

An aerial photograph of a city street scene. In the foreground, a tram is moving along tracks. To the left, a tall, dark building with many windows is visible. In the center, a large, modern building with a glass facade and a curved roof is prominent. The background shows a dense urban area with various other buildings and green spaces.

ESG POLICY

MENDOTA INVEST, d.o.o.



EMONIKA

At Mendota Invest d.o.o. (hereafter Mendota), we believe in shaping a future where real estate development is not merely centred around physical structures but also focuses on creating responsible and purpose-driven spaces that enhance lives and uplift communities. We thus present our Environmental, Social and Governance (ESG) Policy for and on behalf of our development Emonika.

Emonika will exemplify our vision of crafting a sustainable urban oasis, where contemporary and traditional elements seamlessly intertwine. Located in the heart of Ljubljana, this iconic development will stand as a symbol of sustainability. It will encompass office spaces that foster innovation, retail areas that encourage exploration, residential spaces that provide comfort, and two hotels that redefine the concept of hospitality. Beyond being mere physical structures, we will cultivate a dynamic and thriving community.

The policy set out here underscores our unwavering commitment to achieving excellence with regards to all aspects of the ESG criteria. The related goals function as our guiding principles, directing every decision and action we take.

Within this document, we outline our responsibilities and establish our rigorous standards in this context.



Mendota's ESG ambitions at a glance

Mendota is committed to being a sustainable and state-of-the-art component of the built environment in Ljubljana. To help achieve this, we have defined the most important environmental, social and governance (ESG) aspects of our operations and established the present policy document to guide our actions and monitor our progress in this context

Excellent and Very Good
BREEAM New Construction
Certification levels to be
reached with Emonika



Our activities contribute to the following UN Sustainable Development Goals:



A low contractor / third party lost time injury frequency rate



Minimal waste sent to landfill



Tailored annual learning & development plan for employees

The context of ESG management at Mendota

In setting our objectives, we distinguish between two phases in the life-cycle of the Emonika project, the sole asset of Mendota.

1. Construction phase of Emonika

2. Operational phase of Emonika

These two phases present different ESG challenges and opportunities. Whereas our ambitions and, objectives may address both phases, in this document we primarily focus on the first phase in the present ESG Policy and ensuing action plan.

In this we are inspired by and building on the following international ESG / sustainability frameworks to render our ESG Policy and performance comparable:

- The UN Sustainable Development Goals (SDGs)
- Science-based climate change mitigation targets
- Sustainable building certifications: In the construction phase: BREEAM New Construction (complex green / sustainable factors)





Goal 3: Good Health and Wellbeing
We will ensure the occupants' wellbeing and good health through sustainable buildings.



Goal 10: Reduced Inequalities
We support diversity in our organisation and accessibility for all individuals.



Goal 8: Decent Work and Economic Growth
The professional development of our employees is a top priority, as this will have positive long-term benefits for all those involved. Moreover, through our commercial activities we intend to have a positive impact on the economy of Ljubljana.



Goal 11: Sustainable Cities and Communities
Our objective is to achieve the highest environmental certification for Emonika, which requires making an active contribution to the creation of sustainable cities and communities.

