

NON-FINANCIAL (ESG) REPORT

DOM DEVELOPMENT S.A. CAPITAL GROUP



Letter

from the President of the Management Board

LADIES AND GENTLEMEN,

As the leader in the housing market in Poland, we are aware of our responsibility for the environment and quality of life in major Polish agglomerations. At Dom Development Group, we look forward and this has been reflected in the creation of DOM 2030 sustainable development strategy setting specific and ambitious goals. We are committed to transparent communication with all our stakeholders. Therefore, we have chosen to voluntarily publish this 2022 non-financial report prepared in accordance with the Global Reporting Initiative (GRI) standards.

Our activities have a significant impact on numerous stakeholder groups: our clients and residents in the projects built by Dom Development Group, local communities, our employees and contractors, as well as thousands of people working on our construction sites. The flats built by us will serve people for generations. We do our best to meet the challenges of the future by paying great attention to the quality and technical parameters of the materials used. Our projects are designed having social and climate changes in mind.

I believe this report significantly extends the evaluation perspective for the activities of our Capital Group. It complements the overview presented in financial reports with social and environmental aspects and demonstrates that we can achieve record-high returns while respecting the idea of sustainable development. This report is also an invitation to continue a dialogue with our stakeholders.

I would like to thank all our employees for their hard work in this year full of challenges. Enjoy your reading!



A handwritten signature in blue ink, which appears to read 'J. Szanajca'.

Respectfully yours,
Jarosław Szanajca

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About Us



1

ON THE RIGHT TRACK

Environmental, social and governance (ESG) issues must be embedded in business strategies and must be the purpose for today's organisations. This is the case for us. Every aspect of the Group's operations is at the centre of our attention – the way and quality of erecting buildings, treatment of employees, a seamless supply chain and accurate information for our customers. We are an organisation that endeavours to positively impact the environment and its inhabitants. This impact is more important today than ever before.

Recent events, such as the Russian invasion of Ukraine and energy crisis that continues as a consequence, have made the year 2022 a year of numerous challenges as regards the implementation of ESG solutions. We know that becoming a more sustainable business will create new opportunities and chances that will form the basis for future investment analyses. This is why, when shaping our strategy, we have focused on measurable and clear goals for our employees and customers; the goals, which will create an additional value for our Group.

Our strategy published in 2022 sets out the direction for our business and commits us to report on our progress. The ESG agenda is important for all our stakeholders. The program outlined by us further strengthens our Group's goal, which is to help our customers to fulfil their dreams of owning their own homes.

Although we know that there is still a great deal of work to do, we engage with passion – as we have been doing for the past 25 years - to visualize and create better cities. More sustainable. More accessible. More resilient. I hope that we will succeed in building this new future.



Mikołaj Konopka,
ESG Compliance Director



Dom Development S.A. Capital Group

Who we are?

[2-6] We are the largest developer in the Polish market. We have been active since 1996 and listed on the Warsaw Stock Exchange since 2006. Until the end of 2022, we delivered approximately 46,000 apartments.

We offer apartments in multi-family buildings located in the main agglomerations of the country: in Warsaw, Wrocław and Cracow, as well as in Tricity, where we operate under our Euro Styl brand.

In addition to the economic aspect, there is also a social aspect of our activities. Our mission is to help our customers to fulfil their dreams of owning their own homes. By following this mission, we contribute directly to the achievement of our Sustainable Development Goals. For us, customer satisfaction is a key performance measure, so we listen carefully to their opinions and follow their needs. We build responsibly, keeping in mind future social and climate-related challenges. We contribute to reducing housing shortages and improving quality of life in the major cities of Poland.



MISSION

Our mission is to help our customers to fulfil their dreams of owning their own homes - and it's their satisfaction and peace of mind that drives us in our work.

[2-28] MEMBERSHIP IN ASSOCIATIONS



Polish Association of Developers



Polish Green building Council – Polskie Stowarzyszenie Budownictwa Ekologicznego



Polish Association of Listed Companies



CIONET





LEADER OF THE HOUSING MARKET

KEY FINANCIAL RESULTS OF DOM DEVELOPMENT S.A. CAPITAL GROUP IN 2022:

FINANCIAL
STABILITY

**PLN 410
million**

consolidated net profit of the Group
2021: PLN 325 million

IN A CHALLENGING TIME
WE MAINTAIN A HIGH MARGIN

31%

margin
2021: 33%

WE INVARIABLY MAINTAIN
A SAFE BALANCE SHEET

**PLN 304
million**

Net cash
31.12.2021: PLN 255 million

HIGH RESULTS
POTENTIAL

**PLN 1,6
billion**

sales revenue
31.12.2021: PLN 1,6 billion

4

MAJOR HOUSING MARKETS IN POLAND:
Warsaw, Tricity, Cracow and Wrocław

3093

APARTMENTS SOLD
In 2022

5779

UNITS UNDER CONSTRUCTION
31.12.2021: 5930 units

KEY NON-FINANCIAL RESULTS



118 900

new trees and shrubs planted



112 000

perennials, vines and decorative grass planted



17 000 m²

of green roofs



12 450 m²

of rain gardens (SUDS)



Over

PLN 1.1 million

in assistance to people affected by the war in Ukraine



70 NPS

maintaining a high level of customer satisfaction



100%

of apartments delivered to customers by the deadlines specified in the agreement



594 people

employment in the Group



27 years

in the housing market in Poland



17 years

listed on the WSE



PLN 304 million

in cash as at 31.12.2022



PLN 4,1 billion

in assets as at 31.12.2022



PLN 137 million

CIT for 2022

BUSINESS MODEL

COMPANIES IN THE GROUP

[2-6] Our activities are concentrated in the four Polish main markets, where we offer flats in all market segments – from popular, through to upper-standard to luxury apartments. The premium segment dominating our portfolio allows us to achieve above-average margins while maintaining a high scale of business. We subscribe to sustainable governance and thus to sustainable construction standards. Our way of working and our goals are defined in “DOM 2030. ESG Strategy”.

Property development companies within the Dom Development S.A. Capital Group (hereinafter the “Dom Development Group”), namely Dom Development S.A., Euro Styl S.A., Dom Development Wrocław Sp. z o.o. and Dom Development Kraków Sp. z o.o. (together with BUMA Group companies and Sento S.A.) have a very similar business model. The role of the other Group companies is to support development activities, the typical elements of which are described below (detailed information on the Group’s structure and methods of consolidation can be found in the Consolidated Financial Statements of the Dom Development S.A. Capital Group for 2022: <https://inwestor.domd.pl/pl/raporty-roczne>).

BUSINESS MODEL OF DOM DEVELOPMENT S.A.

The Group cooperates with recognised architect offices, paying great attention to the spatial order of the residential estates developed and the functionality of the apartments designed. Our projects meet the highest requirements in terms of energy efficiency, quality of building materials or sustainable development of the project site. A typical project consists of residential buildings with lifts and underground garages and commercial units on the ground floor. All the apartments offered by the Group companies have balconies, terraces, or gardens, and their layouts are carefully designed in accordance with the internal standards. The high-quality offer makes it possible to combine large scale activities with satisfying profitability.



EXPANSION IN POLAND



DESIGN AND SECURING PERMITS

BUSINESS MODEL

The mainstay of the Group's business are multi-stage projects with access to urban infrastructure. Our projects shape the urban fabric and complement the missing infrastructure of the major Polish agglomerations. We are one of the few developers with resources required to carry out such complex and capital-intensive projects. Every transaction to be made by us is analysed on a case-by-case basis in terms of legal and environmental aspects, development opportunities, and the cost-effectiveness of the potential development project. The Group companies actively seek investment land for residential development in Warsaw, Tricity, Cracow and Wrocław. By investing in new plots, the Group has ensured business continuity and the comfort of concluding transactions to achieve a satisfactory margin. According to the Company's Management Board, the optimum level of the land bank, i.e. land in preparation for development, corresponds to approximately 3-year sales. In view of the constantly decreasing availability of land and the need to use urbanised areas in a sustainable way, we are implementing more and more projects through the revitalisation of urban spaces.



PURCHASE OF LAND

The projects are developed by in-house general contractors, which enables the optimisation of project parameters at the design stage, and the constant, very high quality of execution and cost-effectiveness. The general contractors conduct the development by employing specialised subcontractors for specific types of building works. All of the Group's projects are built in the traditional technology, and the standard lead time is approximately 16-20 months. All our companies are obliged to manage their waste in accordance with the applicable regulations, the materials used are of the highest quality, and we do our best to ensure that as many of them as possible are sourced as locally as possible.



CONSTRUCTION

The Group companies offer their customers the option to fit-out their apartment according to one of many variations offered or according to their own tailor-made arrangements. The Group also allows modifications to the apartment's design, including the placement of partitioning walls or installations. The fit-out is completed and layout modifications are supervised by the Group's development companies, which from the customer's perspective significantly simplifies the organisation of work, saves considerable time and enables the fitout to be covered by the developer's warranty.



INTERIOR DESIGN
AND FIT-OUT

BUSINESS MODEL

The sale of apartments is carried out directly by the Group companies at the sales offices located mostly on the project site and at the premises of the development companies. The Group also provides its customers with the opportunity to meet the account manager online and to conclude transactions remotely. The apartment sale process consists of several stages and payments are made in tranches correlated with the progress of construction works. All of the Group's projects have open escrow accounts with leading Polish banks, which are credited with sums paid by customers. The funds are then released to the developer's account proportionally to the progress in construction works, as verified by the escrow account banks.



SALES

In 2022, approximately 30% of the Group's transactions were purchases financed with a mortgage loan. This share decreased significantly reducing from 55% to 53% between 2021 and 2020, mainly due to the rise in interest rates and the recommendations of the Polish Financial Supervision Authority. In this challenging environment the Group's customers may count on our very strong support as for 12 years now, the Dom Development Group has been acting as a broker in the process of obtaining loans for apartment buyers from banks. Dom Development Kredyty Sp. z o.o. cooperates with major banks in Poland so that it can provide every customer with a customised offer suited to their individual situation. In 2022 Dom Development Kredyty Sp. z o.o. brokered 656 mortgage loans worth PLN 315.13 million in total. Thanks to the scale of the activities, the company is able to offer very attractive financing terms tailor-made by the banks to suit the Group's customers.



MORTGAGE ADVICE

Ready-to-use apartments after the payment of the full purchase price are handed over to buyers. In accordance with the International Accounting Standards the handover of a unit is the basis for recognition of sales revenue and associated expenses. The Company's and the Group's financial results are closely related to the volume and structure of the units handed over to customers in a given period.



DELIVERY OF UNITS

Since being listed on the Warsaw Stock Exchange for the first time, Dom Development S.A. has shared its earnings with its shareholders. Within 16 years of the stock exchange debut the Company has paid more than PLN 1 738 million to shareholders while maintaining a very strong balance sheet and a high cash balance. In 2022, the Company paid PLN 268 million in dividend (82% of the Group's consolidated profit for 2021), i.e. PLN 10.50 per share.



DIVIDEND

SUPPLY CHAIN

WE PLACE HIGH DEMANDS TO OUR SELF AND OUR PARTNERS

[2-6] We maintain close relationships with our suppliers to ensure that our development projects are completed efficiently and on schedule in the context of current problems with the availability of raw materials and qualified staff and the challenge to adapt buildings to climate change.

The Group has its in-house general contractors namely **Dom Construction** and **Euro Styl Construction**. This ensures that the Group's development projects are completed efficiently, on schedule and to the highest standards. It also enables the Group to manage resources on a sound basis and gives it flexibility in adapting them to current needs. Thanks to this, we can also exert significant influence over the activities of our subcontractors and the quality and safety of their work.

We have two centralised purchasing departments: in Warsaw and in Gdańsk. They manage supplier relationships and make sure to secure transactions covering all major materials needed in the construction process. This arrangement lets our suppliers enjoy predictability of volumes and revenues.

