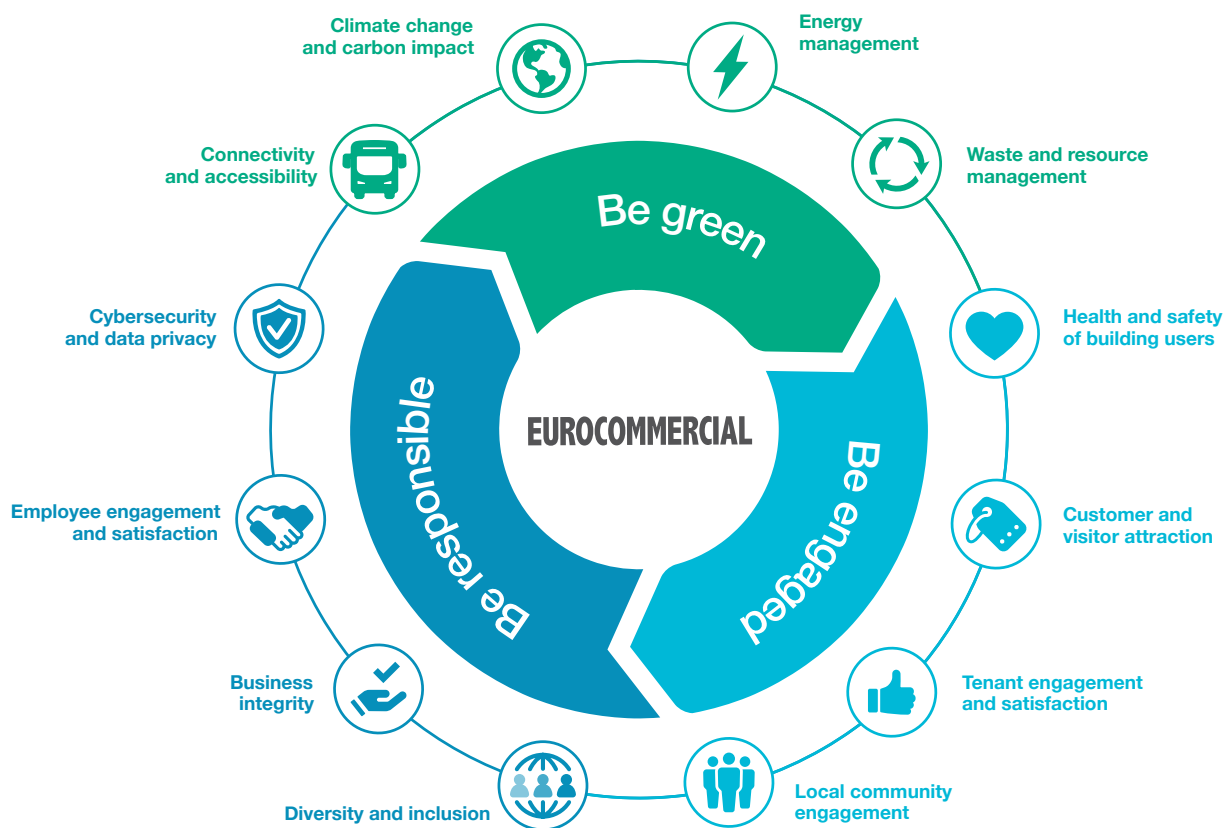
The latter half of 2024 will be dedicated to preparing the organisation for further refinement of its ESG strategy, updating internal policies, and collecting necessary data. The outcomes of the double materiality analysis will be presented in our 2024 annual report, demonstrating our commitment to sustainability and transparency in line with regulatory requirements and stakeholder expectations.



Solar panels at Carosello with the green roof in the background

### Three strategic pillars

Each of our shopping centres offers its own set of challenges and opportunities, yet Eurocommercial has developed a broad ESG vision and strategy to ensure that it can meet global challenges and the future demands from visitors, tenants, and employees, while creating sustainable shopping centres. The approach is articulated around three strategic pillars: Be green, Be engaged, and Be responsible.



### Eurocommercial ESG commitments

Be green	Be engaged	Be responsible
Operate carbon neutral by 2030 (Scope 1 & 2)	Maintain all customer satisfaction scores above 7.5 by 2025	Zero breaches against the Code of Conduct annually
Zero waste to landfill by 2030	Improve the average retailers satisfaction scores towards 7.0 by 2025	Create an attractive and professional workplace
BREEAM certifications in place for all shopping centres by 2025	Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023	Introduce Green Finance framework

## Environmental, Social and Governance (continued)

### Why ESG matters for Eurocommercial

For the past three decades, Eurocommercial has been dedicated to promoting ESG through various initiatives. The Company aims to benefit stakeholders by investing in retail properties and fostering community gathering places. The goal is to provide opportunities for entrepreneurs to connect with their audience and generate income, ensuring sustainable financial and social returns for shareholders. Eurocommercial must strive for greater sustainability in the future due to population growth and climate change effects. It is crucial for businesses to reduce environmental impact and operate responsibly, especially for Eurocommercial, owning and operating retail properties across Europe.

Increased sustainability brings financial benefits, like lower operating costs for energy-efficient buildings, resulting in higher net income. Corporate sustainability initiatives enhance reputation and attract customers and investors. Overall, it is clear that improved sustainability is an important measure of Eurocommercial's future success. Action is needed to reduce pollution, conserve resources, and improve efficiency for long-term viability. With the right strategies and investments, Eurocommercial can further drive growth and success.

Drivers for ESG	Description	Eurocommercial's management approach
Carefully monitor and manage ESG related risks	Continuously assess potential risks and opportunities posed by climate change, which can affect our properties and communities. The investment community requires increased transparency regarding the potential financial consequences of climate change.	In 2023, Eurocommercial commenced thorough property assessments conducted by external experts to identify potential physical climate change risks impacting our organisation. Detailed reports were received outlining strategies to mitigate these risks in the near future. Mitigation plans are integrated into property-level business plans.
	Ensuring health and safety and enhancing measures at our shopping centres remains a top priority. The indoor environmental quality has gained added significance in recent times. It is important to uphold the highest standards for the comfort and well-being of our customers, tenants, and employees.	At our shopping centres, all Health & Safety requirements are met, and further investments are made in monitoring tools such as CO <sup>2</sup> meters to constantly check air quality inside our premises. Furthermore, customers' comfort and satisfaction with their journey through our centres are monitored.
Efficient use of resources	Reducing operational expenses for our tenants to enable them to run their businesses at lower costs, while also offering energy-efficient, more sustainable retail spaces.	In 2023, commitment remained strong to implementing significant measures to enhance energy efficiency and decrease the carbon footprint. Investments such as solar panels, LED lights, upgraded Building Management Systems, and advanced monitoring tools like smart metering enable sustained reasonable energy costs and savings.
	As a responsible owner, it is imperative to offer shopping centres with efficient waste management, water conservation, biodiversity, material usage, sustainable transportation, etc.	Eurocommercial is proactively engaged in the maintenance or pursuit of recertification for BREEAM In-Use certificates across all its shopping centres. These certifications provide the teams with guidelines to regularly measure and compare assets in order to reduce carbon emissions, energy consumption, waste, conserve water, focus on using safer materials, and minimise pollution.

<p><b>To comply with evolving regulations</b></p>	<p>European regulations provide a roadmap to a low-carbon economy which will require our organisation to improve transparency and comply with external reporting requirements (such as the EU Taxonomy and the Corporate Sustainability Reporting Directive).</p>	<p>Eurocommercial has taken meticulous steps in 2023 to prepare its external reporting to align with the upcoming EU regulations. The ESG Committee will continue in 2024 to prepare future financial reporting to adequately align with these new standards.</p>
	<p>We adhere to stricter national and local environmental legislations and adapt our properties to comply with changing building codes that support the low-carbon initiatives of national governments and to improve energy efficiency in order to reduce carbon emissions and upgrade Energy Performance Certificates (EPC).</p>	<p>In 2023, a CRREM analysis was conducted for 18 properties to gain insights into initiatives and required investments for aligning our portfolio with the Paris Accord carbon reduction target. The remaining properties will develop a CRREM pathway in 2024. Our aim is carbon neutrality in all scope 1 and 2 emissions by 2030 and establishing a reduction target for scope 3 emissions soon. Additionally, Energy Performance Certificates are being updated to comply with national regulations.</p>
<p><b>Positive stakeholder engagement</b></p>	<p>To respond to evolving societal needs, such as the development of omnichannel retail and the changing customer journey, shopping centres are adapted to serve as retail destinations and community hubs, providing services and amenities to meet community demands.</p>	<p>In 2023, the Company conducted customer engagement surveys for 14 centres, with over 13,000 customers providing valuable input, to continuously monitor the needs and satisfaction of this important stakeholder group. Outcomes are discussed within local teams and shared between countries to exchange best practices.</p>
	<p>Having a good relationship with tenants is important to create a welcoming and enjoyable shopping experience for customers in our centres. Striving to work closely with retailers as business partners is essential.</p>	<p>Eurocommercial assesses tenant satisfaction levels through regular surveys and ongoing communication. Additionally, the introduction of a tenant app enhances communication, and Green Committees in our shopping centres promote sustainable practices. In 2024, tenant engagement surveys will be undertaken again as part of the biennial assessment process.</p>
<p><b>To maintain a positive reputation in the real estate market</b></p>	<p>Financial markets require sustainable investments. Sharing information and data is required to access funding in the form of green loans and bonds.</p>	<p>In 2022, Eurocommercial established a Green Finance Framework and integrated ESG factors into individual loans.</p>
	<p>To become a preferred business partner and establish a reputation as a trustworthy, long-term real estate investor.</p>	<p>Our teams maintain long-term relationships with the main participants in their local markets including tenants, investors and financing partners.</p>