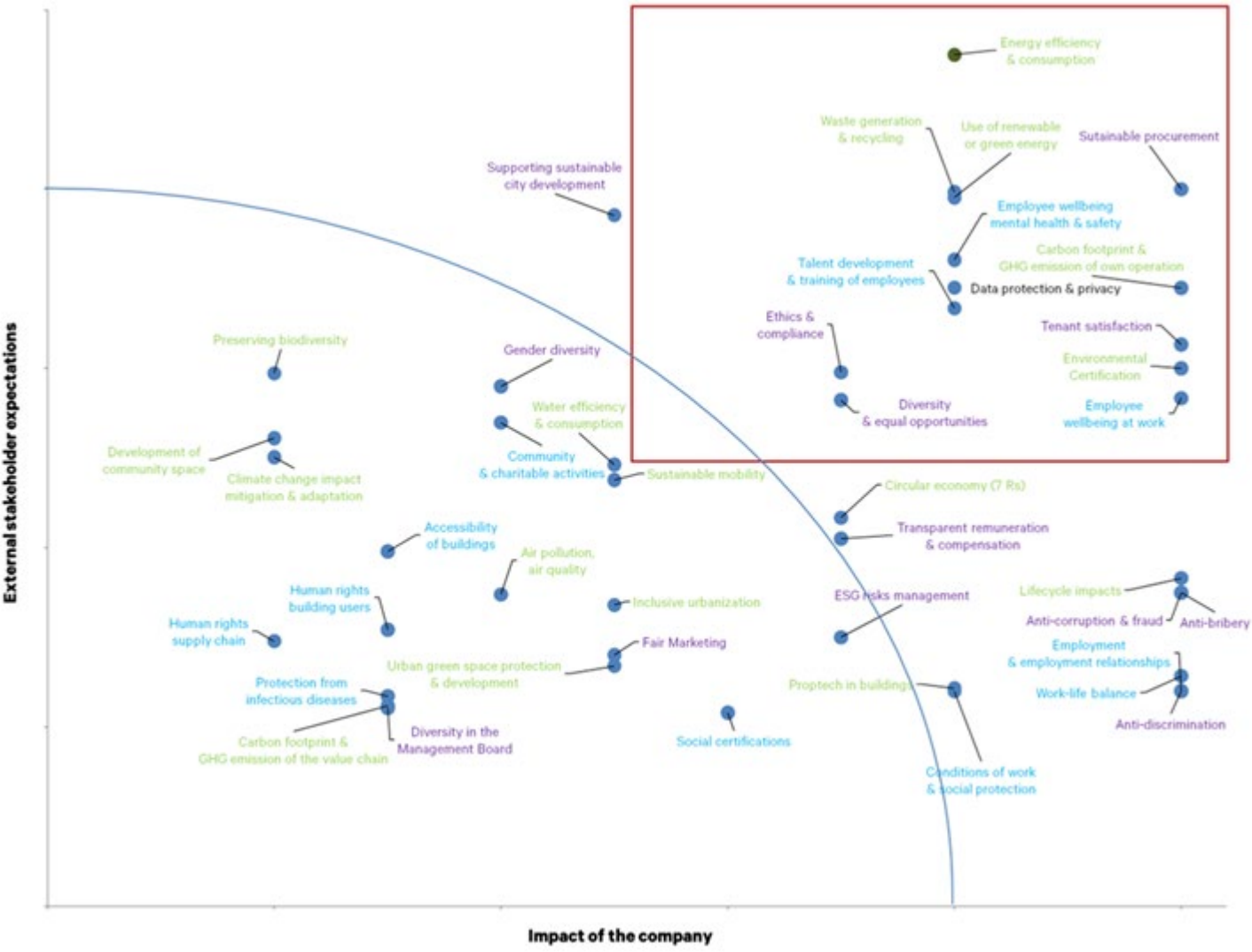


Goal 9: Industry, Innovation and Infrastructure
Emonika will modernise and improve the infrastructure of downtown Ljubljana through sustainable design and operations.



Goal 13: Climate Action
We are conscious about the impact of our activities and would like to contribute to science-based climate change mitigation by reducing GHG emissions and greening our energy supply.

How we defined our key material ESG topics



In 2023, we conducted a materiality analysis to identify the most relevant ESG issues, those that we need to focus on in our current daily operations and going forward those of Emonika.

The issues were identified and assessed based on desktop research and direct internal and external stakeholder engagement via two online surveys. The stakeholders engaged were selected through a stakeholder mapping exercise, where we analysed a set of potential stakeholders according to their perceived influence on and interest in our operations. The axes show how significant the topics are based on:

- External stakeholders' expectations;
- The internal view of Mendota's impact on the environment, society or economy.

We are conscious that commercial and ESG-related market trends are evolving rapidly (e.g. towards a double materiality analysis of company performance), and intend to perform this analysis at a minimum every three years.

How we defined our key material ESG topics

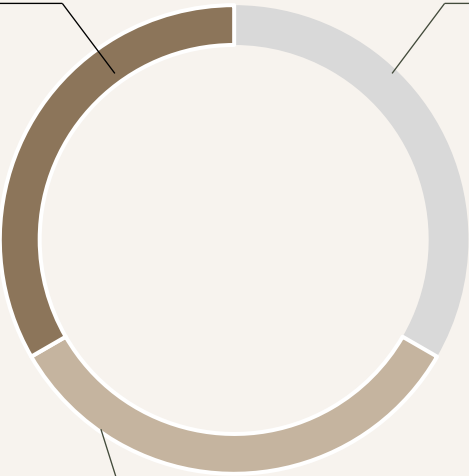


Environment

We will observe and respect all aspects of the environmental measures that emerge from materiality topics in both phases of the Emonika project. From a long-term perspective, we will focus on limiting the impact of our asset and operations on the environment.