[204-1] [2-8] For both economic and environmental reasons, we do our best to use building materials manufactured locally. The vast majority of building materials are sourced within a distance not greater than 150 km from the construction site. As a buyer, we insist on the right to audit the supplier, and before deciding on the choice of supplier we visit their respective production plants. The purpose of such visits is to assess the production conditions for materials and the potential for making deliveries. We work with over two thousand business partners, of which 90% are Polish suppliers of building materials and services.

Due to the specifics of our operations, the construction process is carried out in cooperation with subcontractors. Depending on the phase and the scale of a project, the labour force on our sites ranges from 4800 and 7000 workers.



We require high requirements from our subcontractors. They have to comply with the rules of occupational health and safety that are in effect at the Group. Subcontractors are also obliged to ensure that their workers are legally employed, which is particularly important when employing foreigners. They may employ further subcontractors only with our consent, with the obligation to prove financial settlements have been made with them. Responsible waste management is also very important to us. We have standards in place in this respect, and they are required to be complied with also by our subcontractors.

Rafał Kierski,
President of the Management Board,
Dom Construction Sp. z o.o.

GOVERNING BODIES AT DOM DEVELOPMENT S.A.

[2-9, 2-10, 2-11, 2-18, 2-19, 2-20] The top governing bodies of Dom Development S.A., which is the parent company of the Dom Development S.A. Capital Group, are **the General Meeting of Shareholders, the Supervisory Board and the Management Board**. They operate on the basis of the Polish Code of Commercial Companies, the Company's Statute, and the internal by-laws of the Company's bodies, which are public and generally accessible.

Two committees were established within the structure of the Supervisory Board - **the Audit Committee and the Remuneration Committee**. The Supervisory Board complied with the requirement of having among its members at least two Independent Members in line with the criteria of independence set forth in the Company's Articles of Association.

Further information concerning:

- the rules of operation of the General Shareholders Meeting, its powers, the description of shareholders' rights and how they can be exercised,
- the rules of operation of the Management Board of Dom Development S.A., including the rules for appointing and dismissing of its members and their powers,
- the rules of operation of the Supervisory Board of Dom Development S.A., including the rules for appointing and dismissing of its members,
- the composition of the Company's governing bodies, including that of the Supervisory Board's committees,
- the control powers of the shareholders with special powers,
- amendments to the articles of association of the Company,
- the remuneration policy as adopted and in place, including the terms and value of remuneration, rewards and benefits of the members of the Management Board of Dom Development S.A., non-financial components of their remuneration, as well as contracts with members of the Management Board in the event of their resignation from the function as a member of the Management Board,
- remunerations, and benefits received by individual members of the Supervisory Board,
- management option programmes,
- internal control and risk management,
- the compliance by Dom Development S.A. with the rules of "Best Practice for Warsaw Stock Exchange Listed Companies 2021"

were described in detail in the Management Board's reports of activities of Dom Development S.A. and its Capital Group in 2022 (available on: <https://inwestor.domd.pl/pl/raporty-roczne>).

From the point of view of sustainable development and long-term growth of the Group's value, the stability of the ownership structure is important, in addition to transparent management principles. Long-term shareholder engagement fosters thinking in a long-time perspective, both in terms of profits and costs. For 25 years the Company's founders have managed and supervised it: Jarosław Szanajca currently holds 5.69% shares in Dom Development S.A. and since its inception has been the President of the Management Board, while Grzegorz Kiełpsz, the former COO is now the Chairman of the Company's Supervisory Board holding 5.01% of the shares in the Company.

GOVERNING BODIES AT DOM DEVELOPMENT S.A.

[2-12, 2-13, 2-14 2-23, 2-24] Sustainable development which takes on board numerous stakeholder groups is one of the strategic priorities of the Dom Development Capital Group. Mindful of environmental and social issues, the Management Board of the Company manages the activities of Dom Development in a manner consistent with the ultimate standards of corporate governance. In order to give a sufficiently high priority to the sustainable development of the Group, a dedicated Management Board member, Mr Mikołaj Konopka has been assigned with responsibility for the ESG area since 2022.

Reporting of non-financial issues and ongoing supervision of the implementation of the DOM 2030 ESG Strategy are the responsibility of the ESG and Product Development Coordinator. Non-financial reports, like the DOM 2030 Strategy, are approved by the Management Board of the Company.

Management of individual environmental and social aspects at the operational level is assigned to the appropriate organisational units, which have been responsible for their implementation for years (e.g. health and safety supervision, preparation and completion of development projects, HR).



COMPOSITION OF THE MANAGEMENT BOARD OF DOM DEVELOPMENT S.A.

[2-17] The composition of the Management Board and the Supervisory Board of Dom Development S.A is diverse in terms of age, educational background and professional experience. This allows for a multidimensional perspective, including a comprehensive view of issues relating to sustainable development.



Jarosław Szanajca

President of the Management Board

Co-founder of Dom Development S.A.

30 years of experience in the property development sector



Leszek Stankiewicz

Vice President of the Management Board, CFO

Over 20 years of management experience

4 years with Dom Development



Małgorzata Kolarska

Vice President of the Management Board, CEO

Over 20 years of experience in the property development sector

17 years with Dom Development



Terry Roydon

Member of the Management Board

Over 40 years of international experience in the property development sector

25 years with Dom Development



Mikołaj Konopka

ESG Compliance Director

President of the Management Board of Euro Styl S.A.

Over 15 years of experience in the property development sector

6 years with Dom Development

ESG Strategy



2



DOM 2030

ESG STRATEGY

[2-22] In mid-2022, we completed work on a sustainable development strategy. The most important provisions of this strategy were published in the „DOM 2030“ ESG Strategy. This document is our response to the current and future challenges of urban development, climate and social changes that shape both urban fabric and human relationships.

The DOM 2030 Strategy is based on three pillars as part of which we defined specific and measurable objectives.





DOM DEVELOPMENT GROUP'S STRATEGIC ENVIRONMENTAL GOALS:

Minimising environmental impact and promoting urban biodiversity

2030

30% reduction of CO₂ emission



We commit to reducing carbon dioxide (CO₂) emission as part of scope 1 and 2* by 30% (compared to 2021) per unit under construction by 2030:

- we will contract renewable energy for all construction projects of Dom Development Group,
- we will implement the circular economy principles,
- we will review the opportunities for optimising our projects in terms of emissions and resource consumption.

2022-2030

Revitalisation and limiting urban sprawl

As a developer, who makes a conscious effort to create urban fabric, we are committed to revitalising urban areas in the cities, where we operate.

Our investment plans include the implementation of revitalisation projects that will restore unused areas to city residents at locations with access to urban infrastructure.

2025

The Urban Greenery Programme - public green areas

From 2024 we will develop at least one project per year in each market with:

- revitalisation of parks and public gardens,
- new plantings on public land,
- flower meadows,
- pocket parks with nesting boxes,
- rain gardens (SUDS) and bioretention basins,
- community herbaria and urban farms.

2026

Implementation of the Green Procurement Standard

Circular economy is fundamental to sustainable development also for the Dom Development Group:

- we buy locally,
- we recover and reuse raw materials and construction materials,
- we segregate waste.

Our goal is to implement the Green Procurement Standard, which encompasses the value chain of the Group.

2026

Green Project Card for 100% of new projects

The Green Project Card is a Dom Development Group standard which guarantees an optimal set of benefits for residents and the use of design solutions that are consistent with the priorities of sustainable urban development.

The Green Project Card will be prepared by the end of 2022, and we will gradually implement this standard in the new projects of the Group starting from 2023.



* more about the scope of emissions in Chapter „Consumption of fuels and energy, and carbon footprint of operations“

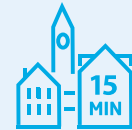


DOM DEVELOPMENT GROUP'S STRATEGIC SOCIAL GOALS:

Supporting local communities by creating high-quality urban fabric to foster integration

2030

The 15-minute City concept for 90% of our projects



Our objective is to meet the criteria of the 15-minute City in 90% of our projects by 2030. The 15-minute City is a concept whereby key infrastructure and services listed below are accessible for residents within walking distance: public transport, education, shops, recreation, green areas, sports infrastructure and health care

We analyse our projects in this respect, and we are going to actively work toward an optimal structure of services available to the residents.

2022-2030

Leader in customer satisfaction

It is our objective to maintain our leading position in terms of customer satisfaction as measured by the Net Promoter Score (NPS). We outsource independent feedback research across all our projects, and we analyse customer responses carefully and implement possible improvements.

2023

The "We are fair" Programme

"We Are Fair" is a well-thought-out programme encompassing three areas of our responsibility: for the products, relationships and the local community.

The "We Are Fair" programme has been already put in place in Euro Styl S.A., our Tricity subsidiary. By 2023, we will launch this programme in all Dom Development Group's companies.

2024

CSR Strategy

We feel responsible for our environment and try to share the resources we have developed. We have been actively supporting local communities in the education, sports, activation of senior citizens and housing areas for many years.

The CSR strategy will provide structure to our operations and help us to identify long-term directions of our efforts in this regard.

2024

Apartment for a senior citizen

Our residential estates promote integration, guarantee common relaxation and recreation spaces for all multi-stage projects.

For seniors and persons with reduced mobility, we develop a new standard of apartment fit-out to enhance the comfort and safety of independent living.





DOM DEVELOPMENT GROUP'S STRATEGIC GOALS IN CORPORATE GOVERNANCE:

Ensuring the highest standards of corporate governance and transparent communication with all stakeholders

2022-2030

The highest standards of corporate governance



We commit to continue working to ensure the highest possible standard of corporate governance at the Dom Development Group.

Transparent and fair communication with our stakeholders is the basis for achieving this goal. We will do our best to attain the highest possible compliance with the Best Practice for WSE Listed Companies and monitor worldwide trends in this area.

2023

30% gender parity on the Supervisory Board of Dom Development S.A.

We value the diversity of perspectives and work toward gender equality.

As the Management Board of Dom Development S.A., we shall do our best to ensure, in cooperation with our majority shareholder, an increased share of women on the Supervisory Board of Dom Development S.A., up to at least 30%.



2024

Compliance and business assurance within the Group as a whole

Dom Development S.A. has effective compliance and internal audit/business assurance systems in place. Following an increase in the scale and geographical diversification of our operations, the structure of our organisation has also evolved in recent years.

In response to these changes, we will implement compliance and business assurance systems in all Group companies. Our success is driven by our employees, and their satisfaction is our priority.



2025

HR Strategy

In order to ensure equal and transparent opportunities for the development of all our employees, we will develop and implement the HR strategy of the Dom Development Group with the comprehensive gender pay gap monitoring system.



2026

30% of gender parity on the Management Board of Dom Development S.A.

We are committed to true equality between our female and male employees.

We will develop managerial skills and successively develop new promising individuals to manage our organisation.

Our goal is to increase the share of women on the Management Board of Dom Development S.A. up to at least 30%.



DOM in harmony with nature



ENVIRONMENTAL IMPACT

We build high-quality residential projects in the largest agglomerations of Poland, thus improving the quality of their housing stock, including in terms of energy performance and efficiency.

However, urban development and our operations also entail the development of new areas, affect local ecosystems, while the construction process itself requires the use of a significant volume of energy, raw materials and construction consumables.

Being aware of the impact of development activities on the natural environment, in the Dom Development Group we promote and engage in activities aimed at revitalizing areas that were previously used for other purposes (such as former industrial sites). Such areas are often located near the transport and service infrastructure, so their revitalisation through the introduction of a housing function also helps to reduce the harmful phenomenon of so-called urban sprawl. In the DOM 2030 strategy, we committed to carrying out revitalisation projects, through which we will recover "forgotten" areas of their cities, endowing them with new functions, for the benefit of local communities.