## Environmental, Social and Governance (continued)

### ESG governance

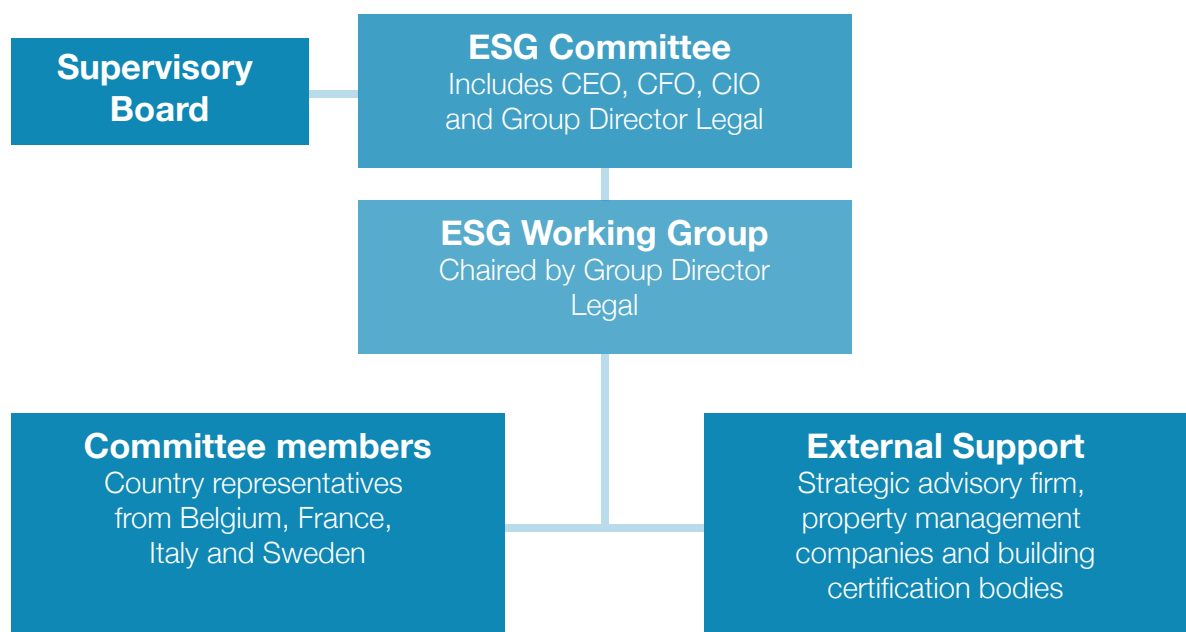
We structured the Company's ESG governance in January 2021 and set up an ESG Committee and an ESG Working Group. The ESG Committee is responsible for the Company's ESG strategy and includes all members of the Board of Management and the Group Director Legal, and regularly updates the Supervisory Board. The ESG Committee oversees the implementation of the strategic framework, evaluates if the ESG performance of the organisation is in line with its long-term targets and ensures ESG is embedded throughout the different teams and countries.

The ESG Committee has final responsibility on all topics related to the ESG programme including climate change risk assessment, environmental performance, socioeconomic impact, diversity and inclusion and other topics mentioned in this

chapter. The ESG Working Group is responsible for implementing the ESG strategy and directing initiatives in the local countries and sharing information and best practices.

The ESG Working Group is composed of the Group Director Legal (chairman) and a diverse group of employees responsible in their respective countries for implementing the ESG strategy steering initiatives, collecting ESG data and sharing information between countries. The Chair of the ESG Committee informs the Supervisory Board (at least) twice a year regarding ESG issues on key ESG topics (vision, strategy, initiatives taken) and ESG performance (performance against targets, benchmarking scores etc.).

### ESG governance structure





## ESG governance structure

ESG Working Group Country and asset level	ESG Committees Corporate level	Third party support
<ul style="list-style-type: none"> <li>• Monitor usage of natural resources</li> <li>• Develop and implement action plans</li> <li>• Engage with tenants and suppliers</li> <li>• Ensure compliance with local legislation</li> <li>• Engage with local communities</li> </ul>	<ul style="list-style-type: none"> <li>• Develop policies and procedures</li> <li>• Review performance against targets</li> <li>• Allocate budget</li> <li>• Outline and supervise ESG strategy</li> <li>• Initiate Green Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Advise on ESG rules and regulations</li> <li>• Perform energy audits</li> <li>• Verify performance data</li> <li>• Certify assets with BREEAM</li> <li>• Review environmental impact by onsite ecologist</li> <li>• Facility partners and vendors implementing action plans</li> </ul>

## United Nations Global Goals for sustainable development

Eurocommercial aligns its sustainability efforts with the United Nations Global Goals (UNSDGs), recognising their significance in guiding global development. The 17 Global Goals and 169 subgoals provide a framework for addressing major challenges worldwide and shaping Eurocommercial's sustainability strategy.

Eurocommercial selected goals 7, 8, 11 and 13 as the most relevant to the business.

## Eurocommercial's actions contribute to the following Global Goals:



### Affordable and clean energy (Goal 7):

Eurocommercial invests in on-site renewable energy, such as solar power, and operates more efficiently to reduce energy consumption. Eurocommercial promotes green energy procurement and green leases with tenants to foster a sustainable future.



### Decent work and economic growth (Goal 8):

Eurocommercial invests in employee and retailer development, providing training through initiatives such as the Eurocommercial Retail Academy® and organising job fairs and events to benefit communities.



### Sustainable cities and communities (Goal 11):

Eurocommercial integrates its assets into local public transport networks, encourages the use of public transport, and collaborates with municipalities to improve accessibility and provide environmentally friendly options such as electric vehicle charging and bike parking. Eurocommercial aims to increase recycling rates and achieve zero waste to landfill by 2030.



### Climate action (Goal 13):

Eurocommercial is committed to reducing carbon emissions, mitigating extreme weather effects, and educating tenants and visitors on climate action. Eurocommercial encourages community involvement to protect the environment for future generations.

## Environmental, Social and Governance (continued)

### Recognition

Eurocommercial is dedicated to annual reporting on its Environmental, Social, and Governance (ESG) performance. In 2023, the Company's sustainability reporting efforts were recognized with the prestigious EPRA Gold Award, and it achieved its highest-ever score of 86 in the GRESB assessment, earning a Green Star and four-star position, aligning with industry best practices. Additionally, Eurocommercial's commitment to ESG excellence led to its inclusion in both Euronext's AMX® and AEX® ESG indices, effective from 19 September 2022. These indices spotlight companies within the AEX® and AMX® indices showcasing top-tier Environmental, Social, and Governance (ESG) practices, fostering the adoption of mainstream ESG investment approaches.

Furthermore, in 2023 Eurocommercial made its inaugural participation in the Carbon Disclosure Project (CDP), receiving a commendable C level rating. The CDP, an annual disclosure project, allows companies to voluntarily report their environmental impacts and climate-related data to investors and stakeholders, enhancing transparency, accountability and sustainability practices.



The 'Be Green' pillar of Eurocommercial's ESG strategy entails close collaboration with key stakeholders to tackle climate change, circularity, biodiversity, low-carbon transportation and pollution prevention. In 2023, Eurocommercial placed emphasis on evaluating the risks and opportunities associated with climate change and establishing decarbonisation pathways for its properties. By obtaining green building certifications such as BREEAM, the Company systematically monitors and improves its portfolio, thereby diminishing its environmental footprint.

Objective	Status	Key facts
Operate carbon neutral by 2030 (Scope 1 & 2)	On target	24% carbon emissions reduced vs. 2022.
Zero waste to landfill by 2030	On target	54% of assets with zero waste to landfill.
BREEAM certifications in place for all shopping centres by 2025	On target	85% of assets BREEAM certified. 15% of the assets is in process of re-certification.

### Carbon neutral

Operating as a carbon-neutral company entails ensuring that our operations across all locations produce net zero carbon emissions, thereby making our direct impact emission-free. This encompasses leveraging efficient energy management to influence energy source usage, prioritising the transition to renewable energy sources, particularly onsite generation where feasible.

In 2023, local teams began developing decarbonisation pathways using the Carbon Risk Real Estate Monitor (CRREM) to prepare for carbon neutrality. Eighteen shopping centres have prepared decarbonisation pathways in 2023, with the remaining centres to follow in 2024. These carbon reduction plans are based on clear, science-backed methods aligned with the Paris Climate Goals, aiming to limit global temperature rise to 1.5°C, with limitations of 2°C. Additional measures have been taken to collect tenant data (scope 3 carbon emissions) with the aim to review our carbon reduction commitment and extend this to incorporate scope 3 carbon emissions into our overall reduction target by 2050.

In 2022, we dismantled the gas plants at Collestrada and Curno, replacing them with highly efficient, electricity fuelled plants, resulting in reduced direct carbon emissions for these centres in 2023. In February 2024 the gas plants at Il Castello were replaced by a district heating system of the Ferrara Municipality. Starting from March 2024, all Italian shopping centres are purchasing electricity 100% from renewable sources with contracts provided with the Guarantee of Origin

(GO). Consequently, 15 assets no longer rely on gas as the primary source for heating or cooling. Additionally, 9 assets have initiatives in place to eliminate gas usage from the centres by 2030.

Short term actions identified (0-5 years) to reduce our carbon emissions:

- Define adaptation and mitigation actions to reduce climate change risks.
- Complete CRREM pathways for all assets and define investments according to stranding dates
- Introduce smart metering for all areas in the shopping centres
- Initiate methodology to calculate embodied carbon
- Set carbon reduction target (scope 3 emissions)
- Recertify properties with latest BREEAM In-Use with ratings no lower than Very Good

### Green building certification

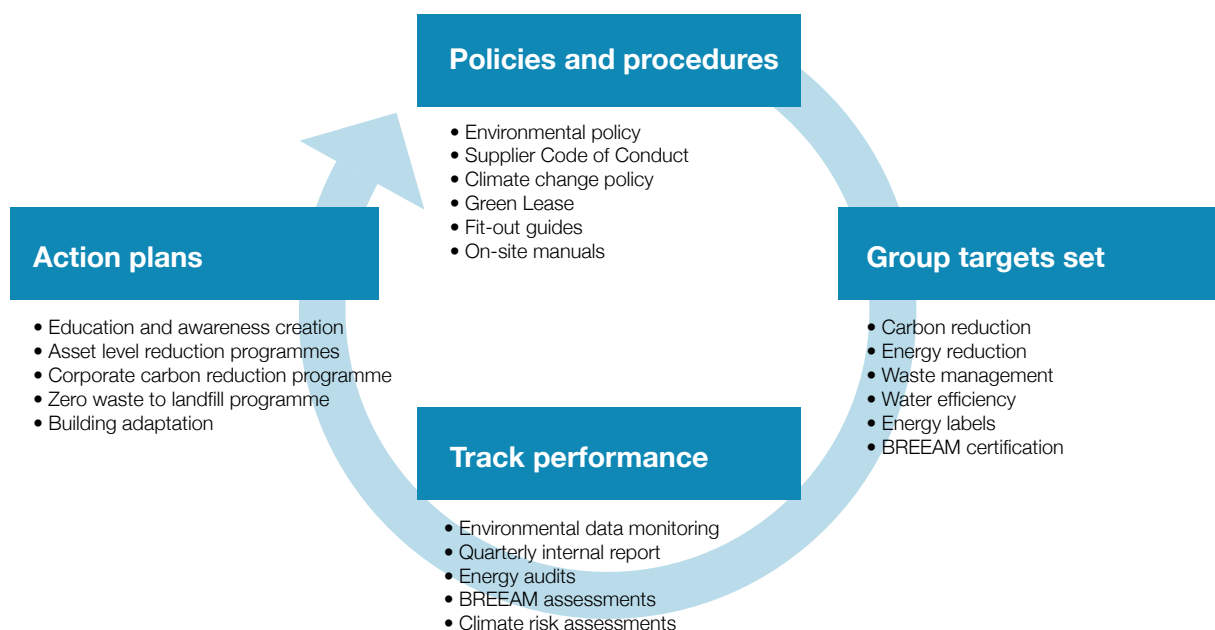
The Company continues to use green building certification as part of its Environmental Management System (EMS). This certification process assists our local teams in improving their understanding of the objectives and creates a uniform approach to management across the portfolio, developing programmes to reduce environmental impact. All the shopping centres under the Company's

management have obtained a BREEAM In-Use certification or are in the process of recertification. This is well ahead of the 2025 Group target, and the Company will continue to recertify its centres in the coming years. Bergvik, Hallarna, Ingelsta, Grand Samarkland and Collestrada have renewed their BREEAM In-Use certificates against the latest version (v6.0) of BREEAM In-Use. In 2023 we completed the pre-assessment activity to re-certify Carosello, I Gigli, Curno, Portali, Castello and Cremona Po; the certification process is underway and will be obtained by Q2 2024 with expected Very Good ratings for Castello and Cremona Po, and Excellent ratings for Carosello, I Gigli, Curno and I Portali.