Our priority environmental topics are as follows:

- Energy efficiency & consumption
- Waste generation & recycling (circular economy)
- Use of renewable or green energy
- Carbon footprint & GHG emissions of our own operations
- Environmental certification



Social

Social values are essential parts of Mendota’s day-to-day operations. We strive to create an employee-focused working environment that promotes personal development and safety for all staff.

Our priority social topics are as follows:

- Employee wellbeing, mental health & safety
- Talent development & training of employees
- Work-life balance

Governance



Mendota’s activities go beyond meeting national legal requirements, as we aim at complying with international standards.

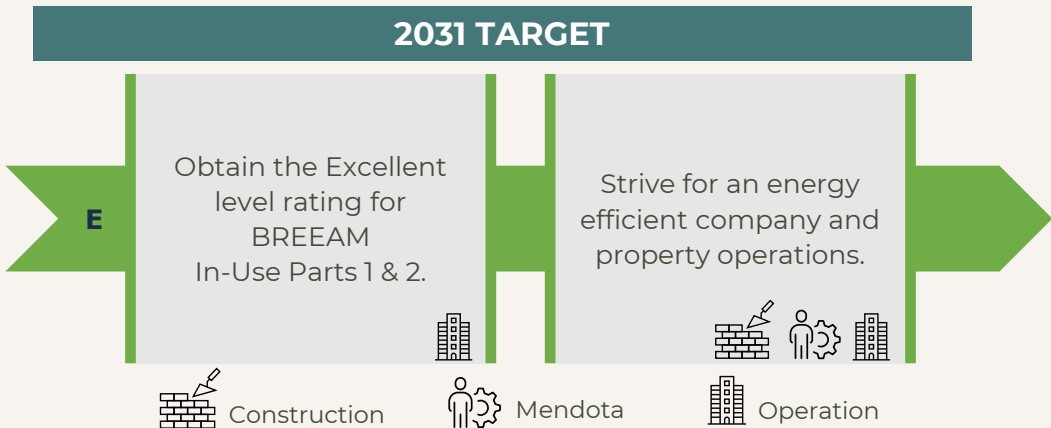
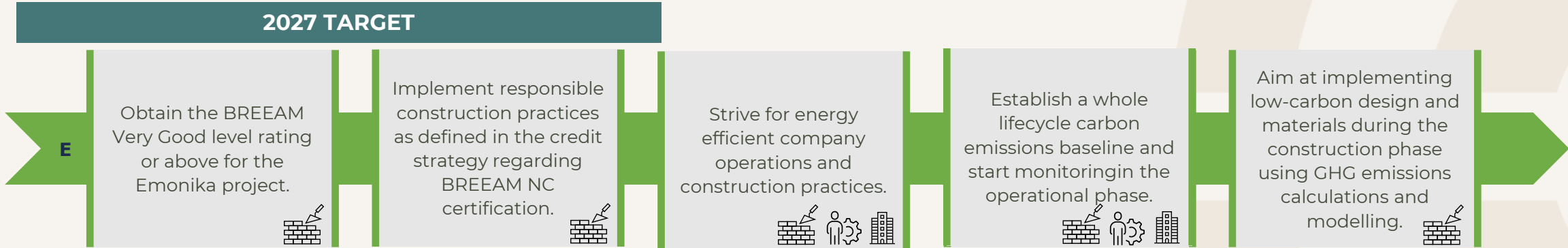
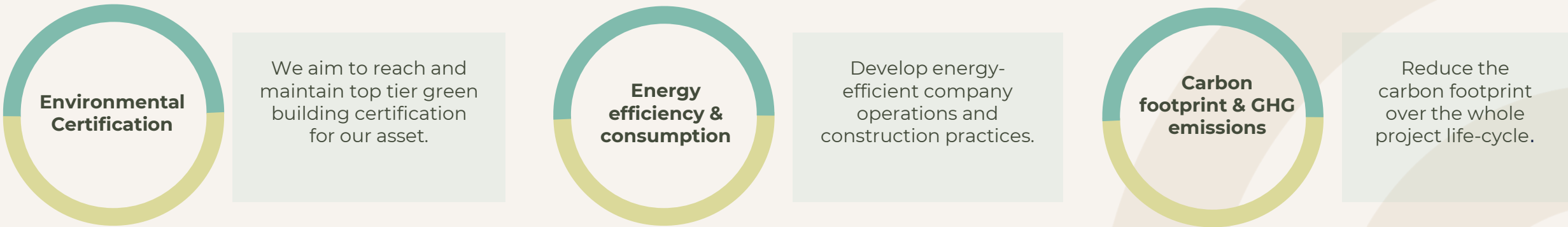
We want to create a corporate culture that will embrace the values of sustainable development and is at the same time respectful to all.