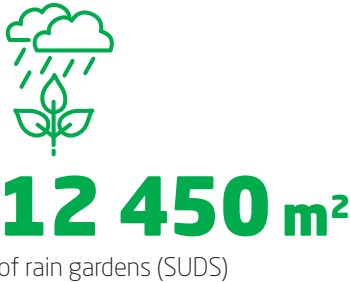
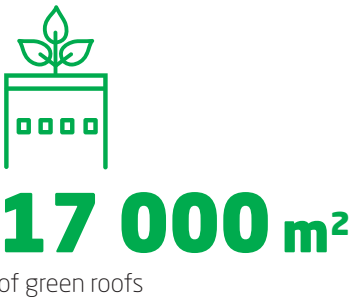
An excellent example of this is the DOKI project, where modern housing development with service function is being constructed on the former shipyard site in the centre of Gdańsk. The project includes the Montownia development – the historic submarine assembly shop from the 1930's, completed in Q4 2022, which after renovation will feature serviced rental lofts and a food hall, as well as the DOKI Living with a housing function and commercial units. The first residential building built as part of the DOKI Living project was delivered in December 2022, and the next one will be handed over to customers in June 2023.

Just in 2022, we built more than 500 apartments in total on degraded land.

THE SUSTAINABLE DEVELOPMENT GOALS



ENVIRONMENTAL IMPACT IN 2022:



SUSTAINABLE URBANISATION

[3-3, 203-1] As a developer conscious of its influence on the environment, we create living spaces that are friendly to people and the environment. We contribute to the development of urban infrastructure which benefits not only residents of our housing estates but also local communities. When planning our housing estates, we focus on key issues affecting the lives of residents. In implementing the principles of sustainable urbanisation, we refer to the priorities of the Freiburg Charter.

THE PRINCIPLES OF SUSTAINABLE URBANISATION AT THE DOM DEVELOPMENT GROUP

Freiburg Charter for Sustainable Urbanism

This is a set of principles for sustainable development of cities formulated in 2013, based on the experience of Freiburg, called the green capital of Germany. The priorities for sustainable urbanisation set out in the Freiburg Charter are:

- preservation of identity, strengthening the role of city neighbourhoods and promotion of their cultural diversity and distinctiveness;
- expansion of public transport and its integration with existing and new development;
- securing and linking green spaces to networks working for quality standards and preserving public spaces;
- ensuring social harmony and developing social and functional interactions;
- securing existing jobs and creating new ones;
- promoting a culture of dialogue;
- building long-term partnerships between the community and the public and private sectors;
- participation in lifelong learning processes; perception of urban life in its broader context.



In order to support the reduction of car traffic and the reduction of air pollution in cities, we provide residents of our estates with access to bicycle infrastructure, including roofed shelters, stands and internal storage rooms. The projects also have electric car chargers.

Grzegorz Smoliński,
Sales Director,
Dom Development S.A.

PLANNING OF SPACE AND REVITALISATION OF URBAN AREAS

In the Dom Development Group we perceive revitalisation as an action aimed at improving the quality of life of residents by reviving degraded areas and adding new functions to them. It is a comprehensive process, which has both a social and economic character (such as vocational activation) and a spatial and technical dimension (such as building upgrading). Its framework is defined by local government, which is the most active participant in this process, but also by private operators. Among the latter, particularly noteworthy are developers, who perform a wide range of activities that improve the quality of urban space, involving for example renovation of buildings, arranging greenery, designing friendly streets, setting up recreation areas and fostering integration. As a result, neglected sites regain their former splendour or are provided with new, attractive functions, thus helping to activate the local community.

Criteria:

- Respecting local history and identity
- Bringing new functions that correspond to the current needs of residents
- Project implementation in cooperation with a wide range of local partners

Construction process is inherently associated with a significant impact on the environment. At the Dom Development Group, we strive to minimise such negative impacts by, among others:

- protecting soil and water resources in tree root systems;
- properly designating protection zones on the construction site, together with information on their protection;
- establishing storage sites for building materials outside the tree protection zone;
- carrying out earthworks while minimizing the movement of land masses in the vicinity of trees and the need to move machinery on temporary roads;
- protection against runoff of substances harmful to plants – protection against flooding or leakage of water used on the construction site (e.g. contaminated with lime and cement);
- regularly tidying the construction site, entry and exit from the construction of trucks and vans;
- conscious waste management, waste monitoring, segregation and appropriate storage.



WE SHARE OUR KNOWLEDGE

[2-28] In 2021, Dom Development established co-operation with the Architecture Department of the Warsaw University of Technology and the Climate Crisis Architecture Student Club. As part of this cooperation, two contests for students (to sustainably develop urban areas) and workshops focused on shaping cities in the face of climate change were held. Dom Development was one of the organisers and the sponsor of prizes.

From academic year 2018/2019, Euro Styl S.A. from Gdańsk has been working together with the University of Gdańsk in post-graduate studies in the “Management of Real Estate and Property Development Projects”, supporting educators with the experience of experts in the field. We share our practical knowledge with students and provide as much information as possible on the opportunities and challenges faced by developers.

In 2021, Dom Construction Sp. z o.o. became a supporting partner for the 5th edition of **Builder for the Young Engineers**. The Company participated in the assessment and selection of the best works and funded the prizes. This competition, organised by the Builder Polska monthly, is one of the elements of a promotional and educational programme aimed at supporting and presenting Polish construction engineers, their experience, and achievements.

As a member of industry organisations such as the Polish Association of Developers and the Polish Green Building Council, we are actively involved in promoting the idea of sustainable development in the construction industry. We support work on innovations that make the construction process and buildings more energy-efficient, we work to minimise the carbon footprint, and we also create housing estates integrated with urban fabric while respecting the natural environment.



[2-28] THE POLISH GREEN BUILDING COUNCIL (PLGBC)

It is a non-governmental organisation which has since 2008 pursued a mission to radically improve the design, construction and use of buildings in Poland so that sustainable construction becomes the norm. Thanks to the commitment of its members, including Dom Development, the PLGBC has an increasing positive impact on the industry. It seeks to achieve a significant transformation of the construction environment in order to make it healthy and sustainable. It is part of a global community of more than 70 green building councils which are members of the World Green Building Council.

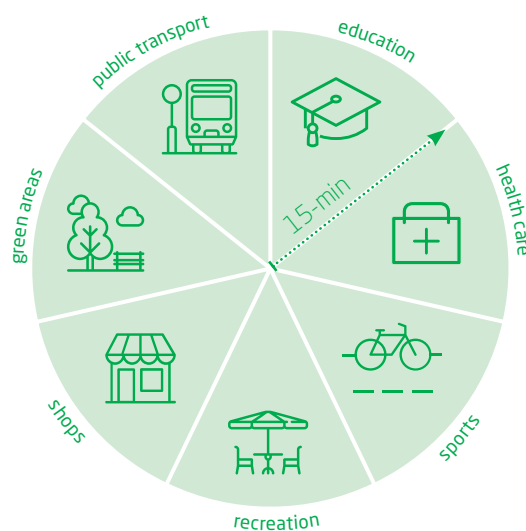
15-MINUTE CITY CONCEPT



We create and sell multi-stage residential projects with publicly available common areas, leisure and recreation facilities and commercial units to meet the daily needs of the residents. The possibility of using basic services or making daily purchases within the estate or in its close vicinity reduces the need to use the car and contributes to the improvement of air quality in cities. We also try to ensure that apartments on offer are located in well-communicated parts of cities, with convenient access to public transport. As a result, a large part of the Group's residential projects already meet the criteria of the so-called 15-minute city.



The concept of 15-minute city, developed by Professor Carlos Moreno, calls for the creation of local city centres and access within a 15-minute walk from home to basic services such as:



PEOPLE- AND ENVIRONMENT-FRIENDLY PROJECTS

[304-2] While pursuing our projects we cooperate with experts, including spatial planning, energy modelling and biodiversity experts. Our construction projects are distinguished by carefully designed green areas that support urban biodiversity and water retention. For planting, we use native species, consistent with the relevant habitat, attractive to insects and birds, as well as characterised by good phytoremediation properties, that is, supporting the purification of the environment. We also care about the coexistence of nature and residents in our projects. We install nesting boxes and insect hotels on our projects. We create flower meadows as a source of food for the fauna on our housing projects.

When planning construction work, we try to limit the need for clearance of existing vegetation. Thanks to this approach and the utmost care in performing the works, we managed, acting with respect for local fauna and flora, to complete two construction projects within the Coastal Landscape Park on the Hel Peninsula.



Often, our activities supporting biodiversity go beyond the grounds of our housing projects. A good example is the flower meadow at Bardzka street in Wrocław and our involvement in the „Planting” initiative, through which we helped to restore the forest in the area of the Lipusz Forest destroyed in the catastrophic storm of 2017.

FLOWER MEADOW AT BARDZKA STREET

We care for urban biodiversity also beyond the grounds of our housing projects. In 2022, the flower meadow at Bardzka Street in Wrocław blossomed for the first time - a joint project of Dom Development and the Urban Greenspaces Board in Wrocław. We funded the whole project, and the City handled the sowing of plants and subsequent maintenance of the meadow of 600 m²

Flower meadows are a great alternative to urban lawns. Plants in meadows are several times higher than grass, better retain harmful dust, and help to reduce air temperature. For their care, no fertilisers or plant protection products are required. In addition, meadows are great at storing water – they absorb it twice as much as a traditional lawn, thus protecting against flooding. They support biodiversity by providing pollinating insects with nutritious pollen and nectar. They are also easy to maintain - you do not need to mow or water them.



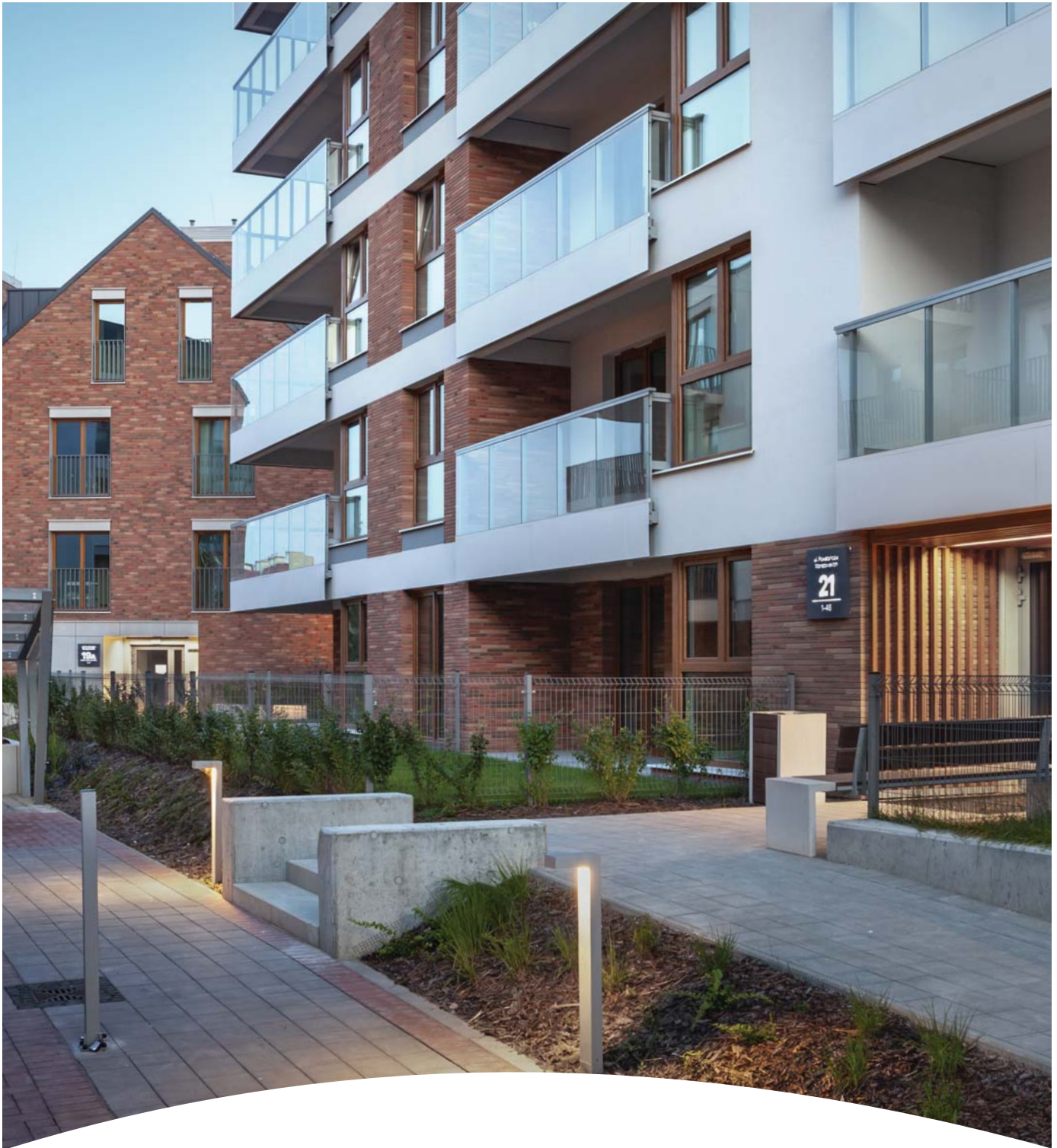
In addition, in order to reduce the formation of so-called urban heat islands, we try to avoid the use of finishing materials on buildings and their surroundings which could contribute to excessive heat accumulation. Pavement and road surfaces are made of light colour materials (e.g. white and grey concrete) or in the form of permeable grids with vegetation in the holes. We cover the surfaces of flat roofs with bright membrane, light gravel or finish them as green roofs. Façades, including also loggia and balcony spaces, are also finished with the use of light colour materials. We strive to preserve the existing high vegetation providing shade (primarily trees) or to design new high plantings.