### Energy management

In 2023, Eurocommercial continued to utilise its internal Environmental Management System (EMS), adhering to ISO14001 procedures to ensure alignment with internationally recognised environmental management standards. This streamlined system enables consistent implementation of measures, including data collection and the establishment of concise reduction targets across all local teams. Regular reporting of progress to senior management remains a key feature of our EMS framework.

### Be green: Environmental Management System process at Eurocommercial



## Environmental, Social and Governance (continued)

Eurocommercial organised internal environmental training and awareness workshops in 2023, collaborating with its ESG Working Group and ESG Committee to enhance awareness and knowledge.

A formal environmental policy covering energy management is publicly available on the corporate website, clearly outlining the roles and responsibilities of those accountable for the internal EMS. Each asset has its own energy reduction action plan, integrated into the annual business plan. These action plans are developed and implemented by local teams. In 2023, Eurocommercial's total energy consumption in its shopping centres decreased by 15% compared to the previous year on a comparable property basis.

To streamline our data collection process, countries continued to utilise smart metering, with country-specific tools in place to aggregate consumptions. Energy audits were incorporated into the programme of work where CRREM assessments were conducted, and dedicated plans have been developed to further minimise energy usage, aligning the properties with the carbon pathway.

### BELGIUM

The team at Woluwe Shopping has remained steadfast in its commitment to reducing the environmental footprint of the property, implementing a range of initiatives in 2023. The near completion of the Building Management System (BMS) represents a significant milestone for Eurocommercial and will enhance monitoring capabilities, enabling more efficient energy management going forward.

Additionally, Eurocommercial also announced the successful finalisation of the LED programme at Woluwe Shopping. With 100% LED lighting now operational in all common areas, this significant upgrade has resulted in a noticeable reduction in energy usage throughout the property. The installation of CO<sub>2</sub> sensors has provided valuable insights into the real need for fresh air in all areas of the property, allowing the local team to implement targeted air conditioning measures and potentially achieve energy savings. Furthermore, Eurocommercial has replaced one cooling tower with a new, more efficient model. This upgrade not only contributes to sustainability efforts but also results in significant water and energy savings for the property.

In line with Eurocommercial's commitment to innovation, smart meters for tenants have been installed. As from January 2024, all smart meters are fully operational, allowing the local team to track energy usage in all areas directly managed or where electricity is distributed.

A comprehensive CRREM analysis has been conducted, covering scope 1, 2, and 3 emissions. This analysis has provided valuable insights, informing internal communication regarding needed investments and leading to the development of a decarbonisation roadmap.

Looking ahead, plans are in place for the recertification of the property under the BREEAM certification scheme in 2024. This ongoing commitment to sustainability underscores Eurocommercial's dedication to environmental stewardship, ensuring that Woluwe Shopping continues to operate as a sustainable and energy-efficient property.

### FRANCE

In France, significant progress has been made towards sustainability goals in 2023. A comprehensive decarbonisation roadmap has been developed for two properties, Les Portes de Taverny and Passage du Havre, outlining pathways to reduce scope 1, 2, and 3 emissions by 2050. For the other French assets, similar pathways will be developed in 2024.

To reduce the carbon footprint, the team has taken actions such as the installation of over 600 solar panels at Etrembières shopping centre, covering 1,200 m<sup>2</sup>. BREEAM recertification efforts are ongoing at Les Atlantes and Etrembières, with all other assets scheduled for recertification by the end of 2024, aligning with the Group's long-term target by 2025. Furthermore, a social risk assessment initiative has been launched to understand and address social risks and opportunities across assets.

### ITALY

A Climate Risk Assessment was conducted for all Italian assets by a third-party expert, providing clear insight into potential physical risks such as drought, strong winds, tornadoes, and heavy rainfall. Asset-level action plans have been developed and budget

allocations made to mitigate these risks, including installing waterproofing and insulation layers on roofs to protect against water damage and improve building performance. These measures not only address climate change risks but also contribute to reducing energy usage, carbon emissions, and improving overall system efficiency. Energy savings in 2023 have already reached 19% in comparison to 2022, thanks to solar panels, gas dismissal, revamping of mechanical systems and LED relamping.

The Italian team continued to invest in on-site solar energy for two properties in 2023, with I Gigli and Carosello now generating renewable electricity for over 50% of their common area needs. Additionally, smart metering installations were completed to monitor tenant consumption across all properties, providing valuable data to better understand and manage energy usage.

A decarbonisation roadmap has been developed using the CRREM tool for all Italian assets. These assessments evaluated the current performance of the Italian shopping centres based on CRREM 2.0 °C (SSP2 – 4.5 scenario) decarbonisation pathway and considering emissions of Scope 1 and 2. The Italian portfolio is already aligned with the long-term decarbonisation pathway, although it will be necessary to make additional improvements in order to avoid future stranding point of the assets. In addition, Scope 3 emissions will be included in the analysis in order to complete the assessments.

Regarding waste management, in 2023 waste audits were conducted to improve the differentiation, data collection and eliminate the disposal to landfill at Collestrada and I Gigli. As a result, several improvements have been performed, and an agreement with private waste companies are underway to reach the “zero waste to landfill” target for the whole Italian portfolio by 2026.

Investments in system renovation also continued, with plans to phase out gas usage in I Portali and Carosello by 2024 and 2025 respectively, resulting in lower direct carbon emissions for these properties. BREEAM recertification is underway for five assets, of which three will achieve BREEAM Excellent ratings.

On 22 March 2023, Eurocommercial unveiled “Off the Wall,” a mural created by renowned street artist Alessio B, located in the covered car park of Carosello shopping centre. This mural marks one of the first eco-friendly installations in an Italian shopping centre, covering an area of 35 m<sup>2</sup> and crafted with Airlite, an innovative photocatalytic paint capable of absorbing air pollution generated by 79 vehicles. Developed in collaboration with Air Is Art, a project dedicated to merging sustainable art with cultural communities, the initiative aims to raise awareness about air quality by creating murals and green artworks using Airlite paints. The Carosello mural exemplifies this sustainable art initiative, designed to enhance indoor air quality and promote wellbeing within the mall environment.

## SWEDEN

BREEAM recertification is currently underway and is expected to achieve at least a Very Good rating. A decarbonisation roadmap has been developed using the CRREM tool for all Swedish assets. The Swedish portfolio is already aligned with the long-term decarbonisation pathway, so it will primarily focus on continuing to reduce energy usage where possible. Notably, energy savings have already reached 6.5% without major investments, leveraging existing systems in Sweden for streamlined reporting.

The team continued its ongoing programme to relamp all centres to 100% LED during 2023. Additionally, tenants are encouraged to transition to LED lighting and reduce store lighting hours. For instance, stores are advised not to illuminate upon staff arrival but rather when open to the public.

A comprehensive climate risk assessment has been conducted for all Swedish assets, leading to the development of action plans based on key findings. While there may be an increased risk of heatwaves post-2030, current systems are anticipated to accommodate any additional energy demand during such events.

Tenant education and engagement initiatives have been implemented, including regular night walks followed by action plans. This communication focus for 2023 emphasises the importance of replacing



## Environmental, Social and Governance (continued)

tenant lighting to LED, ensuring clarity and ease of understanding for all tenants. A green committee was initiated in 2023 in Grand Samarkand. All seven assets will have similar initiatives in place to engage with their tenants in 2024.

### Climate change risk assessment

Eurocommercial takes the risks and opportunities of climate change seriously. To ensure that its shopping centre renewable energy initiatives remain a priority, Eurocommercial explores opportunities to install solar panels on top of its shopping centres and parking areas. The Company conducted on-site risk assessments, partnering with specialists in order to identify risks and procedures to mitigate the effects of climate change. Stakeholders expect transparency regarding potential climate-related risks and opportunities.

### Governance

Eurocommercial's governance structure prioritises climate change management with a unified, pan-European approach overseen by the ESG Committee and supported by our local country teams through the ESG Working Group. This Committee, responsible for environmental, social, and governance (ESG) matters, guides the evaluation of climate-related risks and opportunities. An independent climate risk assessment, authorised by the Committee, was conducted by country teams to comprehensively understand potential risks facing the Company. Subsequently, the Committee communicates assessment results to the Supervisory Board and investors.

The ESG Committee is tasked with integrating transition and physical climate risks into Eurocommercial's broader business processes and procedures in the upcoming years. Additionally, the ESG Working Group members oversee the assessment and prioritisation of adaptation and mitigation plans at the asset level, addressing both physical and transition risks. Their responsibilities also include integrating outcomes from climate change risk assessments into business and financial planning activities.

### Strategy

In 2022, Eurocommercial initiated a comprehensive climate change risk assessment at the Group level. Partnering with third-party experts in each country, the

Company utilised advanced climate models to evaluate physical climate change risks. These assessments encompassed acute risks such as tornadoes, landslides, wildfires, and floods, as well as chronic risks like sea level rise and changes in precipitation patterns. The outcomes of these assessments include recommended actions to mitigate potential impacts on our properties and the surrounding communities.