We are also ready to engage with our wider stakeholder environment on sustainable city and building trends, as Emonika will occupy a central position in both.

Our priority governance topics are as follows:

- Sustainable procurement
- Data protection and privacy
- Ethics & compliance
- Tenant satisfaction
- Diversity & equal opportunities

Mendota's environmental strategy

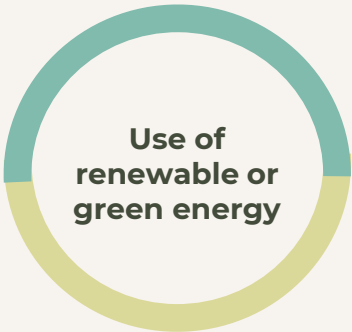


The popularity of environmentally certified buildings has been growing over the past decade. Based on CBRE research on environmental certification, we have concluded that environmentally certified buildings can command premium rents and have lower vacancy rates. More than ever before, tenants are environmentally oriented when choosing their office spaces, creating demand that investors have to meet. We have also noticed an increased supply of environmentally certified buildings in the SEE region, which clearly indicates that there is high demand for such assets in this area.

Commercial real estate properties have particularly focused on energy efficiency in this regard, with most companies aligning their energy consumption reduction goals with the Paris Agreement and the 1.5°C target, setting numerical goals to reach by 2031. Similarly, a reduction in GHG emissions has been a key topic in the CRE community, as real estate is responsible for 40% of such emissions globally.

Mendota's environmental strategy

Optimise the consumption of renewable energy in the building and in company operations

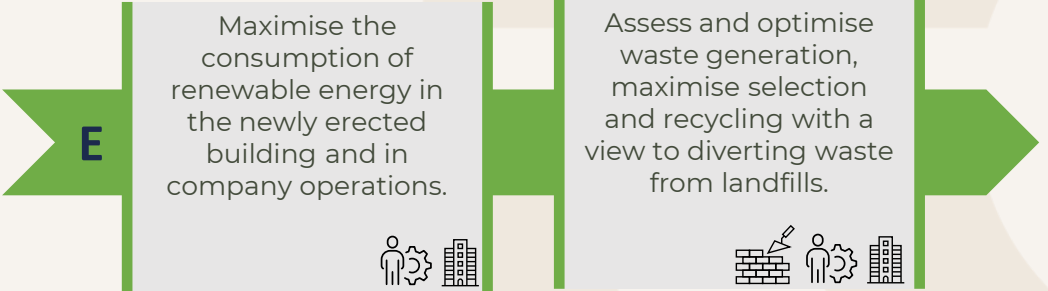


Reduction of waste generation, achieving high-level selection and recycling with a view to diverting waste from landfills

Since the majority of environmental certificates demand the use of renewable energy, most landlords try innovative methods to achieve this. However, there is an increased push from the tenants' side that their occupied assets use renewable/green energy, which ultimately impacts their GHG Scope 1 and 2 emissions.

Alongside the reduction of GHG emissions, responsible waste management has emerged as a popular issue in terms of environmental strategy. Minimising waste in operations and maximising recycling have thus become central aims for most environmentally responsible companies, with many of them reporting regularly on their achievements.