Thinking in terms of sustainable development, we keep in mind the current impact of construction on the surrounding nature, as well as the future impact of development on the natural environment. We seek to create the conditions in which both these worlds: the human world and nature will be able to coexist harmoniously.

Mateusz Turecki,
Director of Project Predevelopment Department, Dom Development S.A.





LIGHT POLLUTION

This problem can be very burdensome, especially in large cities. At the Dom Development Group, we are aware of this and we are working to limit the negative impact of artificial lighting on the quality of life of residents of our housing projects by:

- selecting lighting elements with appropriate colour properties, covered by flat glass and with a sheltered light source pointing downwards - we avoid the use of bottom-up illuminations of trees and buildings,
- installing outdoor lighting controlled by motion or twilight sensors with the possibility of using a night break.

GROUP'S CONSTRUCTION PROJECTS AND THEIR SUSTAINABILITY

Last year, the Group developed the **Green Project Card** – an internal standard of the Dom Development Group, which defines environmental requirements and supports social integration as well as helps to improve the quality of life in our estates. We created this standard to guarantee our customers an optimal set of benefits while taking into account the priorities of sustainable urbanisation. Our goal is to meet the requirements of the Green Project Card in 100% of projects constructed by 2026.



ZIELONA KARTA



ATRAKCYJNA LOKALNOŚĆ

- Priorytet dla pieszych wewnątrz osiedla
- Infrastruktura rowerowa
- Miasto 15-minutowe
- Zacieniona strefa rekreacji i odpoczynku
- Ogródki społeczne
- Obsługa kurierska
- Plac zabaw/ Teren rekreacji
- Zielone ogrodzenia
- Szpalery drzew
- Ograniczenie prędkości dla pojazdów
- System informacji wizualnej
- Klub mieszkańca

ZRÓWNOWAŻONA KONSTRUKCJA

- Czujniki ruchu /zmiernychu
- Energooszczędne oświetlenie
- Ograniczenie zanieczyszczenia światłem
- Redukcja efektu wyspy ciepła
- Wykorzystanie materiałów lokalnych
- Wykorzystanie materiałów naturalnych
- Wykorzystanie materiałów odzyskanych i z recyklingu
- Wykorzystanie materiałów prefabrykowanych
- Elementy pochłaniające szkodliwe substancje

ODPORNY EKOSYSTEM

- Zielone dachy
- Fotowoltaika
- Nawietrzaki antysmogowe i higrosterowalne
- Retencja wody
- Elektromobilność
- Zwiększanie bioróżnorodności na osiedlu
- Miejskie źródła ciepła
- Własne źródła ciepła

DOSTĘPNOŚĆ BEZ BARIER

- Winda z ułatwieniami dla osób niepełnosprawnych
- Winda jako standard
- Dogodna wysokość włączników w częściach wspólnych
- System kontroli dostępu na teren osiedla
- Smart building





Focusing on sustainability in construction also concerns the very process of implementation of construction projects, including, among others, the selection of appropriate building materials and the economical management of them during construction, which allows for reduction in the volume of waste generated.

We look at our construction projects from a long-term perspective, i.e. at their entire life cycle. We pay attention to the use of building materials that will ensure adequate energy efficiency of the building. We also take care to implement solutions that increase the use of renewable energy, such as photovoltaic panels, which will help to meet the energy demand of buildings' common areas, or heat pumps, which are an ecological heating solution.

Bearing in mind that electricity consumption is a dominant element of the carbon footprint of buildings during their long-term operation, we strive to reduce their energy requirements and to obtain it from zero- or low-carbon sources.

In July 2022, Dom Development S.A. signed a letter of intent with E.ON Polska, the purpose of which is to undertake joint actions aimed at promoting the idea of sustainability, including the use of energy from renewable sources. Such actions will be gradually implemented across other agglomerations.

THE SYNTEZA PROJECT IN GDAŃSK - THE GROUP'S FIRST CONSTRUCTION PROJECT COMPLIANT WITH THE GREEN CARD.

In 2022, we commenced the Synteza project in Gdańsk – the Group's first residential project designed in line with the Green Project Card. The whole area is criss-crossed with walking alleys leading to the local park with an extensive recreation zone and a playground. Wide open spaces between buildings will be filled with a variety of vegetation. The estate's greenery will be complemented by rain gardens, enriching the local ecosystem and biodiversity and fulfilling an important retention function. Following the idea of 15-minute city, a preschool will also be built on the grounds of the Osiedle Synteza project.





SUSTAINABLE CONSTRUCTION AT DOM DEVELOPMENT GROUP

Sustainable construction requires consideration of multiple factors and cooperation with experts from various industries. Many of these activities are taken into account in certifying sustainable construction. Although we do not certify our projects, we consider it right to apply the practices expected in certification audits. For this reason, at Dom Development Group:

- we conduct preliminary and expert consultations with all participants of the construction process during the implementation of each project; such stakeholders include: architects, landscape architects, engineers from various construction and installation disciplines, spatial planning consultants, energy modelling specialists, biodiversity specialists - naturalists or environmentalists;
- we have internal standards of functionality and ergonomics of apartment layout, developed on the basis of many years of experience;
- in case of contamination of the site, we remediate it;
- we have implemented responsible practices and procedures for preventing contamination on the project site,
- we have plans for the management of construction waste;
- we always prepare an acoustic report which also considers external noise sources and acoustic requirements of premises layouts;
- we carry out tests and technical acceptance of all internal installations in the building, such as: heating, domestic hot water, ventilation, electricity, water supply and sewage;
- we provide adequate storage space for waste allowing for effective waste segregation;
- all living quarters intended for a permanent stay of occupants have access to daylight through operable windows;
- we take into account the needs of people with disabilities, including by providing the option to adapt individually the apartment or to level curbs in parking space zones;
- we provide building use manuals to their managers and residents and training to the managers of our properties.

URBAN GREENERY PROGRAM

In accordance with the DOM 2030 ESG strategy, in 2024 we will implement the Urban Greenery programme in the Group, under which we will complete at least one project open to the general public per year in each of our four markets.

As part of the Urban Greenery Program, we plan to construct in areas accessible to the public:

- pocket parks with nesting boxes,
- rain gardens (SUDS) and bioretention basins,
- community herbaria and urban farms,
- flower meadows,
- new plantings on public land,
- revitalisation of parks and public gardens,



We began to implement the programme's tenets as early as in 2022. We created a modern park with a playground on 22 acres next to the Górką Narodowa project in Cracow. In a harmonious way, we supplemented the existing plantings, i.e. to the trees already growing in this place, by adding twenty new trees and several hundred shrubs. In the park, in addition to benches and deck chairs, we placed picnic tables, as well as tables for playing chess and table tennis and also table football sets. There is also a large playground divided into zones for children of different ages. The entire project, including the purchase of the land, cost nearly PLN 3 million, which is significantly higher than the sum we obtained by reselling this area to the City (PLN 630 thousand). This activity is our direct contribution to providing the residents of Cracow with access to green areas.



CLIMATE CHANGE AND THE CARBON FOOTPRINT OF OUR BUSINESS

POTENTIAL IMPACT OF CLIMATE CHANGE ON OPERATIONS

[3-3, 201-2] Climate warming as a result of increased greenhouse gas concentrations in the atmosphere, causes a whole range of changes in nature. The scale and frequency of extreme phenomena - storms, hurricanes or whirlwinds, as well as persistent droughts, causing steppe-formation on significant areas of Poland, is increasing. On the one hand, we are affected by floods and slow but progressive rising sea and ocean levels, and on the other hand, problems with access to water are becoming more and more real. Poland is one of the European countries with the poorest water resources, in which sound water management becomes a critical factor affecting the lives of citizens, both in social and economic terms.

Climate change will also have an increasing impact on property development and construction activities.

The increased frequency of extreme weather events such as storms, hurricanes or whirlwinds affect the Group's operations, in particular in the implementation of the construction process. It risks breaking the supply chains, which may require a partial departure from the just-in-time project execution model towards the stockpiling of building materials in order to ensure continuity of the process. Violent weather events can also cause material damage to buildings, the limitation of which requires special protection of the construction site and stored materials against flooding or strong wind. Severe weather conditions may require temporary work stoppages out of concern for employee safety. These risks can also translate into a rise of the costs of insurance for construction projects in progress.



In planning the Dom Development Group's operations in the years to come, we are keenly aware of the challenges relating to accelerating climate change. In addition to the risks, we also see many opportunities for both us and our customers and business partners. Milder winters allow us to carry out construction throughout the year, reducing costs and increasing the stability of employment in the sector. In turn, the inhabitants of our estates make significant savings on the maintenance of their apartments, thanks to, among other things, high energy efficiency of our buildings and photovoltaic installations supplying the common areas.

Małgorzata Kolarska,
Vice President of the Management Board and Chief Operating Officer,
Dom Development S.A.

Climate change also affects water management. Increasingly, we are dealing with prolonged droughts and flash floods caused by brief but heavy rains. As regards the activities of the Dom Development Group, this entails the risk of rising expenditures on the construction of drainage systems of housing estates, ensuring effective water retention, and the need to modify the construction process in terms of reducing water consumption. In the long term, taking into account the high level of so-called water stress in Poland, one should also consider the risk of administrative limitation of water availability on construction sites during drought.

Other risks related to the adaptation of buildings to climate change are changes in legislation, including specifically stricter technical requirements. This is a significant factor affecting the increase in construction costs across the property development industry, including in the Dom Development Group. Regulatory pressure makes it necessary to seek optimisation of technology in order to reduce the energy intensity of buildings. Significant regulatory risks are related to the implementation of the European Green Deal. These include: the requirement for extensive non-financial reporting (ESG) in connection with the implementation of the CSRD Directive and the European Sustainability Reporting Standards² (ESRS), the risk of limited access to and increased costs of financing projects not meeting the EU Taxonomy Alignment Criteria³, and the implementation of further, more stringent provisions on the energy performance of buildings.

The above mentioned factors may affect the entire market environment of the Dom Development Group. In particular, account should be taken of the risk that the development of more expensive but less environmentally harmful technologies may lead to falling supply and higher prices of low-carbon building materials. We should also expect an increase in expenditures on housing maintenance, related to the increasing trend of energy prices, which in the medium and long term may change the preferences of potential customers of the Group. When planning future residential estates, the Group also takes into account the progressive change in consumer behaviour and lifestyles due to climate change and their increasing environmental awareness.