In 2023, Eurocommercial conducted an assessment of the financial implications of significant physical climate change risks and prepared action plans to reduce potential impacts. Country teams collaborated with third-party experts to identify potential physical risks affecting the assets and conducted site visits to understand the possible impacts of climate-related events. Dedicated asset-level action plans focusing on adaptation to these physical risks were developed, with the first 15 assets incorporating these plans into their business strategies. Budgets were allocated for follow-up studies or adaptive measures to minimise potential impacts.

Eurocommercial aims to recertify all shopping centres with BREEAM In-Use (v6.0), a green building certification incorporating climate change adaptation criteria, within the next 24 months. By 2025, the Company aims to certify 100% of its portfolio with BREEAM v6.0 or an even more updated protocol, ensuring that all properties are assessed for potential climate change risks. The adaptation criteria within BREEAM recognise and encourage measures to mitigate the impact of extreme weather events resulting from climate change throughout the building's lifespan.

Additionally, Eurocommercial evaluated transition risks related to policy and legal, technology, and reputation aspects, assessing their potential financial impact on the Company. These transition risks may arise as Eurocommercial transitions towards a lower-carbon economy. The outcomes of the initial assessment provided insights for future decision-making regarding short-term (0-5 years), medium-term (5-10 years), and long-term (over 10 years) risks. Ongoing monitoring and risk assessment will determine the Company's response and property management strategy.

**Potential impact on Eurocommercial Properties from main transition risks in the upcoming years:**

Risk area	Climate change risk	Time frame	Possible impact	Actions taken by Eurocommercial
Policy and legal risks	<b>Higher mandates on and regulation of existing products and services</b>	S / M	In many European countries, stricter building codes have been or will soon be enforced, as part of the low carbon commitment of the European Union.	The teams closely monitor changes in legislation and proactively respond, particularly in respect of requirements for higher EPC ratings.
	<b>Increased emissions-reporting obligations</b>	S / M	Listed real estate companies are expected to have increased transparency in non-financial information. Limited costs are anticipated, but investment in improved data reporting tools and increased costs for verifying non-financial data are required.	Eurocommercial intends to disclose additional non-financial information publicly, verify environmental data, and conduct another materiality assessment, all within the next two years.
Technology risks	<b>Transition to lower emissions technology</b>	S / M / L	To reduce carbon footprint, investments are needed in gas removal and low-carbon alternatives, efficient lighting and HVAC.	Eurocommercial continually assesses opportunities for energy-efficient equipment through its Be Green initiatives and has commenced the removal of gas from its operations. Please refer to the Energy Management section for examples of implemented actions.
	<b>Substitution of existing products and services with lower emissions options</b>	M / L	As consumers become more environmentally conscious, they may opt for closer alternatives (or shop online) and reduce travel, potentially lowering the number of customers that may impact property performance through reduced footfall.	For sustainable transport modes, the Company is expanding its EV charging stations and offering sustainable alternatives (see connectivity and accessibility section). To appeal to conscious customers, the focus is shifting to providing community hubs, not only retail destinations (see customer engagement section).
Market risks	<b>Increased cost of raw materials</b>	S / M / L	Increased material costs may affect redevelopment or individual shop fit-out, raising the cost of enhancing the interior design and appeal of our properties.	In 2022, there was a rise in material costs, and this trend is anticipated to persist in the short and medium term. The focus is already shifting towards smaller and more profitable extensions and renovations instead of large ground-up development projects, with an emphasis on reusing and incorporating sustainable materials to reduce costs.
	<b>Uncertainty in market signals</b>	S / M / L	Rising energy costs may affect a property's operational expenses and increase tenant service charges.	To enhance efficiency, reduce energy consumption, and lower carbon emissions, investments are being made in new equipment and technology aimed at minimising service charges (refer to the Energy Management section).

## Environmental, Social and Governance (continued)

Reputational risks	<b>Stigmatisation of sector</b>	S / M / L	Hesitation about the real estate handling of climate related issues could result in a reduction of financial loans or increased cost of capital for refinancing, potentially affecting the organisation.	As a member of the real estate industry, it is our aim to be transparent about our impact and play a role in the transition to a low-carbon economy. Creating awareness among our communities and educating our partners on their responsibilities are critical steps taken (see Formalising green collaboration).
	<b>Reduced demand from investors/banks</b>	S / M / L	If not adopting more ESG conscious business practices, bank finance may be more scarce.	Eurocommercial Properties developed a Green Finance Framework and began incorporating environmental and social criteria into loan agreements (refer to Sustainable Finance section).

For our climate change strategy, Eurocommercial has utilised the Representative Concentration Pathway (RCP) 4.5, a scenario of long-term global emissions outlined by the Intergovernmental Panel on Climate Change (IPCC). Climate scenario analysis enables companies to anticipate and address the impacts of climate change on their business models by systematically exploring various potential futures to identify the most pertinent risks and opportunities.



Off the Wall mural absorbs air pollution

### Risk management

Eurocommercial assesses potential physical and transition risks related to climate change through a collaborative process involving input from local teams, corporate headquarters, and third-party technical advisors. The Company utilises local expertise, engages and educates teams, reports the process and results, and secures support and resources from senior management to effectively manage climate change risks. In 2022, Eurocommercial conducted an initial study to understand the physical risks posed by climate change to its assets by reviewing information from relevant websites and databases. The climate risk assessment included evaluating transition risks. Input was solicited from local teams and senior management to determine the potential likelihood and impact of each risk on the organisation. Based on these initial results, asset-level physical risk assessments were undertaken for the shopping centre portfolio in 2023 to understand not only the potential risk based on location, but also the complete impact of each risk on building infrastructure and the adaptive measures that can be taken to further reduce this risk.



## Climate change – actions taken



a thorough climate risk assessment in 2023, leading to the development of an action plan to address climate-related challenges. The plan includes measures to enhance resilience against extreme heat, such as creating green roofs, increasing greenery, and transforming roof surfaces. To mitigate flooding risks, efforts include installing stormwater buffer zones and infiltration basins, as well as making soil permeable. Studies are also underway to protect technical installations from potential flood impacts. Additionally, plans for drought conditions involve installing grey and rainwater recovery systems.



In Hallarna, Sweden, Eurocommercial is proactively implementing measures to protect the property against potential climate-related risks. To safeguard against surface water flooding, various actions are being taken, including regular gutter cleaning and considering reactive defence mechanisms to pump out collected water. Investigations are also underway to assess drainage connections and explore installing diversion pipes to redirect excess water. Furthermore, measures to mitigate heatwave impacts include evaluating solar shading for windows and assessing the cooling system's capability to manage extended heatwaves. Plans are also being made to review glazed ceilings or install solar shading during renovations to mitigate heat build-up.



On 3 November 2023, I Gigli in Italy faced severe storms, resulting in flooding in the surrounding area near Florence. Eurocommercial's management team promptly responded to the emergency, activating the Centre Emergency Plan for flooding events. Immediate actions included closing the four basement escape routes, which were inundated with water, and implementing compensatory measures. Following the flooding, the team initiated cleaning and repair efforts to restore the property. Assistance was provided to affected retailers, facilitating their recovery and clean-up operations. Remarkably, I Gigli reopened on 4 November, with 97 shops operational, and by 6 November all shops were fully operational, albeit with some limitations. Costs associated with the event primarily focused on cleaning activities, such as mud and water removal, elevator repairs, and floor restoration. Fortunately, the existing insurance coverage proved adequate to address the damages incurred. Eurocommercial's proactive approach and swift response mitigated the impact of the event enabling the centre to reopen promptly and resume operations.

## Environmental, Social and Governance (continued)

### Structured approach to climate change risk

Step	Action	
<b>1. Risk identification</b>	Identify and educate	<ul style="list-style-type: none"> <li>Identify possible transition and physical risks and opportunities</li> <li>Educate teams through workshops and/or training and share best practices on climate change strategy and implementation</li> <li>Monitor compliance with EU and national legislation on climate change issues</li> </ul>
<b>2. Perform risk assessment</b>	Assess impact	<ul style="list-style-type: none"> <li>Get input from countries and corporate level to evaluate the impact of transition risks</li> <li>Understand asset level physical risks through BREEAM certification process</li> <li>Organise workshops to discuss outcomes of risks identified across the portfolio</li> </ul>
	Review measures	<p><b>Asset level:</b></p> <ul style="list-style-type: none"> <li>Pre-selection of the possible adaptive actions to be taken</li> <li>Gather insight for actions taken to minimise climate change risks</li> </ul> <p><b>Corporate / country level:</b></p> <ul style="list-style-type: none"> <li>Review mitigating actions to be taken (e.g. insurance, policies in place etc.)</li> <li>Identify resources needed to be allocated to take adaptive measures</li> </ul>
<b>3. Decision making and implementation</b>	Prioritise and implement	<p><b>Board of Management:</b></p> <ul style="list-style-type: none"> <li>Evaluate risk assessment outcomes</li> <li>Prioritise actions to be taken to mitigate and/or accept risks</li> <li>Allocate resources needed to minimise risks at asset level</li> <li>Describe / update management approach for each material physical risk and transition risk</li> </ul>
	Evaluate and report	<p><b>Board of Management:</b></p> <ul style="list-style-type: none"> <li>Evaluate the climate change risk assessment process</li> <li>Report annually to Audit Committee the climate change risks assessment outcomes</li> <li>Disclose where Eurocommercial Properties stands on its climate change roadmap and report annually the outcomes of the climate change risk assessment to investors (TCFD).</li> </ul>

### Metrics and targets

Eurocommercial has set ambitious targets to reduce carbon emissions, minimise waste sent to landfill, and obtain green building certifications in the near future. This implies that the Company will operate more efficiently and generate fewer carbon emissions than emitted, on an absolute basis.

By reaching its goals, Eurocommercial aims to reduce its exposure to the transition to low carbon properties, meet government mandates, and lower operational costs due to limited use of natural resources. A range of metrics is utilised to assess exposure to identified short-term climate-related risks and opportunities.



Indicator	Target	Why relevant indicator
Scope 1, 2, and 3 carbon emissions	<b>Operate carbon neutral for scope 1 and 2 emissions by 2030. Target for scope 3 emissions will be evaluated in 2024.</b>	Measuring Eurocommercial's carbon footprint reveals its progress towards carbon neutrality and how it supports the transition to a low-carbon economy.
On-site renewable electricity generated	<b>Generate renewable electricity at the location to lower dependence on grid electricity procurement.</b>	When possible, Eurocommercial will invest in generating renewable electricity on-site to reduce dependence on energy market sources.
Number of assets certified with BREEAM In-Use	<b>Have 100% of properties assessed and certified with BREEAM In-Use by 2025.</b>	To operate its properties efficiently, Eurocommercial implements international green building certifications, lowering its environmental impact.