2027 TARGET



2031 TARGET



Mendota's social strategy

Satisfied employees in a safe working environment

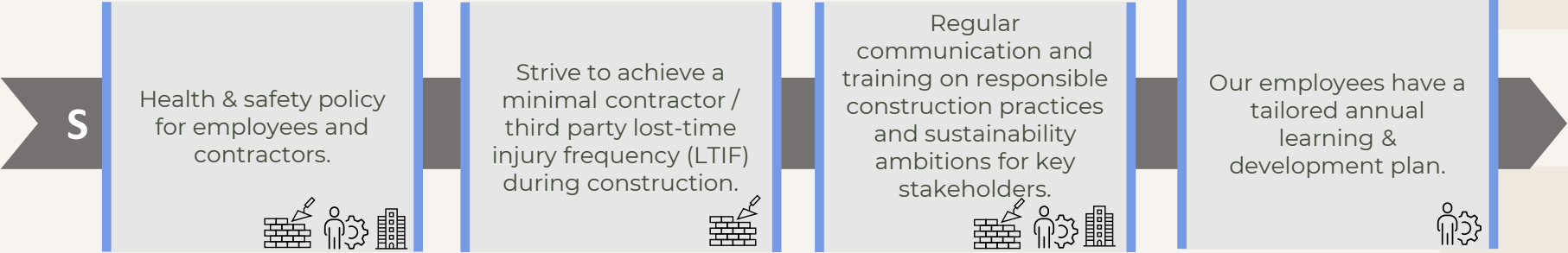
Minimise the lost-time injury frequency rate



Tailored annual learning & development plan for employees

Promotion of sustainable real estate practices

2027 TARGET



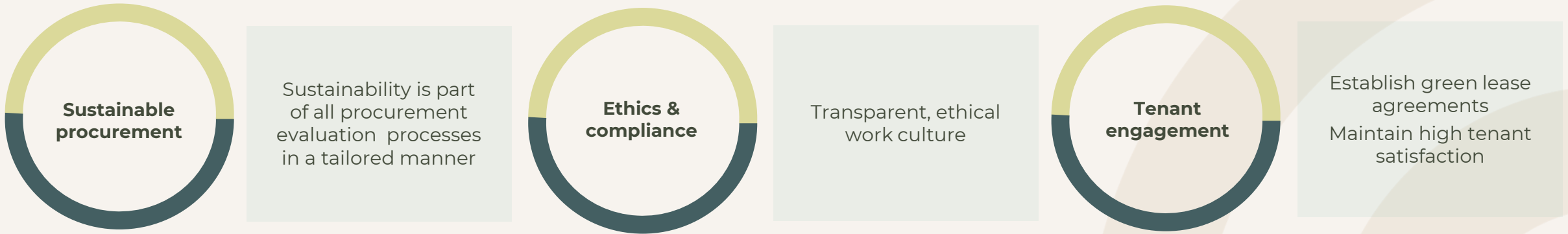
2031 TARGET



Working conditions define the productivity and wellbeing of employees. As employees spend most of their day at the workplace, it is crucial that they are satisfied with their working environment. An increasing number of real estate companies that report on ESG have defined health and safety strategies that include their employees, tenants and suppliers.

Socially responsible companies are constantly involved in developing their employees, which has a positive effect on employee retention, and one way to achieve this is by establishing an annual learning and development plan. Additionally, promoting good sustainable practices will have a positive effect not only on the workplace, but also on the wider community.

Mendota's governance strategy



2027 TARGET



Corporate governance is key to transparent and efficient operations, ensuring that the company's interests are aligned with those of stakeholders and shareholders. Environmentally and socially responsible companies have thus adopted sustainable procurement policies that include ESG principles when engaging with tenants and suppliers in order to minimise risk and improve ESG performance.

2031 TARGET



Along with a sustainable procurement policy, an internal ethics and compliance policy is key to a successful and compliant business that enforces laws and regulates the internal life of the company.

The introduction of international standards has proven to be helpful when establishing an ethics and compliance policy. Additionally, the involvement of tenants on the journey towards the sustainability of a CRE company is essential.

Mendota's governance strategy

Build and maintain a discrimination-free culture valuing diversity and inclusion both among our employees and external stakeholders



Apply the highest standards of data protection and privacy in our business relationships and with other key stakeholders

Equal opportunities in the company define a successful governance model that enables all employees to have the same chance of a successful career. However, diversity is equally important in the successful operation of a company. As such, most companies with strong corporate governance have also established policies that manage these two issues. Due to the importance of data protection across all organisations, an internal plan on data protection must be established in order to keep a strong corporate governance culture that will apply the highest standards in protecting data and privacy.



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