ADAPTATION TO THE CLIMATE CHANGE AT DOM DEVELOPMENT GROUP

1. We limit the effect of the urban heat island thanks to the use of bright façades and green roofs.
2. We use durable and high-quality materials that extend the life of the building.
3. We create rain gardens, bio-retention basins, infiltration swales and green areas that retain water and eliminate the effects of flash floods.
4. We make green roofs that improve insulation and thermal comfort of buildings
5. We plant companion plants, including hydrophilic and xerophilic plants to reduce air temperature and increase biodiversity.
6. We equip buildings with photovoltaic panels, solar collectors and heat pumps, ensuring the use of green energy and reducing the cost of power supply to common areas.
7. We use materials that absorb harmful substances such as nitrogen oxides from the local air (paints with VOC content of not more than 10g/l, photocatalytic paints, titanium dioxide concrete).

¹ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

² Sustainability Reporting Standards

³ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

CONSUMPTION OF FUELS AND ENERGY, AND CARBON FOOTPRINT OF OPERATIONS

WHAT ARE THE SCOPES OF GREENHOUSE GAS EMISSIONS?

According to the Greenhouse Gas Protocol (GHG), the carbon footprint is calculated in three scopes. This approach aims to identify direct and indirect sources of emissions, improve transparency and ensure usability for different types of organisations and different types of climate policy and business objectives.

Scope 1

Emissions from controlled sources, i.e. from fuels directly burned by us.

Emission from:



natural gas heating



fuel consumption (ON, Pb) by our own cars and construction equipment

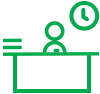


leaks of refrigerants located in air conditioners controlled by us

Scope 2

Emission associated with our consumption of electricity and heating purchased from external suppliers

Emission associated with the consumption of electricity and heating in:



offices, including sales offices



on construction sites



in buildings during the period in which they are administered by us (before handing over to the final manager)

Scope 3

Other indirect emissions

Emission associated with:



manufacturing the machines and equipment we need



production of building materials



the work of suppliers and subcontractors



use of our residential projects



transport services provided by third parties



business travel



commuting to work



[3-3] Our carbon footprint consists of direct emissions (Scope1), i.e. relatively small amounts of greenhouse gases resulting from the combustion of petrol and diesel by our vehicles and construction equipment used on construction sites, and combustion of natural gas for heating purposes at the office in Gdańsk. In the last two years, we have not registered any leakage of refrigerants (the release of which to the atmosphere would increase our carbon footprint) from the air conditioners we manage. A much larger scale of emissions are Scope 2 emissions, i.e. indirect emissions related to the consumption of electricity and heating purchased from external suppliers, in our offices and on construction sites, as well as during the transitional period when we administer the building before it is handed over to a new manager.

At the Dom Development Group, we are constantly striving to optimise the construction process, which accounts for the majority of our greenhouse gas emissions. In order to reduce the negative impact of our activity on the climate, we source energy from renewable sources. In addition, we equip the buildings we construct with photovoltaic installations, solar collectors and heat pumps, which help to reduce the consumption of electricity in common areas of buildings.

ECO MEANS MORE COST-EFFECTIVE

Common areas and outdoor spaces of all our housing estates are equipped with energy-saving solutions. The use of environmental solutions in buildings also translates into reduced maintenance costs, and thus measurable savings for residents. The use of photovoltaic panels, heat pumps or solar collectors reduces the costs of electricity and heat, and the selection of appropriate equipment, such as LED lighting, switches based on motion or dusk sensors and energy-efficient elevators, reduces the consumption of energy. Additional benefits for residents of our estates and the environment result also from the application of modern building automation solutions, which allow, for example, for optimisation of energy consumption in common areas.

REDUCING ENERGY CONSUMPTION

The carbon footprint in Scope 3 is composed of other indirect emissions, not included in this report, e.g. from the manufacture of building materials. Here, the production of concrete and steel is particularly highly emissive. In order to reduce the carbon footprint of our buildings today, we will gradually increase the use of low-carbon concrete, the carbon footprint of which is around 47% lower than that of traditional concrete, and steel produced using renewable energy sources. That type of concrete will be used in a part of the Osiedle Jagiellońska project, the construction of which started in 2022. Scope 3 also includes emissions related to transport services performed for our benefit, business travel or commuting to work. However, the most important issue is related to the use of housing estates built by Dom Development Group throughout their life cycle. The use of low carbon and high quality building materials by us ensures lower energy consumption in housing estates, but the dominance of fossil fuels in the national energy mix results in relatively high emissions of buildings.

In 2022, our total energy consumption was estimated at 28 944.57 MWh, while in 2021 it was 35 745.75 MWh.

[3-3] Reducing fuel and energy consumption at each stage of construction directly translates into reducing our operations' carbon footprint. We significantly reduce our emissions by, among other things, purchasing building materials from manufacturers located within 150 km from our construction projects. We are also looking for innovative and low-carbon building materials, analysing their potential and opportunities to reduce the built-in carbon footprint.

We also work with the managers of our office buildings on solutions aimed at reducing energy consumption. These activities include limiting the operation of ventilation units and fans, reducing the lighting in reception areas, garages and waste rooms, as well as limiting the maximum temperature, at night and at weekends.



We engage with the providers of electricity, the consumption of which on construction sites is one of the sources of our carbon footprint, in order to be able to source energy from renewable sources that are characterised by zero greenhouse gas emissions. In 2022, we managed to contract over 2000 MWh of energy from renewable sources. This energy powered all our construction projects in Tricity.

Mikołaj Konopka,
Member of the Management
Board for ESG Compliance,
Dom Development S.A.

FUEL AND ENERGY CONSUMPTION [302-1, 302-3]

Energy consumption structure	2022	2021
Consumption of natural gas fuels (MWh)	190.80	225.85
Consumption of purchased or acquired electricity, heating, steam and cooling from non-renewable sources (MWh)	26 704.77	35 519.90
Total energy consumption from non-renewable sources (MWh)	26 895.57	35 745.75
Share of non-renewable sources in total energy consumption (%)	92.9%	100.0%
Consumption of purchased or acquired electricity, heating, steam and cooling from renewable sources (MWh)	2 049.00	0.00
Total energy consumption from renewable sources (MWh)	2 049.00	0.00
Share of renewable sources in total energy consumption (%)	7.1%	0.0%
Total energy consumption (MWh)	28 944.57	35 745.75
Energy efficiency (total energy consumption/number of units under construction)	5.701	6.03

The data reported in accordance with the location-based method, which reflects the average emission intensity of grids on which energy consumption occurs.

CO₂ EMISSION [305-1, 305-2]

2021

Emission type	Total (MgCO ₂ e)	CO ₂ (Mg)	CH ₄ (Mg)	N ₂ O (Mg)	HFCs (Mg)	PFCs (Mg)	SF ₆ (Mg)
Direct emissions from stationary combustion	88.46	45.61	0.00	0.00	0.00	0.00	0.00
Direct emissions from mobile combustion	456.16	451.90	0.93	3.49	0.00	0.00	0.00
Scope 1, total	544.63	497.52	0.93	3.49	0.00	0.00	0.00
Indirect emissions from purchased/acquired electricity [location based]	6 034.73	6 034.73	0.00	0.00	0.00	0.00	0.00
Indirect emissions from purchased/acquired electricity [market based]	5 381.85	5 381.85	0.00	0.00	0.00	0.00	0.00
Indirect emissions from purchased/acquired heating	9 116.38	9 116.38	0.00	0.00	0.00	0.00	0.00
Scope 2, total [location based]	15 151.11	15 151.11	0.00	0.00	0.00	0.00	0.00
Scope 2, total [market based]	14 498.23	14 498.23	0.00	0.00	0.00	0.00	0.00
Emission rate (/Scope 1+2 GHG emissions/ number of units under construction)					2,65 MgCO ₂ e/flat		

2022

Emission type	Total (MgCO ₂ e)	CO ₂ (Mg)	CH ₄ (Mg)	N ₂ O (Mg)	HFCs (Mg)	PFCs (Mg)	SF ₆ (Mg)
Direct emissions from stationary combustion	38.59	38.52	0.05	0.02	0.00	0.00	0.00
Direct emissions from mobile combustion	505.90	505.90	0.00	0.00	0.00	0.00	0.00
Scope 1, total	544.49	544.42	0.05	0.02	0.00	0.00	0.00
Indirect emissions from purchased/acquired electricity [location based]	5 089.58	5 089.58	0.00	0.00	0.00	0.00	0.00
Indirect emissions from purchased/acquired electricity [market based]	3 461.77	3 461.77	0.00	0.00	0.00	0.00	0.00
Indirect emissions from purchased/acquired heating	7 757.32	7 757.32	0.00	0.00	0.00	0.00	0.00
Scope 2, total [location based]	12 846.90	12 846.90	0.00	0.00	0.00	0.00	0.00
Scope 2, total [market based]	11 219.09	11 219.09	0.00	0.00	0.00	0.00	0.00
Emission rate (/Scope 1+2 GHG emissions/ number of units under construction)					2,32 MgCO ₂ e/flat		

Scope 1 greenhouse gas emissions were calculated using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised Edition methodology and the calculation tools provided by the GHG Protocol. Scope 2 greenhouse gas emissions were calculated using the GHG Protocol methodology. The following emission intensity indicators were used to calculate Scope 2 greenhouse gas emissions:

- for electricity in Poland: 652 kg CO₂/MWh
- for heating in Poland: 347 kg CO₂/MWh.

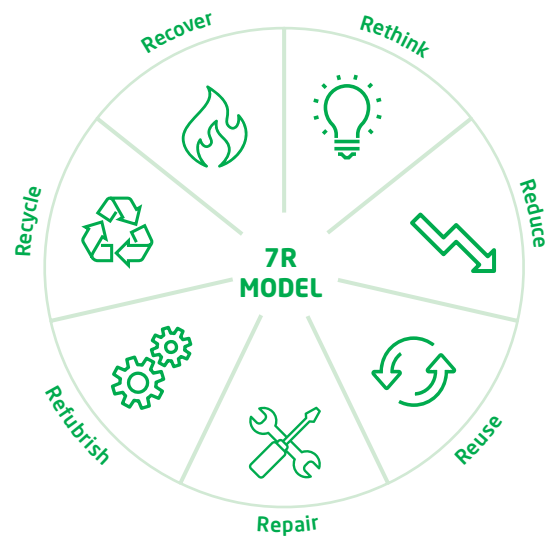
RESOURCE MANAGEMENT

[306-1, 306-2, 306-3]

CIRCULAR ECONOMY

It is a concept whereby products, consumables and raw materials should remain in the economy as long as possible and waste generation should be minimised as much as possible. This idea takes into account all stages of the product life cycle, in accordance with the 7R basics:

1. **Rethink** whether your purchase is necessary and how to minimise the use of new materials
2. **Reduce** consumption of energy, water, objects you surround yourself with, invest in energy-saving appliances and high-quality items, produced in a sustainable way
3. **Reuse** give away, sell or share items that you no longer use, use reusable packaging
4. **Repair** broken items and equipment instead of buying new ones
5. **Refurbish** buildings and objects, thus extending their useful life
6. **Recycle** and process waste
7. **Recover** waste that can be used in whole or in part



CIRCULAR ECONOMY IN DOM DEVELOPMENT

[3-3, 306-1] At the Dom Development Group, we consistently implement waste management rules in accordance with the principles of circular economy. In addition to the implementation of appropriate procedures, awareness-building, in particular among employees and subcontractors, is a prerequisite for effective implementation of that concept. That is why in 2022 we decided to implement in our operating companies a series of internal training initiatives covering the topic of waste management, recovery and recycling, as well as sustainable development issues in the Dom Development Group.