### Renewable energy

Renewable energy initiatives remain a focal point as Eurocommercial explores opportunities to install solar panels on top of its shopping centres and parking areas. 10 assets have on-site solar panels, collectively generating over 3,980 MWh electricity in 2023. Sweden leads the way, with all seven shopping centres equipped with solar panels producing 3,396 MWh, equivalent to approximately 20% of their electricity usage.

Woluwe Shopping in Belgium provides over 1,700 solar panels generating 460 MWh of renewable electricity, constituting more than 28% of the total usage in common areas. In Italy, investments in on-site solar panels have been made in five centres, including newly installed systems at I Gigli and Carosello at the end of 2023. Additionally, the Etrembières shopping centre in France was equipped with solar panels on its roof.

These projects contribute significantly to sustainability efforts, reducing our carbon footprint while providing a dependable source of renewable electricity. Our commitment to sustainability extends further with plans for continued investment in sustainable solutions, aimed at positively impacting the environment. Moreover, our procurement of electricity from 100% renewable sources underscores our dedication to sustainable practices. In 2023, 23 of our assets sourced electricity from renewable sources.

### Connectivity and accessibility

Connectivity to public transport serves as a fundamental component of Eurocommercial's ESG strategy and overall business approach, supporting its commitment to communities and the environment. Visitors and employees are encouraged to utilise public transport for accessing our shopping centres, which are integrated into local public transport networks. During extensions and ground-up retail development projects, Eurocommercial collaborates with local municipalities to enhance public transport integration and centre accessibility. Recognising the importance of reducing private car usage, electrical shuttle buses will be provided for centres located more than one kilometre from public transport in the future. Additionally, affordable and eco-friendly transport options, including electric vehicle parking, charging stations, and designated areas for low-emission cars, car-sharing, bicycle parking, and other amenities are offered. Eurocommercial's centres prioritise accessibility for pedestrians and individuals with disabilities, ensuring ease of access for all.

EV charging stations have been introduced in our markets, with plans for expansion in Belgium, where twelve EV chargers are in place, and Italy, with eight assets providing charging stations for 30 cars. In 2023, France had five centres providing 46 charging stations for our visitors, and

## Environmental, Social and Governance (continued)

in Sweden, the additional rollout of these stations led to a capacity for 127 vehicles. As part of our ongoing commitment to fostering environmentally-friendly transportation options, Woluwe Shopping organised a test drive event. From 18 to 21 October 2023, in partnership with Le Moniteur Automobile and Interparking, Woluwe Shopping hosted the Test Drive Days event, featuring the presence of automotive experts from the magazine. Aimed at promoting sustainable mobility, the event offered visitors the opportunity to test drive a selection of 14 electric and hybrid car models from six renowned brands. Registration for participation was free and simple, granting access to up to four test drives per person, with editorial experts available to provide guidance and advice.



The Test Drive event in Woluwe Shopping promoted sustainable mobility

### Zero waste

In order to manage waste efficiently, Eurocommercial is increasing recycling and reducing the amount of waste going directly to landfill. The Company invests in cost-effective waste services for its tenants, encouraging them to have their own programme to handle waste efficiently. Eurocommercial aims to minimise the waste it produces and eliminate waste to landfill by 2030. Working closely with waste services and local authorities, 58% of Eurocommercial's centres already achieved the zero waste to landfill goal

during 2023. Over the 2023 reporting period, 8% of waste was sent to landfills.

Cooperation with tenants and waste management providers is a key aspect of ensuring a high recycling rate at Eurocommercial's shopping centres. Waste data is collected and analysed quarterly, with reports provided to the ESG Committee. The Company's yearly report includes waste data, and action plans are developed and implemented for every asset.

Multiple initiatives are in place across Eurocommercial to create awareness and stimulate recycling efforts. In collaboration with Archeoplastica, Eurocommercial has extended "The Plastic Age" educational project to four of its eight Italian shopping centres, including Il Castello. This initiative aims to raise awareness about plastic usage within the centres, aligning with Eurocommercial's commitment to sustainability. At Il Castello, where a recent transition to district heating has been made, the event showcases 50 artefacts from "Archeoplastica" alongside an augmented reality area and three LED walls displaying videos from Archeoplastica's social media channels. The launch of the event included a press conference attended by local media, the University of Ferrara, and the Chemistry Faculty, with participation from schools, Legambiente, and HERA in various activities. To further engage with the community, Eurocommercial introduced Sgasman, a sustainability character portrayed by comedian Andrea Poltronieri, who promotes sustainability and energy-saving practices through videos broadcasted on the Company's social media platforms.



Archeoplastica launch at Il Castello

### Water conservation

Water conservation is a priority for Eurocommercial, where efforts are focused on reducing consumption and waste in collaboration with tenants. In 2023, water consumption remained stable compared to the previous year (like-for-like). To further mitigate environmental impact, greywater is utilised for irrigation purposes. The Company is actively investing in water conservation initiatives, including the installation of water taps with sensors to regulate usage and the implementation of double flush toilets. Additionally, plans are underway to enhance water storage facilities to address potential drought issues, such as the addition of water storage systems, rainwater collection tanks, and new water wells.

### Biodiversity

Eurocommercial is committed to enhancing biodiversity and ecological values as part of its Be Green strategy. Our goal is to create green infrastructure that provides connections to nature for our customers and local communities, promoting a healthy and sustainable lifestyle. Through initiatives such as installing beehives, insect hotels, and nest boxes on the roofs of multiple shopping centres, the Company aims to support local ecosystems and increase biodiversity.

The BREEAM In-Use assessment is utilised to evaluate our impact, and a third-party ecologist has been appointed to conduct biodiversity assessments every three years. The findings are used to prepare action plans. Continuous monitoring ensures that biodiversity initiatives effectively contribute to the preservation of local ecosystems. To raise awareness, information displays have been set up in various centres, including Grand A, Les Portes de Taverny, Shopping Etrembières, and Passage du Havre.



Raising awareness of plastic usage through augmented reality



### Be engaged

Eurocommercial views its shopping centres as more than just retail spaces; they serve as vibrant social hubs where people gather, connect, and engage. The Company's commitment extends beyond meeting the daily needs of customers and the local community; it strives to create safe, enjoyable, and service-oriented environments that foster memorable experiences.

Corporate and country teams diligently monitor the evolving needs and preferences of tenants and customers, actively soliciting feedback to enhance the overall experience in our centres. Through initiatives like the Eurocommercial Retail Academy®, retailers are empowered to elevate their teams and customer service standards, ultimately delivering higher service levels and enriching the shopping experience for all.

Objective	Status	Key facts
Maintain all customer satisfaction score above 7.5 by 2025	On target	In 2023, the Company conducted customer engagement surveys for 14 centres, with over 13,000 customers providing an average score of 8.3.
Improve the average retailer satisfaction scores towards 7.0 by 2025	On target	In 2022, a total of 1,092 tenants actively participated in engagement surveys, achieving an impressive average score of 7.0. In 2024, the surveys will be undertaken again as part of our biennial assessment process.
Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year end 2023	Achieved	The Eurocommercial Retail Academy® was expanded to eight new centres in 2023 through a partnership with Made to Sell.

## Environmental, Social and Governance (continued)

### Customer engagement

Customer engagement lies at the heart of our approach at Eurocommercial. The Company prioritises aligning its centres with the evolving needs of both tenants and customers through robust engagement and communication strategies. Regular customer surveys, satisfaction tracking, and ongoing adaptations based on customer preferences are fundamental to our methodology. Throughout 2023, over 13,000 in-person interviews were conducted across 14 centres, resulting in a notable increase in overall customer satisfaction, with an impressive average score of 8.3. The objective is to ensure that each shopping centre within the portfolio maintains a minimum satisfaction score of 7.5 by 2025. Additionally, the Net Promoter Score (NPS) is utilised to gauge customer loyalty, with targeted action plans implemented to further enhance customer satisfaction and bolster the reputation of the shopping centres. The average NPS score in 2023 was 37.

Passage du Havre and Carosello exemplify the commitment to enhancing customer satisfaction. Passage du Havre achieved a remarkable increase in its NPS score by 10 points, attributed to a revitalised tenant mix that drove increased foot traffic and enhanced centre appreciation. Initiatives such as the introduction of a comedy club have further contributed to transforming the centre's image positively.

Meanwhile, at Carosello, a noteworthy improvement in engagement scores was observed, rising from 8.3 to 8.6, alongside a substantial increase in NPS from 43 to 65. Despite a decline in visitor numbers since 2019, the feedback from current visitors underscores their heightened loyalty and increased appreciation for the centre. This shift reflects a departure from detractors and neutrals, indicating a more focused and satisfied customer base.

### Genuine retailer partnerships

At Eurocommercial, retailer partnerships are fundamental to our success. The Company actively seeks out feedback from retailers to identify opportunities for enhancement, fostering genuine collaboration and mutual growth. The commitment to transparency and improvement is reflected in the consistent exchange of data and regular monitoring

of retailer satisfaction through anonymous surveys. In 2022, an impressive average tenant satisfaction score of 7.0 was achieved, based on feedback from 1,092 participating tenants across all shopping centres. With engagement surveys conducted across the entire portfolio, the goal is to maintain the average satisfaction score to 7.0 by 2025.

In 2023, dedicated improvement plans were implemented, including the introduction of a tenant app to facilitate enhanced communications. These initiatives underscore the proactive approach to nurturing strong and enduring partnerships with retailers. As Eurocommercial looks ahead to 2024, the Company remains committed to ongoing engagement with tenants, with plans to conduct comprehensive tenant surveys to continually monitor and address their evolving needs and expectations.

### Green collaboration with retailers

Our Group Green Lease policy serves as the cornerstone for collaboration between Eurocommercial and our tenants. We seek to exchange ESG ambitions, targets and responsibilities with our tenants to continue to develop sustainable centres with a clear vision and transparency to our stakeholders. To ensure we preserve our natural environment and achieve our ESG objectives, we want our business partners to adhere to the following ESG principles:

- Contributing to our carbon neutrality goal by 2030
- Reducing energy and water consumption
- Eliminating or reducing production of waste and single-use items such as plastic and packaging
- Sharing information, setting targets, and implementing best practices to track and improve performance
- Incorporating responsible procurement practices
- Encouraging the use of sustainable transportation for customers and employees.

At the start of 2021, our teams began to implement the revised Group Green Lease clauses. By the end of 2023, we achieved a green lease coverage of 41% in Belgium, 52% in Italy, 51% in Sweden, and 64% in France.

All shopping centres in France have established



Green Committees that meet annually, inviting all tenants to attend. These meetings provide the opportunity to work together to reduce the environmental impact of the centres, discuss energy and water consumption, waste records, and best environmental practices. In Belgium, the Green Committee was established in 2022. The local team presented the action plan to reduce energy consumption in common areas encouraging tenants to do the same in their retail spaces. In 2023, we are launching the Green Committee in Sweden to formally collaborate on environmental initiatives.