Our approach to waste management on the construction site entails procedures consistent with the waste hierarchy. We think above all about reducing waste production, which is why we have implemented, among others, a "just-in-time" model of delivery of previously contracted materials, which eliminates the need to store materials on the construction site. We minimise storage, and keep only the necessary stock of materials. In order to reduce the volume of waste generated, we plan appropriate work sequences, which help to avoid the need to take corrective actions, also resulting in excessive waste creation. On each construction site, we provide well-marked containers of appropriate sizes, which allows for segregation of waste on site.

We also try to maximise the use of materials that are created on the construction site, such as a humus layer which can be used for later plantings or rubble to be used in constructing service roads. We also strive to extend the life of assets, including the reuse of materials, as well as their proper management. Some of these actions are very simple, such as fixing materials related to temporary work in a way that allows them to be removed without damage – e.g. by using mechanical fasteners instead of adhesives and sealants. As a result, some elements can be used for many years, which brings both financial and environmental savings. It is also standard at the Dom Development Group that formwork, metal fences or sales pavilions are reused. The choice of appropriate dimensions also contribute to better use of materials and to the reduction of waste production.



The implementation of the circular economy principles in our Group involves a number of activities that we have been conducting for years. They not only reduce costs, but also contribute to maintaining the highest health and safety at work standards. We also see huge potential for benefits in the environmental and social area, which is why in our DOM 2030 ESG Strategy we have committed to implementing the Green Procurement Standard, which will allow us to implement the circular economy principles across the Dom Development Group.

Rafał Kierski,
President
of the Management Board,
Dom Construction Sp. z o.o.

CONSTRUCTION PROCESS IN THE SPIRIT OF THE CIRCULAR ECONOMY

[3-3] We promote green attitudes in our supply chain, obliging contractors to conduct business in a way that minimises negative environmental impacts.

In 2022, as part of the DOM 2030 strategy, we committed to implementing the Green Procurement Standard within 3 years – a voluntary, internal regulation of the Dom Development Group, which will define and ensure comprehensive implementation of the principles of circular economy in our supply chain. We will also consistently develop purchasing policies to favour lower carbon footprint materials and minimise waste production. Our subcontractors are already obliged to comply with the rules adopted by us on an equal basis, for example:

- to explain to employees the principles of waste management on the construction site, including the compliance with segregation of waste and proper storage of hazardous waste,
- to work in proper sequence to avoid generation of waste and minimise the need for corrective actions,
- to properly store building materials to protect them against adverse weather conditions, and thus avoid wastage.

Sound use of materials is important in the approach to sustainable development in our projects. The main non-renewable materials used by us on construction sites are reinforcements, sand-lime-blocks and clay blocks.



MATERIALS USED [301-1]

	UoM	2022	2021
Renewable materials			
Timber	m ³	31.25	23.47
Shuttering plywood	m ³	20.72	227.98
OSB	m ³	22.26	45.69
Shipping pallet	pcs.	15 972.00	14 440.44
Non-renewable materials			
Construction reinforcement	kg	18 195 380.03	13 915 756.59
Concrete	m ³	187 414.73	163 742.15
Sand-lime blocks	pcs.	997 669.69	2 440 634.64
Concrete blocks	pcs.	79 232.00	243 737.50
Clay blocks	pcs.	381 581.00	521 884.40
XPS	m ³	835.27	4 585.91
Precast concrete balconies	m ²	4 213.15	4 656.27
Rock wool	m ²	1 728.95	2 299.00
Bricks (clay and clinker)	pcs.	32 680.00	20 662.00

The above figures relate to materials purchased in all markets where the Group operated in 2021 and 2022.

In our discussions with suppliers, we are increasingly stressing the need to reduce the use of disposable packaging and materials used on construction sites (e.g. plastic pallet straps, food packaging, lashing straps or glass racks). In our opinion, there exists a particularly high potential for limiting the number of packages in the case of materials not exposed to damage due to weather factors, such as masonry materials, roof tiles, prefabricated elements or steel rods. We also conduct market analyses concerning the possibility of using reusable packaging.

[3-3, 306-1, 306-2] We dispose generated waste only to entities that have a licence to collect and process waste. This ensures that our waste is reused and returned to economic circulation. Nevertheless, the share of mixed construction waste remains too high, in our opinion. The Group companies will strive to gradually reduce it mainly by segregation of construction and demolition waste into waste fractions, such as wood, metals, glass, plastics, gypsum and mineral waste.

In 2022, we adopted the **Code of Conduct for DOM Development Business Partners** ("Code of Conduct"), which is in effect across the entire Dom Development Group. In that document, we systematised and unified standard contractual and procedural clauses used by companies from the Dom Development Group. The Code of Conduct was introduced as part of support measures undertaken by the Company in running our business responsibly. It is a response to environmental and quality requirements set for our business partners and thus enhances the processes of their compliance verification.

WASTE GENERATED [306-3]

	code	UoM	2022	2021
Non-hazardous waste				
Brick rubble	17 01 02	ton	1 137.59	1 291.27
Insulation materials, other than those mentioned in 17 06 01 and 17 06 03	17 06 04	ton	11.34	83.00
Dredging spoil, other than that listed in 17 05 05	17 05 06	ton	-	4.50
Mixed construction, repair and dismantle waste, other than those mentioned in 17 09 01, 17 09 02, 17 09 03*	17 09 04	ton	17 646.19	26 560.99
Mixed household waste	20 03 01	ton	0.70	10.69
Wood	17 02 01	ton	749.00	3 582.20
Mixed concrete, bricks, tiles and ceramics waste and element of equipment, other than those mentioned in 17 01 06	17 01 07	ton	573.37	242.74
Plastics	17 02 03	ton	122.92	146.77
Soil and stones, other than that listed in 17 05 05	17 05 04	ton	-	2 538.00
Absorbents, filter materials, wiping cloths and protective clothing, other than those mentioned in 15 02 02	15 02 03	ton	-	0.06
Paper and cardboard packaging	15 01 01	ton	1.28	17.72
Concrete waste and concrete debris from demolition and renovation	17 01 01	ton	2025.52	592.29
Plastic packaging	15 01 02	ton	-	1.77
Plastics	20 01 39	ton	-	0.49
Waste building paper/felt	17 03 80	ton	0.40	84.72
Wooden packaging	15 01 03	ton	9.52	-
Removed plaster, wallpaper, veneer, etc.	17 01 80	ton	70.02	-
Iron and steel	17 04 05	ton	12.34	-
Gypsum-based construction materials, other than those mentioned in 17 08 01	17 08 02	ton	3.20	-
Paper and cardboard	19 12 01	ton	13.72	-
Total		ton	22377.11	35157.21
Hazardous waste				
Packaging containing residues of or contaminated by hazardous substances (e.g. plant protection products with toxicity class 1 and 2 – very toxic and toxic)	15 01 10*	ton	-	0.50
Metallic packaging containing a hazardous solid porous matrix (for example asbestos), including empty pressure containers	15 01 11*	ton	0.14	-
Other wastes containing hazardous substances	19 02 11*	ton	0.80	2.00
Metal waste contaminated with hazardous substances	17 04 09*	ton	1.80	1.00
Other wastes containing hazardous substances	11 02 07*	ton	-	4.34
Glass, plastic and wood containing or contaminated with hazardous substances (e.g. railway sleepers)	17 02 04*	ton	-	1.00
Total		ton	2.74	8.84

The list contains all types of waste listed in the BDO (Waste Database) system for companies: Dom Construction Sp. z o.o., Euro Styl Construction Sp. z o.o., Nestobud, Buma Contractor 1

WATER AND EFFLUENT MANAGEMENT

[3-3] In our operations, we use water primarily for construction works, such as bonding mixture in concrete, masonry and plastering processes or curing of concrete in summer. We supply water to our projects for domestic and fire protection purposes. We also use water for demolition works (to prevent excessive dust). The water used comes primarily from municipal mains. Sewage drainage systems (sanitary installations) discharge wastewater to municipal sewer networks, and subsequently into municipal treatment plants. Rainwater is managed within the construction project or discharged into municipal sewer networks. Wastewater from garage floor undergoes additional treatment in oil separators. All our construction projects are located in the areas with low or medium water stress. Changes in water consumption in our operations are associated with different stages of construction projects.

WATER REQUIREMENT [303-3]

Location	Water stress level*	UoM	2022		2021	
			in total:	of which areas with high or very high water stress (>80%)	in total:	of which areas with high or very high water stress (>80%)
Purchased water (water mains)						
Warsaw	Low (<10%)	m ³	17 408.51	0	23 600.91	0
Cracow	Medium (10-20%)	m ³	2 370.71	0	303.56	0
Tricity	Low (<10%)	m ³	21 083.90	0	22 112.00	0
Wrocław	Medium (10-20%)	m ³	7 604.40	0	7 268.99	0

* According to Aqueduct water risk Atlas (World Resources Institute)
 Water consumption in Warsaw in 2022 does not include the estimated consumption of about 1000 m³ on one of the construction sites.



RAINWATER AND ITS RETENTION

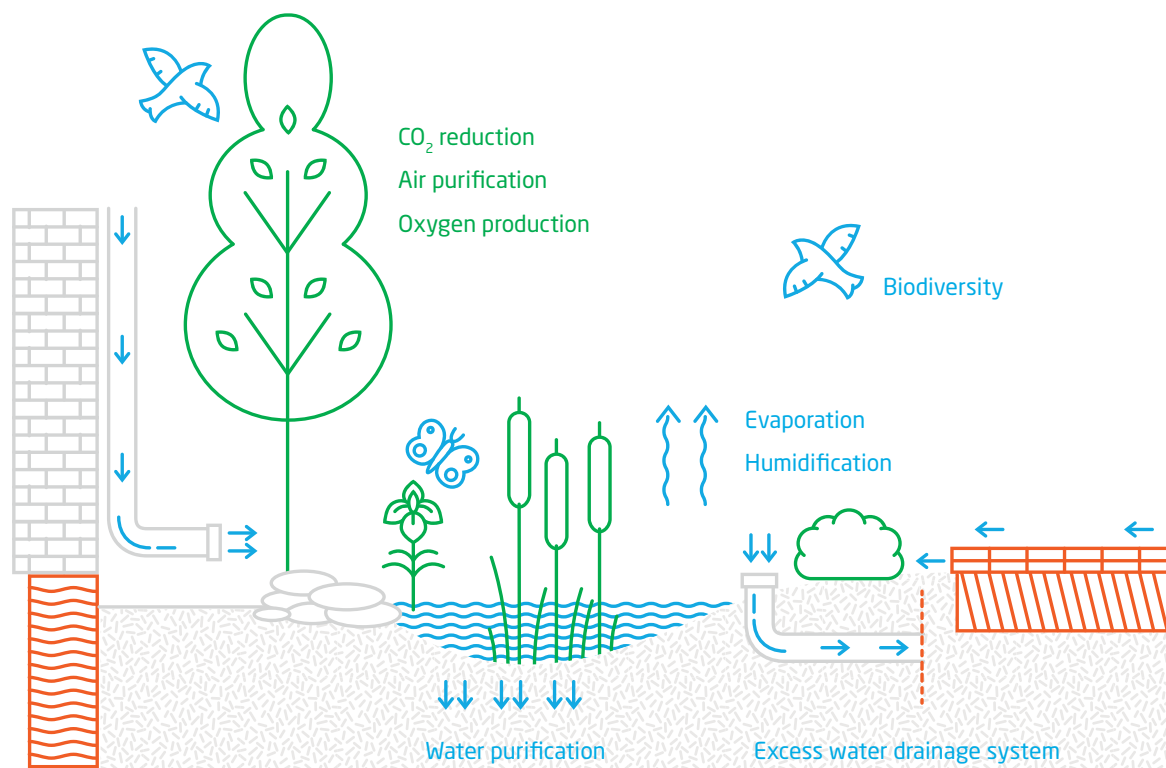
[3-3] Climate change poses multiple challenges for the design of urban infrastructure. As part of adaptation to such changes, we design our residential estates in a manner ensuring more sustainable management of rainwater and melt-water. We create parts of city blue and green infrastructure, and also make use of technical solutions such as retention tanks (including tubular) or drainwells for gradual drainage of rainwater and spreading it in the ground. Rainwater retained in the systems can be reused during periods of drought, without the need to draw drinking water from municipal mains.