#### **Eurocommercial Retail Academy®**

The Eurocommercial Retail Academy® was established in Sweden in 2017 with the vision of offering an engaging educational programme to enhance expertise and training in sales and customer service. Designed to cultivate a team of dedicated professionals capable of catering to customers' growing demand for personalised service, the curriculum comprised four physical sessions annually, conducted before opening hours, and featured external lecturers specialising in sales techniques.

In collaboration with IHM Business School in Sweden, an online platform was developed, enabling retailers to continue training staff through video tutorials, questionnaires, and online games to assess skills. Initially accessible only in our Swedish shopping centres, the Eurocommercial Retail Academy® expanded its reach in 2023.

Partnering with Made to Sell, a specialised training provider, the Academy was introduced to eight additional centres, including three in France (Passage du Havre, Les Portes de Taverny, and Grand A) and five in Italy (I Portali, Curno, CremonaPo, Collestrada, and Fiordaliso). While participation varied across locations, the response in Italy was particularly encouraging, prompting plans for programme expansion leveraging tools like ECP Connect.

The corporate ESG target for 2023 was successfully achieved, thanks to the dedicated efforts invested in the rollout of Made to Sell as part of the Retail Academy. Eurocommercial will evaluate how to strengthen its relationship with retailers in the

coming years to further enhance the programme's effectiveness and impact.

Meanwhile, during the pause in training activities, Sweden utilised the opportunity to revamp the curriculum and platform content, incorporating new videos, experiences, and questionnaires. Set to resume in 2024, the refreshed programme reflects Eurocommercial's commitment to continuous improvement and excellence in customer service training.

#### **Responsible partners**

Eurocommercial values responsible partnerships, collaborating closely with trusted suppliers to uphold sustainable procurement practices tailored to each country's regulations and standards. The Supplier Code of Conduct, accessible on the corporate website, serves as the cornerstone of the procurement process, providing clear directives on quality, innovation, and creativity.

Actively pursuing energy efficiency improvements, Eurocommercial selects low-consumption and renewable energy solutions while prioritising local businesses to support regional employment and minimise transportation and packaging impacts. Meticulously selecting building materials and maintenance products, Eurocommercial prioritises those with sustainability credentials, emphasising waste reduction and pollution risk mitigation.

Identifying chemicals and materials with potential environmental hazards, Eurocommercial handles them with utmost care, ensuring compliance with regulations and proper recycling or disposal. Through comprehensive staff training and emergency protocols, the team is equipped to handle these products safely and effectively, mitigating risks to both personnel and the environment.

Suppliers are held to high standards, mandated to uphold safety regulations and provide working conditions that prioritise health, comfort, and hygiene, aligning with the Company's social and societal commitments.



## Environmental, Social and Governance (continued)



### Be responsible

As an employer, Eurocommercial places paramount importance on nurturing and empowering its team members within a dynamic and stimulating work environment. The Company is committed to providing safe, enjoyable, and supportive working conditions while offering comprehensive training and corporate/property experiences to facilitate the professional development of our employees. Moreover, fostering collaboration among teams from diverse disciplines is a cornerstone of our approach, enabling the sharing of best practices and driving innovation across our organisation.

Objective	Status	Key fact
Zero breaches against the Code of Conduct annually	<b>Achieved</b>	Zero breaches in 2023.
Create an attractive and professional workplace	<b>On target</b>	95% response rate for the first employee survey.
Introduced Green Finance framework	<b>Achieved</b>	€385.5 million green loans, €116.5 million green and sustainability linked loans and €100 million sustainability linked loans.

### Our teams

At Eurocommercial, a commitment exists to fostering a fair and inclusive work environment where every employee receives equal opportunities and feels valued and empowered to perform at their best. The teams, spread across various locations in Belgium, France, Italy, and Sweden, handle all property and asset management functions, including leasing, rent collection, technical supervision and administration. Embracing diversity in nationality, age, and gender, pride is taken in the collegial and welcoming culture cultivated, where

employees are encouraged to share best practices at regular group meetings spanning different departments. The dedication of team members is highly valued, as evidenced by the Company's low employee turnover rate of 14% and a relatively low sickness ratio of 3.5%. Striving for gender balance, Eurocommercial believes in enriching its culture and reflecting the diversity of its customers through a balanced ratio of men and women.

### Diverse teams

Eurocommercial values the diversity of its workforce as a significant asset. The Company's firm commitment to equal opportunity in all aspects of employment is unwavering, and any form of illegal discrimination or harassment is unequivocally prohibited. This includes derogatory comments based on racial or ethnic characteristics, as well as unwelcome sexual advances. In 2023, the team comprised 97 employees across Belgium, France, Italy, Sweden, the United Kingdom, and the Netherlands. Among the staff, 57% are female, 43% male, with 4% below the age of 30. Additionally, 61% fall between the ages of 30 and 50, while 35% are over 50 years old.

Eurocommercial strictly prohibits discrimination based on personal characteristics such as age, disability, race, religion, gender, ethnic origin, family status, social origin, or sexual orientation. These principles extend to all aspects of employment, including recruitment, job assignments, promotions, remuneration, training, and benefits. The aim is to foster an inclusive work environment where talent is nurtured, and decisions are merit-based. Any form of harassment or abusive behaviour is not tolerated within the Company. Eurocommercial is committed to transparency regarding its diversity indicators and regularly reports on metrics such as the gender pay gap and training hours by gender, which show no significant disparities between genders over 2023.

### Employee engagement

Eurocommercial prioritises creating a thriving workplace environment where employees feel valued and motivated. The Company fosters fairness, ethics, sustainability, and a healthy lifestyle among team members. In 2023, Eurocommercial conducted its first comprehensive employee

engagement survey in partnership with an independent supplier, covering 100% of the workforce with a 95% response rate.

The survey, comprising 71 questions, addressed themes such as corporate governance, health and safety, customer focus, leadership, and overall engagement. Employees expressed satisfaction with their autonomy, ownership, and engagement levels. Identified areas for improvement include providing performance feedback, clarifying decision-making processes, and enhancing communication from management.

Eurocommercial will leverage the survey data to pinpoint opportunities for organisational improvement, developing tailored action plans at both corporate and country levels. The Company remains committed to conducting regular engagement surveys to monitor progress and continuously enhance the employee experience.

#### Engagement survey scores (out of 10)

I care about the future of Eurocommercial	<b>8.8</b>
I am willing to go beyond the scope of my defined tasks to contribute to the success of Eurocommercial	<b>8.6</b>
I enjoy doing my work / tasks	<b>8.6</b>
My team contributes to the success of Eurocommercial	<b>8.5</b>
I am proud to work at Eurocommercial	<b>8.4</b>

### Business ethics

Eurocommercial prioritises clear and transparent communication, along with a sense of responsibility, reflecting our commitment to accountability and ethical business practices. Upholding these values is essential for fostering enduring relationships with tenants, local communities, and governmental bodies. Our Code of Conduct serves as the cornerstone of our ethical framework, outlining our standards and procedures. Ethics training is provided to all employees, who regularly review the Code to



stay abreast of business standards. Any breaches of the Code are promptly disclosed to stakeholders, ensuring full transparency.

Our Code strictly prohibits bribery and corruption, mandating immediate rejection and reporting of any such occurrences. Responsibility for upholding the Code lies with every employee, overseen by the Board of Management. Breaches or fraud incidents are to be reported to the Compliance Officer or the Chairman of the Supervisory Board, ensuring proper monitoring and accountability. Eurocommercial considers all breaches and frauds as serious matters, subject to thorough investigation and disciplinary action, including dismissal and prosecution if necessary.

In 2023, Eurocommercial reported zero violations of the Code, aligning with our commitment to maintaining integrity and ethical standards. As part of our ongoing efforts, the Code of Conduct will be updated in 2024, accompanied by comprehensive training to enhance awareness and ensure adherence to our ethical policies.

### Professional development and alignment of interests

Eurocommercial prioritises the professional development of its staff through comprehensive training initiatives and regular performance evaluations. Our employees are encouraged to participate in various training programmes, fostering continuous learning and skill enhancement. Performance reviews are conducted regularly, providing valuable feedback and ensuring alignment with organisational goals.

As part of our commitment to employee development, all personnel undergo yearly performance reviews, tracking individual and organisational targets established in collaboration

## Environmental, Social and Governance (continued)

with management. Additionally, employees under permanent labour contracts are eligible to participate in the Group's long-term Performance Share Plan, aligning remuneration with long-term commitment and Company performance.

In 2023, our 97 employees benefitted from an average of 20 training hours, underscoring our dedication to continuous learning and professional development. Furthermore, all employees received professional and ESG training, further enhancing their skill sets and aligning their interests with the Company's objectives.

### Sustainable offices

Eurocommercial is committed to reducing the environmental footprint of its local offices through various sustainability initiatives. Measures have been implemented to track and manage business travel, community engagement, and energy, water, and waste usage across our offices. Since 2021, a Travel Policy has been enforced, aimed at providing employees with safety, comfort, and high service standards while minimising environmental impact.

The Travel Policy promotes efficient business travel and encourages alternatives such as tele- or video-conferencing whenever feasible. Prioritising bundling business trips, and assessing the necessity of travel to minimise environmental impact are key objectives.

In instances where virtual meetings are insufficient to achieve business objectives, business trips are allowed, but only as a last resort. Eurocommercial also offsets all CO<sub>2</sub> emissions generated from air, train, and car travel by purchasing CO<sub>2</sub> credits from projects certified by the Gold Standard, further demonstrating our commitment to environmental sustainability.

### Sustainable finance

Eurocommercial has introduced a Green Finance Framework to facilitate its transition to a low carbon economy and align with its sustainability objectives. The framework, subject to review by ISS Corporate Solutions, received a Second Party Opinion, underscoring its alignment with Eurocommercial's sustainability goals. Both the Green Finance Framework and the Second Party Opinion have been published on the corporate website. The

framework serves as a platform for issuing various Green Finance Instruments, including loans, bonds, and commercial paper, to finance green projects with environmental benefits.

Aligned with international standards such as the International Capital Markets Association Green Bond Principles and the Loan Market Association Green Loan Principles, Eurocommercial's framework also adheres to EU regulations and standards like the EU Taxonomy Regulation and the EU Green Bond Standard. The Company commits to annual reporting on eligible green assets and sustainable performance, ensuring transparency and accountability.