During the last two years (2021-2022) we have introduced various types of solutions increasing retention in as many as 13 of our projects.

A special form of land use are rain gardens, which, in addition to their attractive appearance, have a number of functions. They reduce the need to water nearby plants, thus reducing consumption of water from the mains, and reduce the temperature of the surrounding area in summer. Moreover, they help to increase the amount of water retained in the environment, prevent the lowering of groundwater levels and local inundations in the aftermath of rainstorms. Rain gardens also increase biodiversity: they create a micro climate and attract insects and small animals, while appropriately selected plants clean the water and soil.



SUSTAINABLE DRAINAGE SYSTEMS



We also make efforts to reuse water, for example, to water green areas. We implemented such solutions in two Wrocław projects – the Zielna and the Apartamenty Ołtaszyn. When a site irrigation system is connected to the retention system, the former draws water first from retention tanks, thanks to automation and humidity sensors, to water green areas. In addition, we use bioretention along constructed roads in the form of infiltration swales, permeable surfaces or seepage pits, which collect water, temporarily retains it and then drains it into rainwater drainage systems.

Another solution applied in our projects are green roofs, which, in addition to enhancing biodiversity and retaining rainwater, help regulate indoor temperatures, minimizing winter heat losses and protecting against excessive heating in summer.

We design solutions supporting retention in accordance with best available knowledge, and, in the case of Wrocław, based on the 2021 municipal guidelines⁴.

⁴ The rules for sustainable rainwater management in built-up areas and the Rules for sustainable management of rainwater from road surfaces.

DOM is people



4

SOCIAL IMPACT

[413-1] As the Dom Development Group, we are the largest residential property developer in Poland. By developing residential projects within major Polish agglomerations, we help to satisfy one of the basic human needs and make the dream of owning a home come true. For most of our clients, purchasing an apartment represents an important step in their lives, so they look for reliable partners to guarantee that the transaction they are about to make is safe.

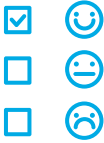
By delivering housing stock and related infrastructure, we support the development of cities. The agglomerations in which we operate experience a significant shortage of housing and a positive migration balance. It is the objective of the Dom Development Group that our housing projects form high quality urban fabric with access to all necessary services, green areas and recreational space.

At the same time, the construction industry is an important economic sector, which creates more than two million jobs and accounts for over 7% of GDP in Poland. A large proportion of our profits go back to society through taxes we pay. In 2022, the companies in the Dom Development Group paid PLN 144 million of CIT to the state budget. The funds generated by us also end up in the wallets of employees, both our own and those of our subcontractors, thus contributing, thanks to the multiplier effects, to the growth of national economy. We are a major player in the labour market. In the entire Dom Development Group we employ 594 people, and indirectly provide work for employees of our subcontractors and suppliers of building materials. As a withholding agent responsible for the correct settlement and payment of withholding tax on salaries, in 2022 we paid on behalf of our employees more than PLN 17 million of withholding tax on PIT.

THE SUSTAINABLE DEVELOPMENT GOALS



SOCIAL IMPACT IN NUMBERS:



70 NPS

maintaining a high level of customer satisfaction



100%

of apartments delivered to customers by the deadlines specified in the agreement



Over

PLN 1.1 million

in assistance to people affected by the war in Ukraine

SUPPORTING FOR SOCIAL INITIATIVES

As a socially committed organisation, we actively support rank-and-file initiatives and foster neighbourly integration through expansion of local infrastructure. During the past year we engaged in actions to promote culture, both by sponsoring specific events and by promoting art in our projects. We create places for recreation and conducive to active leisure, and provide support for the activities of local sports clubs, thus promoting healthy lifestyles among local communities.

In 2022, all of Poland experienced an unprecedented wave of migration caused by the Russian invasion of Ukraine. The migration crisis particularly affected the cities of Cracow, Warsaw and Wrocław. The Dom Development Group took an active part in providing assistance to the refugees, both on an ad hoc basis, at the border, and in securing accommodation for people fleeing from war. We funded and carried out renovation of units, where several dozen people found shelter. Last year, the Dom Development Group allocated more than PLN 1.1 million to assist people affected by the war in Ukraine.



594 people
employment in the Group



the sales leader
in the Warsaw market and a leading developer in other markets



RELIABLE DEVELOPER

As a responsible and trustworthy developer, we support buyers at each stage of buying an apartment. We realise how important the decision to buy is. We pay great attention to comprehensive customer service and the provision of comprehensive and exhaustive information about our offer. Our employees receive periodic training in both communication skills and products we offer.

We strive to respond flexibly to the needs of our customers, therefore we adapt the structure of apartments in individual projects to the current market expectations. As part of the Dom Development Group, we offer the possibility of adapting apartments through making individual modifications in consultation with our architects and designers, and also the option of a “turn-key” apartment based on a broad range of fit-out packages.

In order to provide the best service and customer experience, we established within the structure of the Group, more than 10 years ago, a separate company, **Dom Development Kredyty, which provides services with respect to selection of the best way to finance the purchase of an apartment.** We are a significant player in the market of mortgage brokerage - we work with a dozen of banks, so we are able to offer preferential terms of financing for property purchases of our customers.

In 2022, as in previous years, all of our projects were progressing according to the schedules. At the same time, during the period covered by this report, thanks to careful drafting of our marketing and sales communications, we have not registered any incidents related to improper communication of our offer. Likewise, the Office of Competition and Consumer Protection did not conduct against the Group any anti-trust proceedings, proceedings to declare standard contract clauses as prohibited or proceedings regarding practices infringing collective consumer interests, and no penalty was imposed on the Group by the said authority.



WE ARE FAIR

[3-3] We provide fair information about our commitments and fulfil them conscientiously, delivering the highest quality apartments on schedule. This is confirmed by a high Net Promoter Score. We are the only developer in the Polish market who makes this score public. NPS is a tool generally used in the business world, which measures customer satisfaction and identifies brand strengths and weaknesses. In our case, the NPS is determined on the basis of customer surveys after delivery of their apartments; however, questionnaires deal with the entire process of apartment purchase starting with the customer's first contact with the company. The NPS may range from -100 to 100. In 2022, despite increasing the scale of our operations by entering the Cracow market, the Dom Development Group's NPS reached a very high level of 70 points for the second consecutive year. Since no reference can be made to other Polish developers, that score can be compared only with the results from other countries. For example, the industry average in the United Kingdom is 45 points.

FAIR PRODUCT INFORMATION [417-1, 417-2, 417-3]

	2022	2021
The number of cases of non-compliance with the requirements for proper product marking / labelling or adequate product information	0	0



WE ARE FAIR

As part of the "We Are Fair" programme originated at Euro Styl S.A., we communicate the values followed by our Group in day-to-day operations. The programme is based on three pillars:

Product Liability

Our projects are characterised by high quality, which includes resident-friendly surroundings of housing projects, access to comprehensive urban infrastructure, attractive arrangement of common spaces, high quality materials, and excellent functionality and acoustic comfort of the apartments. We also are concerned about energy efficiency, thus helping to reduce apartment operating costs and contributing to the protection of the natural environment.

Responsibility for relationships

Our cooperation with business partners is founded on mutual trust. We gain such trust through transparent actions and communication, as well as by doing our best to build long-term relationships with business partners. We are also mindful of creating a friendly workplace environment and providing Group employees with all the necessary resources and opportunities for professional development.

Responsibility for local community

The specifics of property developer activities is inextricably linked to the impact on the shape of the city and the quality of life of its residents. We accept shared responsibility for the surroundings of our residential projects, and therefore we support local initiatives that shape them, and work with local suppliers and subcontractors. We create functionally self-sufficient places to live which foster social inclusion and help to build neighbourly relations, as well as publicly accessible infrastructure for city residents.

RESIDENT-FRIENDLY HOUSING PROJECTS

[3-3, 203-1, 413-1, 413-2] Our projects stand out with high quality arrangement of common spaces. We keep in mind all the residents of our projects and create varied spaces for rest and neighbourly integration. Playgrounds and green areas are the standard in our multi-stage projects. We also offer some extra amenities to our customers. For example, the residents of Warsaw's Stacja Grochów and Osiedle Wilno projects, and also those of Cracow's Osiedle Górka Narodowa, can enjoy fields for team sports, while the Beauforta Project in Tricity boasts an extensive sports and recreation area with an attractive, roofed neighbourhood club. At Gdańsk's Zielony Południk project, a common space with a recreation platform and a BBQ area was made available for residents' use.

Moreover, in response to the proliferation of remote work, the Apartmety Ogrodowa project offers a comfortable work room for its residents.

Sometimes small changes can have a big effect. Accordingly, our projects have features such as book exchange shelves or open-access herb gardens.



INFRASTRUCTURE DEVELOPMENT

[413-1] When planning and building our projects we take into account their impact on the immediate surroundings, both natural and social. We do our best to plan and organise our actions in such a way as to minimise as much as possible any inconvenience associated with construction or demolition works, especially where such works are carried out near existing buildings. Working together with local authorities, we also engage in actions that can positively affect the quality of public infrastructure.

WILNO TRAIN STATION

The Osiedle Wilno project is one of our multi-stage projects, which is currently in progress in Warsaw's district of Targówek. In line with Dom Development standards, the most important infrastructure, including service outlets or public transport, should be located closely to the housing development. That is why the Wilno project is a mini-town. In order to provide residents with convenient transport connections, in 2013 we used our own resources to finance the construction of the "Warszawa Zacisze Wilno" city railway station, which is located right next to the development. This is the first and only case of a rail station built by a property developer in Poland.



RESTORING FORMER GLORY

[203-1] Even though we operate throughout the country, we try to maintain a local perspective. We believe that the key to understanding the needs of our customers is to know each of the cities where we operate.

GDAŃSK'S DOKI

More than 20 years ago in Gdańsk, the idea was born to bring undeveloped historical grounds of the Gdańsk Shipyard back to life by building a new residential and services district there, called Młode Miasto (Young Town). The project's name was to refer to the historical name of that section of Gdańsk, but it also corresponds well to the concept of the new district. The DOKI project is one of the first residential and service developments on the site of the former Gdańsk Shipyard. Forming part of the Młode Miasto district, the DOKI project is a unique space in Poland. It is to be filled with a new housing development (DOKI Living), office buildings (DOKI Office, to be implemented by Torus), and the MONTOWNIA – revitalised, historic submarine hull assembly shop dated from the 1930s with its impressive food hall and serviced lofts.

International experts also appreciate the site's excellent location, architectural solutions applied and the combination of residential, hotel and services functions.

The DOKI project received 3 awards at the 2021 European Property Awards contest. Our construction projects received awards in the following categories: Mix Use Development, Development Marketing and Commercial Renovation/Redevelopment (MONTOWNIA building).



We have a significant impact on the urban space. With this awareness, we also try to restore to the residents the places that no longer fulfil their original function and whose potential is not fully realised. Our activity in the cities lives up to the principles of the Freiburg Charter, i.e. preservation of identity, strengthening the role of neighbourhoods and promotion of their cultural diversity and distinctiveness, as well as building long-term partnerships between the community and the public and private sectors.

DOKI is not the only project that restores life to forgotten parts of Gdańsk. In 2019, GGI Dolne Miasto Sp. z o.o., a subsidiary of Euro Styl S.A., signed, as a private partner, a public-private partnership agreement (PPP) with the City of Gdańsk for the project called "Development of the Former Tram Depot Site in Dolne Miasto in Gdańsk". The partnership was signed for 14 years (2019-2033).

Under this project, during the next several years GGI Dolne Miasto will carry out a series of public projects (in 17 locations) in the district of Dolne Miasto, which will serve the current and future residents of that part of Gdańsk. Their total value is over PLN 60 million.