At the balance sheet date, the Company has entered into green and sustainability linked loans for a total amount of €602.0 million (€522.8 million group share), of which €385.5 million green loans (€306.3 million group share), €116.5 million green and sustainability linked loans and €100 million sustainability linked loans. The Company at 31 December 2023 has also entered in sustainability linked swaps for a total notional amount of €165 million (of which €155 million already effective at the balance sheet date). Eurocommercial aims to further increase the number of its green and sustainability linked loans and swaps by upgrading them when expiring at maturity. The Green Finance Framework and these green and sustainability linked facilities form part of Eurocommercial's ambition to increase its exposure to green financing in the near future.



***In 2023 the Company has made significant steps towards the achievement of its carbon neutrality goals.***

**Roberto Fraticelli**  
Chief Financial Officer

## Environmental, Social and Governance (continued)

# Key performance indicators



The following pages provide more detailed information about the ESG performance over 2023 compared to 2022. Eurocommercial provides transparency on its ESG performance towards all stakeholders. In 2023, we were awarded EPRA sBPR Gold again for our sustainability report. EPRA sBPR is a sustainability reporting standard for listed Real Estate companies in Europe.

### EPRA sustainability performance measures

Impact area		Absolute measure (Abs)		Like-for-like measure (LfL)										Change
		Total		Belgium		France		Italy		Sweden		Total		
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	
Energy (MWh) - landlord controlled areas	Total electricity consumption	48.498	41.566	1.902	1.634	6.639	5.790	17.695	14.174	17.675	16.151	43.910	37.749	-14%
	Electricity from purchased renewable sources	33.213	30.862	1.349	1.176	428	1.016	13.425	12.358	14.185	12.755	29.387	27.305	-7%
	Electricity usage from on-site generated renewable sources	3.507	3.985	552	458	-	-	153	131	2.801	3.396	3.507	3.985	14%
	% electricity consumption from renewable sources	76%	84%	100%	100%	6%	18%	77%	88%	96%	100%	75%	83%	11%
	Energy consumption from district heating and cooling	12.350	11.186	-	-	-	-	-	-	12.350	11.186	12.350	11.186	-9%
	Energy consumption from fuels	7.646	5.294	441	380	2.360	1.810	4.846	3.104	-	-	7.646	5.294	-31%
	Total energy consumption	68.494	58.045	2.342	2.014	8.999	7.600	22.540	17.278	30.025	27.337	63.906	54.228	-15%
	Renewable electricity generated on-site and injected into the GRID	NR	190	NR	24	NR	-	NR	10	NR	156	NR	190	
	Renewable electricity generated by third party on-site and sold	5.051	5.122	-	-	5.051	5.122	-	-	-	-	5.051	5.122	1%
Energy (MWh) - tenant controlled areas	Total electricity consumption	20.507	24.749	1.087	2.379	-	2.551	-	-	19.420	18.320	20.507	23.249	13%
	Electricity from purchased renewable sources	20.507	19.315	1.087	996	-	-	-	-	19.420	18.320	20.507	19.315	-6%
	% electricity consumption from renewable sources	100%	78%	100%	42%		0%			100%	100%	100%	83%	-17%
	Energy consumption from district heating and cooling	1.116	1.764	-	-	-	-	-	-	-	-	-	-	
	Energy consumption from fuels	10.250	4.261	2.496	2.152	-	-	6.845	2.109	-	-	9.341	4.261	-54%
	Total energy	31.873	30.774	3.583	4.531	-	2.551	6.845	2.109	19.420	18.320	29.848	27.510	-8%
Total energy (MWh)	Landlord and tenant areas	100.367	88.819	5.925	6.545	8.999	10.150	29.385	19.387	49.445	45.656	93.754	81.738	-13%
	% from renewable resources (of total energy)	57%	61%	50%	40%	5%	10%	46%	64%	74%	75%	57%	62%	9%
Greenhouse gas emissions (tonnes CO <sub>2e</sub> ) Market based	Total direct emissions Scope 1	1.400	968	81	69	432	331	888	568	-	-	1.400	968	-31%
	Total indirect emissions Scope 2	1.675	1.366	-	-	353	545	754	309	525	482	1.632	1.336	-18%
	Total indirect emissions Scope 3	2.068	1.513	457	650	-	291	1.254	386	-	-	1.711	1.327	-22%
	Total scope 1 and 2 emissions	3.076	2.334	81	69	786	876	1.642	877	525	482	3.033	2.305	-24%
Greenhouse gas emissions (tonnes CO <sub>2e</sub> ) Location based	Total direct emissions Scope 1	1.400	968	81	69	432	331	888	568	-	-	1.400	968	-31%
	Total indirect emissions Scope 2	7.271	5.722	239	218	285	301	5.017	3.750	603	547	6.144	4.816	-22%
	Total indirect emissions Scope 3	2.362	1.464	650	834	-	86	1.254	386	102	93	2.006	1.399	-30%
	Total scope 1 and 2 emissions	8.671	6.690	320	287	718	632	5.904	4.318	603	547	7.544	5.784	-23%
Carbon offsetting (tonnes CO <sub>2e</sub> )	Procured carbon offsets	318	463	318	463	-	-	-	-	-	-	318	463	45%
Water (cubic meters) (m³)	Total water consumption	522.521	520.949	21.145	21.864	69.152	80.153	247.522	244.597	98.738	94.242	436.557	440.856	1%
Waste (landlord- handled) (metric tonnes)	Non-hazardous waste	8.482	8.862	170	185	597	683	967	2.324	1.111	1.229	2.845	4.421	
	Hazardous waste	15	92	311	272	502	662	935	458	847	827	2.595	2.219	
	Total waste	8.497	8.953	-	-	252	238	861	446	7	5	1.120	690	10%
Waste by disposal routes (metric tonnes)	Recycling	3.536	4.757	-	0	768	309	-	181	-	31	768	521	55%
	Incineration	3.525	2.219	0	0	0	0	54	0	10	15	64	15	-14%
	Landfill	1.120	690	-	-	-	-	-	-	-	-	-	-	-38%
	Other	317	1.287	0%	0%	0%	0%	13%	0%	0%	0%	3%	0%	-32%

## Environmental, Social and Governance (continued)

### EPRA sustainability intensity measures

Impact area		2022	2023	Change (LFL)
Energy (kWh/m <sup>2</sup> /year)	Building energy intensity	238,4	218,3	-8%
Carbon emissions (kg CO <sub>2</sub> e/m <sup>2</sup> /year)	GHG intensity from building energy (market-based)	23,5	17,2	-27%
	GHG intensity from building energy (location-based)	43,0	31,5	-27%
Water (m <sup>3</sup> /m <sup>2</sup> /year)	Building water intensity	0,64	0,63	0%

### Building certification

Building certifications – BREEAM (% of floor area)

	2022	2023
Excellent	43%	34%
Very Good	47%	44%
Good	6%	7%
In process of re-certification	4%	15%

Energy Performance Certificates (EU EPC) (% of floor area)

	2022	2023
A	0%	9%
B	6%	1%
C	36%	41%
D	13%	18%
E	30%	24%
F	3%	0%
G	5%	0%
No Label	6%	7%

### Qualifying notes

#### Scope and boundaries

All retail assets included in this report are within Eurocommercial's operational control. Eurocommercial provided performance data for all indicators. Data is collected for two years Q4 2021–Q3 2022 vs. Q4 2022–Q3 2023.

Three assets have been excluded from the like-for-like comparisons: Fiordaliso, located in Italy, has been excluded due to significant renovation activities undertaken in 2022. Passage du Havre in France because its office part was sold. And, Etrembières Restaurants, a newly developed project adjacent to the Shopping Etrembières, has been omitted as it commenced operations in 2023.

#### Data coverage

Eurocommercial is actively engaging with tenants to gather data on their energy consumption (Scope 3 emissions), aiming to fully comprehend the carbon footprint of its portfolio. Incorporating tenant consumption data into Eurocommercial Properties' environmental report has required modifications to the tables in this annual report, now distinctly separating landlord and tenant energy usage. The table below outlines the extent of data availability for each performance metric related to areas controlled by landlord and tenants. In 2023, Eurocommercial Properties made improvements in enhancing the

data availability for areas under tenant control. This improvement was achieved through proactive interactions with tenants and energy suppliers to facilitate data sharing. Eurocommercial is dedicated to bridging the existing data gap in tenant-controlled areas. This initiative includes the installation of smart meters in tenant spaces and engaging with tenants. Such efforts are aimed at enabling Eurocommercial to gain a comprehensive understanding of its scope 3 emissions (downstream leased assets).

#### Data coverage (% of floor area included in performance measure data)

Electricity	Landlord controlled	100%
District heating and cooling	Landlord controlled	100%
Fuels	Landlord controlled	100%
Electricity	Tenant controlled	45%
District heating and cooling	Tenant controlled	100%
Fuels	Tenant controlled	43%
Water	Whole building	89%
Waste	Landlord controlled	95%



For areas controlled by Eurocommercial, the consumption of electricity, fuels, district heating, and cooling covers energy acquired by landlords for common areas and shared services. In contrast, for tenant-controlled areas, the energy—comprising electricity, fuels, and district heating and cooling—is procured either directly by the tenants or by Eurocommercial on behalf of tenants who retain operational control. Operational control implies that tenants have the decision-making power over the energy usage and resource management within their leased areas. This split is important in the calculation of Scope 1, 2 and 3 emissions.

### Whole building

Water data are collected and reported on a whole building level basis. Eurocommercial faces challenges in achieving complete data coverage for water usage (currently 89% coverage), as some tenants in Italy and France, having individual water connections, do not yet share their consumption information.

### Estimates

The table presented below details the coverage of data estimates for each performance indicator associated with areas under the management of both landlord and tenants. For the reporting year 2023, no data was estimated.

#### Data estimates

Energy	Landlord controlled	0%
Energy	Tenant controlled	0%
Water	Whole building	0%
Waste	Whole building	0%

### Energy

Overall energy consumption of Eurocommercial has decreased with 15%, which reflects the efforts of local teams to lower energy usage as well as the implementation of the decarbonisation and energy reduction pathways. Electricity consumption of tenant areas has increased, this is due to the increased data coverage for those tenant areas in Belgium and France, not due to higher actual consumptions.

Our corporate office in Amsterdam used 61.6 MWh electricity, 7,128 m<sup>3</sup> gas and 217 m<sup>3</sup> water in 2023.

### Renewable electricity

In alignment with the decarbonisation pathway, Eurocommercial has focused on sourcing renewable electricity and installing solar panels. Shopping Centres Val Thoiry and Etrembières switched their electricity contracts to 100% renewable sources from 1 January 2023 and Passage du Havre now uses renewable electricity for its gallery, not yet for its parking area. Additionally, Eurocommercial expanded its solar panel installations, leading to a 14% increase in on-site renewable electricity generation.

### Renewable electricity target

Eurocommercial has set an objective to increase the actual level of renewable electricity used, measured in % of total electricity, with 2% per annum. Eurocommercial controlled electricity consumptions within the reporting year (common area electricity consumptions) are in scope of this objective. Tenant areas are excluded.

Eurocommercial calculates the proportion of electricity consumption from renewable sources as a percentage of total electricity consumption (non-renewable electricity + renewable electricity purchased + renewable electricity self-generated) for landlord-controlled common areas and shared services. The self-generated electricity that is exported or sold (i.e. not consumed by Eurocommercial) is excluded.

In 2022 the electricity consumption from renewable sources for landlord-controlled areas was 76%, this percentage has increased towards 84% in 2023. Thus, the target for this reporting year has been successfully met.

#### Reporting year    % renewable electricity (purchased and solar panels) - landlord controlled approach

2021	62%
2022	76%
2023	84%

## Environmental, Social and Governance (continued)

Prior to 2023, Eurocommercial did not differentiate between renewable electricity usage in tenant spaces and areas under its own control. Consequently, in this year's report, we are also presenting comparative figures using the methodology from past years.

Reporting year	% renewable electricity (purchased and solar panels) - whole building approach
2021	72%
2022	83%
2023	89%

### Carbon emissions

In 2023, total carbon emissions (Scope 1 and 2, market-based) showed a reduction of 24%, primarily due to a 31% decrease in gas consumption across the entire portfolio. This significant drop was partly because two centres in Italy discontinued using gas for heating, while other properties lowered their gas usage in response to energy reduction mandates by local authorities driven by the energy crisis.

The tables do not include any business travel or supply chain emissions. Emissions were calculated and reported market-based and location-based. Market-based emission factors consider contractual arrangements and were provided by local energy suppliers.

In 2022, the electricity provider EDF in France reported a significant rise in its carbon conversion factor, attributed to the maintenance of nuclear power plants that year. This situation necessitated the temporary importation of electricity with a higher carbon content from Germany. Therefore market-based conversion factors that have been used for the French portfolio are higher compared to the previous year, and even higher than location-based emission factors. This results in an increase market-based scope 2 emissions in France, which is unusual since electricity consumptions have decreased.

The carbon conversion factors were sourced from the following entities:

- UK Government for Company Reporting, providing gas conversion factors
- CRREM, for location-based electricity conversion

factors in Belgium, Italy, and Sweden

- Base Empreinte ADEME, for location-based electricity conversion factors in France
- Local energy providers, for market-based conversion factors for electricity and district heating

Emissions were reported using the Greenhouse Gas Protocol and EPRA Sustainability Best Practices guidelines. Greenhouse gases (GHG) GHG emissions are reported as tonnes of CO<sub>2</sub> equivalent (t CO<sub>2</sub>e).

At the Woluwe Shopping Centre, Eurocommercial has established a carbon offset programme via contractual arrangements with the gas supplier since January 2022.

### Water

Water consumption represents water that is landlord-obtained and used for common areas and tenants. Like-for-like water consumption were stable over the two reporting years. Water consumption within the Eurocommercial portfolio is obtained via municipal supplies.

### Waste

Total waste collection saw a 10% increase. It's important to highlight that Eurocommercial is enhancing the accuracy of its reported waste data by renewing waste contracts. An increasing number of third party waste collection companies are nowadays able to offer detailed insights into waste collection and disposal practices.

In Sweden, hazardous waste volumes have risen due to a 5-year inspection of the oil separator. This process involves emptying the oil separator, with the contents being treated as hazardous waste. Given that Hallarna was formerly a truck stop, it features an exceptionally large oil separator, leading to a substantial amount of oil-mixed water.

### BREEAM

Eurocommercial has set a goal to achieve BREEAM In-Use certification for all shopping centres by 2025. This target was met for all assets already in the previous reporting year. Yet, by the end of 2023, five shopping centres had not been re-certified due to significant delays at BRE UK. This objective does not apply to Retail Parks.

### Energy labels

The energy labels for properties in France and Italy have been updated, reflecting the positive impact of the implemented energy-saving measures. This has led to enhanced energy labels for Centr'Azur, Les Portes de Taverny, MoDo, Fiordaliso, and I Gigli. However, for Shopping Centre Woluwe in Belgium, obtaining an energy label is currently not possible, hence it lacks an energy label.

### Intensity calculations

Energy intensity metrics for buildings are derived from the total energy consumption across both landlord and tenant spaces, factoring in the respective floor areas.

In the reporting year 2023, the collection of additional energy consumption data from tenant spaces influenced the floor area calculations (denominators) used for intensity metrics. As a result, energy intensities saw an 8% decrease, alongside a notable 27% reduction in carbon intensities (Scope 1, 2, and 3). Water intensity levels remained consistent across the two reporting periods.

Eurocommercial recognises, following the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations, that discrepancies between the energy consumed (numerator) and the floor area (denominator) may still impact the accuracy of intensity calculations.

### Restatements

Restatements on previous reporting years have been made for assets when improved data or insight was available.

In last year's report Eurocommercial mentioned a share of electricity purchased by renewable resources of 85% versus 72% in 2021. For two of our French properties, the renewal of green electricity contracts did not occur as anticipated, leading to a lack of renewable electricity procurement since January 2022. This caused an overestimation of renewable electricity procurement in 2022. Furthermore, at Woluwe Shopping, an error resulted in the double-counting of on-site generated solar energy in our renewable energy figures. The actual share of renewable electricity in 2022 should have been 83%.



The verification of waste data has revealed inconsistencies in the reported waste figures for two Italian shopping centres, primarily affecting the total volume of waste sent to landfill.

Water submetering has offered greater clarity on Eurocommercial's share of water usage at MoDo shopping centre, where Eurocommercial is a co-owner. Adjustments have been applied to the data for the previous reporting year to improve transparency and enable more accurate comparisons between the two reporting periods.

Eurocommercial is addressing these issues by reviewing and improving its reporting processes to ensure the accuracy in its environmental data. The Company is committed to maintaining transparency and meeting high standards in its environmental reporting. Amendments were made, where necessary for both reporting years, to provide clarity and enhance comparability between the two reporting periods.

### Third party assurance

The reported energy, water, and waste consumptions as well as scope 1, 2, and 3 emissions are third party verified by Lucideon CICS for the 2023 reporting period, using ISO 14064-3 (the international standard for verification of greenhouse gas inventories). More information is available as part of our annual CDP submission.



## Environmental, Social and Governance (continued)

### EPRA Social & Governance indicators

All employees		2023			2022		
Diversity – Emp 405-1	<i>Employee gender diversity (based on headcount)</i>	Total	Male	Female	Total	Male	Female
	Supervisory Board	4	2	2	3	1	2
	Board	3	3	-	3	3	-
	Management	18	9	9	14	10	4
	Staff	76	30	46	80	29	51
	Total number of employees	97	42	55	97	42	55
	<i>Age group distribution (percentage)</i>						
	Under 30 years old	4%			5%		
	Between 30 and 50 years old	61%			69%		
	Over 50 years old	35%			26%		
Diversity – Pay 405-2	<i>Gender pay ratio</i>		Male	Female		Male	Female
	Board		100%	0%		100%	0%
	Management		52%	48%		53%	47%
	Staff		54%	46%		60%	40%
Emp – Training 404-1	<i>Employee training and development (based on headcount)</i>		Male	Female		Male	Female
	Training hours per employee		23	18		45	18
	% of employees who received professional training		62%	73%		60%	56%
	% of employees who received ESG training		17%	18%		14%	15%
Emp – Dev 404-3	<i>Employee performance appraisals</i>						
	% of employees	100%			100%		
Emp – Turnover 401-1	<i>New hires and turnover (number)</i>		New hires	Departures		New hires	Departures
	Male		6	6		7	7
	Female		8	8		8	9
	Total		14	14		15	16
	Employee turnover	14%			16%		
H&S – Emp 403-2	<i>Employee health &amp; safety</i>						
	Workstation and/or workplace checks (%)	40%			36%		
	Absentee rate (%)	3,5%			2,1%		
	Injury rate (%)	0,0%			0,0%		
	Work-related fatalities (number)	0			0		
H&S – Asset 416-1	<i>Asset health &amp; safety assessments</i>						
	Health & Safety – assessments (in % of assets)	100%			100%		
H&S – Comp 416-2	<i>Asset health &amp; safety compliance (number of incidents)</i>						
	Health & Safety – incidents	0			0		
Comty – Eng 413-1	<i>Community engagement, impact assessments and development programmes</i>						
	Community engagement programmes in place (in % of assets)	100%			100%		
Gov – Board 102-22	<i>Composition of highest governance body</i>						
	Number of executive board members	3			3		
	Number of independent board members (Supervisory Board)	4			3		
	Average tenure of all board members	17 years			16 years		
	Number of independent board members with competencies relating to environmental and social topics	2			2		
Gov – Selec 102-25	<i>Process for nominating and selecting the highest governance body</i>	The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Supervisory Board. Relevant information is reported in this Annual Report see pages 158-160.					
Gov – Col 102-25	<i>Process for managing conflicts of interest</i>	For Eurocommercial Properties it is very important that members of the Board of Management and Supervisory Board act independently. There have been no conflicts of interest with rules, regulations or the Dutch Corporate Governance Code in this reporting year. Relevant information is reported in this Annual Report page 158-160, 184-185. The process for managing conflicts is included in the Rules and Regulations of the Supervisory Board and the Code of Conduct which can be found within the governance section on the corporate website.					

## Qualifying notes social indicators



### Organisational boundaries, reporting period and coverage

All employees who work directly for Eurocommercial in The Netherlands, United Kingdom, Sweden, Italy, France and Belgium were included in these figures. Eurocommercial provided performance data for the calendar years 2022 and 2023 for all social and governance indicators.



### Health and Safety assessments

These assessments are a review of health and safety impacts on asset level for compliance or improvement. For the shopping centres Health & Safety is integrated into the BREEAM certification procedure.



### Gender pay ratio

The gender pay ratio as reported in the table is the ratio of the base salary and remuneration of men to women in the mentioned employee categories. Base salary represents the salary excluding additional remuneration such as bonuses, share options or overtime pay. Please note that Eurocommercial only employed 97 persons at the end of 2023, and therefore, it is not possible to disclose more detailed information on gender pay ratio, due to the limited number of employees with the same function and experience within the organisation.



### Narrative on performance

Employee turnover rates have decreased compared to 2022 and absentee rates have increased slightly. Other main social indicators have remained consistent over both reporting periods.



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