Under the public-private partnership agreement, GGI Dolne Miasto will also develop commercial properties, including by revitalising historic structures. Three out of fifteen locations planned for commercial purposes in the PPP will feature additional green and recreational areas at the initiative of GGI Dolne Miasto. The projects with residential and service functions or only service function have been planned at locations designated for commercial purposes. The architecture of new buildings will complement the historic buildings and unique character of Dolne Miasto, and their functions will make living in this part of Gdańsk easier and more attractive, thus tying in with the municipal plan for revitalising this district.

The public purpose projects referred to above include:

- construction of a modern public sports complex at Primary School No. 65 in Gdańsk,
- revitalisation of the Nowa Motława waterfront and renovation of seven descents to the river,
- renewal and adaptation to the new public function of the historic building of the former gymnasium,
- revitalisation of historic Wilk and Wyskok bastions,
- construction and modernisation of streets and pedestrian and bicycle routes,
- a new public preschool with playground.

Pursuant to that contract, the responsibilities of GGI Dolne Miasto will also include the maintenance and administration, within the scope and the time limits specified in the contract, of selected public facilities.





Another example of harmonious integration of a construction project into its historical environment is the Dawna Poczta (old post office) project, which was completed in Gdańsk in 2021. The project is located in Dolny Wrzeszcz and combines history with modernity. It is a revitalised historic building, in which the post office was once located, combined with a modern high-end facility. In-between the Dawna Poczta buildings there is a green patio with a sculpture "You Are In It" by Elvin Flamingo.

COMMUNITY INVOLVEMENT

As the Dom Development Group, we engage in social initiatives in the agglomerations where we operate. We work locally to improve the quality of life and to foster integration of local communities. Among our initiatives to date, a particular mention is deserved by:

- spatial development and urban infrastructure,
- support for artists and introduction of art into public space,
- promotion of physical activity and healthy lifestyles,
- aid to people in need.

We have also been involved in providing extensive assistance in connection with the COVID-19 outbreak and the refugee crisis caused by the war in Ukraine. Our support for people affected by the war amounted to over PLN 1.1 million. For a more detailed description of these initiatives see chapter "We help those in need".

We provide assistance in various forms, from expert support through partner initiatives, to substantial financial assistance. The table below lists the amounts and purposes of donations made by the Group companies.

DOM DEVELOPMENT GROUP'S SPENDING ON CHARITABLE ACTIVITIES (IN PLN ,000)

	2022	2021
Social organisations	987	621
Charitable institutions	1 244*	72
Sports	23	110
Culture and arts	1.6	52
Total charitable donations	2 256	855

* of which PLN 1 194 thousand was allocated to support people affected by the war in Ukraine



SPACE FOR LOCAL COMMUNITIES

[203-1, 413-1] When building new housing estates we try to add value for all local residents. In addition to the railway station next to the Wilno project built by Dom Development, a good example of that strategy is the participation of Dom Development Wrocław Sp. z o.o. in the construction of the boulevard on the Oder River. This public promenade is located in the vicinity of our Apartmety Księcia Witolda project.

In the previous year, the Group also completed the construction of a new section of Zielna Street in Wrocław's district of Psie Pole. We invested PLN 2 million in the construction of an asphalt road with an elevated intersection, sidewalks, lighting, sewerage and renovation of the existing section of the road running along the preschool. The newly built road, together with its renovated section, has a total of nearly 300 linear meter. In addition, we also made a safe pavement, which is separated from the roadway, leading toward Primary School No. 6 at Gorlicka Street, combined with the introduction of a new traffic organisation, i.e. one-way traffic from Gorlicka Street to the car park next to the preschool. The entire project is the result of cooperation between Dom Development Wrocław Sp. z o.o., the Wrocław City Hall and the Psie Pole-Zawidawie Neighbourhood Council. On the other hand, residents of Wrocław's Oltaszyn can already use new Józefa Kustroń Street and renovated Maria Wittek Street. We completed the construction of the Kustronia street by allocating over PLN 2 million for this purpose.

We also support urban initiatives aimed at social integration of local residents. In Warsaw, we helped to set up events organised by the Bielany District Office: "Biełańskie Granie" (Bielany Music), "Biełańskie Wianki" (Bielany Wreaths) or "Witaj Lato na Bielanych" (Hello Summer in Bielany).

In the Osiedle Dynamika, which is located in the southern part of Gdańsk, we participated in the costs of reconstruction of Człuchowska Street and the construction of Bramańskiego and Piotrkowska streets. Over PLN 4 million was allocated for that project.

In 2021 and 2022 in Warsaw, we built a section of a road in the Dzielnica Mieszkaniowa Metro Zachód and redeveloped a section of Malborska Street. The cost of that infrastructure was close to PLN 4 million.

Furthermore, in 2021, on the 75th anniversary of Secondary School No. 3 in Wrocław, an anti-smog mural featuring Adam Mickiewicz, the school's patron, was created on the wall of a building next to the school. Our Wrocław company financed that project together with Dom Construction Sp. z o.o., which built the Dom na Kurkowej, a project located next to the school. Dom Development Wrocław Sp. z o.o. co-financed the renovation of the dilapidated playground at the preschool next to the Group's project at ul. Grabiszyńska 141.



WE VALUE ART AND ARTISTS

[413-1] The hallmark of many of our housing projects are works of art integrated with the architecture. From murals through sculptures, to neon lights, we have supported Polish artists while enhancing the quality and aesthetics of public spaces.

A flagship example of the interweaving of art and urban space is Warsaw's Żoliborz Artystyczny, a project that received numerous awards for its modern architecture and friendly urban planning. In line with the Żoliborz tradition, the project is divided into "colonies", which commemorate the great artists who lived in the neighbourhood. The artistic elements refer to the patrons of each colony; for example, the Witold Lutosławski Colony features a mural depicting that eminent composer, a relief with musical score in a gateway and specially designed wallpaper with a violin design.





At Gdańsk's Osiedle Perspektywa project, staircase zones in all buildings are decorated with wall installations by Oskar Zięta, an internationally acclaimed artist and architect. Another highlight of that estate is a unique three-dimensional mural "A look into the open space" by the well-known painter Sebastian Bożek. The mural adorns the wall of one of the buildings on the side of a city square located next to the main entrance to the estate, which is also a place where neighbours meet.



At the Montownia, an assembly shop revitalised on the Gdańsk Shipyard grounds, the common areas decor includes six monumental paintings and „A School of Creatures”, artistic installation made up of 17 unique lamps by Tomasz Krupiński. The walls of each loft are decorated with unique photographs of shipyard grounds, which emphasise the character of the place, made by the well-known documentary filmmaker Michał Szlaga.

ARN in
ARCHitecture
festival

The items of art installed in the Montownia earned us a distinction at the Art in Architecture 2022 contest.

We work together with artists on most of the projects we develop. However, we do not limit our operations to the sites of our projects, as we also support public initiatives such as the construction of a monument to the Women of the Warsaw Uprising, which was unveiled in October 2021.

ENCOURAGING THE PASSION FOR SPORTS

[413-1] We actively support local sports initiatives, especially those associated with promotion of healthy lifestyle. From April to November, residents of the Osiedle Wilno project in Warsaw could once again use the multifunctional recreation area which we created at our expense on the land owned by the company. Last year, Dom Development also provided financial support to the organisers of the 13th Polish and Ukrainian Football Championships for Children from Children's Homes. In addition, we co-financed another edition of the Chomiczówka Run, a recurrent event taking place in the Bielany district of Warsaw.

In 2021 and 2022, Euro Styl S.A. sponsored the following local sports clubs: Orkan Rumia Municipal Sports Club, RC Arka Rumia, and Rumia Sports Club. As the largest developer operating locally in Rumia, a town adjacent to Tricity, we actively support the daily activities of the local squash club TPoint, including the organisation of an amateur squash tournament. We are also sponsoring promising members of the Hedonia Squash Poland team, who have high positions in nation-wide rankings. Once again, Euro Styl took part in the Active Senior Citizen campaign, promoting active lifestyles among the Rumia residents aged 60+, and provided financial support for the "Race up the Markowiec Hill", organised by the Kaszuby Biegają Association.

In 2022, Euro Styl employees continued to participate in the We Fulfill Dreams initiative having their physical activity (running, cycling or swimming) converted into financial assistance for the Fundacja Pomocy Osobom Niepełnosprawnym „Słoneczko” (*Charity Foundation for People with Special Needs "Słoneczko"*) and the Fundacja Trzeba Marzyć (*Dreamers Foundation*).

Dom Development Wrocław Sp. z o.o. has been actively supporting initiatives associated with physical activity of Wrocław residents. These include the initiative "Aktywnie do szkoły" (Actively to School), which is addressed to pupils and their parents, as well as the "W kółko kręć" (Cycling Around) campaign, which is intended to promote a bike as a year-round mean of transport. At the request of the Osobowice-Rędzin Neighbourhood Council, we also financially supported the 15th Osobowicka eight-kilometre cross-country run organised for the fifteenth time in Wrocław's district of Osobowice.



As every year, employees of the Group companies took part in the Poland Business Run. We were one of the sponsors of that event in Cracow.

WE HELP THOSE IN NEED

We have been committed for a long time to actions directed at the most deprived persons, in particular those afflicted by homelessness. For years we have provided support for organisations that specialise in solving such problems. In 2021, we financially helped the Zamieszkani Foundation, which in 2022 renovated one of the vacant buildings made available by the Bielany District Office. The year 2022 brought completely new challenges related to the homelessness. Because of the ongoing war in Ukraine, thousands of refugees began to seek shelter in our country. In cooperation with the Warsaw City Hall, we took on a project to renovate and adapt places of accommodation for refugees. We purchased 4700 sets of bedding to be delivered to refugee reception centres in Warsaw. We also engaged in assistance at the Polish-Ukrainian border (in Hrubieszów and Dołhobyczów), providing the most necessary food products. In Wrocław, we sponsored the purchase of personal protective equipment and meals for volunteers supporting Ukrainian seniors.

We also co-financed the 6th charity concert "Jazz Stars of Jazz for Children", which took place at the ROMA Music Theatre in Warsaw. The entire income from that event was allocated to the upgrade of the Surgical Clinic and the Outpatient Surgical Centre at the Children's Memorial Health Institute in Warsaw.

In the Tricity agglomeration, we undertook to provide financial assistance in the amount of PLN 600 thousand to one of the local associations, whose major goal is to build a new preschool. We were a strategic sponsor of that project.



RELIABLE EMPLOYER

CONDITIONS OF EMPLOYMENT

[2-30, 3-3] Our people are the most important resource of the Group Dom Development. We recognise that human capital management is an area of strategic importance for our organisation. We strive to turn it into a competitive advantage of our Group. Our management approach to human capital is focused on a flexible and individualised approach to each employee, while meeting the legal requirements and obligations arising from internal standards and procedures.

Aware of the crucial role of our employees and the changing role of HR, in our DOM 2030 ESG Strategy we have committed to developing the HR strategy of the Dom Development Group by 2025. It will include, among others, a comprehensive system for monitoring pay gap and will allow us to manage the development of employees more effectively.

Like everyone in the industry, we face difficulties due to a limited supply of skilled workers in narrow specialisations. In order to face this challenge and to attract and retain the best employees, we offer attractive employment conditions. In principle, relations with employees are defined in the employment contract. When recruiting new employees, we typically employ them for a trial period, which is followed by a twelve-month period contract, to finally engage them as permanent employees with an indefinite term contract. In some cases an indefinite term contract may be concluded immediately after the trial period. As a result, at the end of 2022, as many as 93% of our employees were employed on the basis of an employment contract for an indefinite term. Moreover, 94% of employees worked on a full-time basis.



At the same time, due to the specificity of the labour market, in the case of certain professions (architects, lawyers, site managers), such professionals prefer to cooperate with us on the basis of contracts rather than via an employment contract, including short-term contracts related to a specific stage of work (e.g. providing services as a self-employed operator). In the case of experts who are self-employed and prefer this form of work relationship, we agree to the B2B cooperation.

[401-2] We offer an attractive package of fringe benefits to all our employees (regardless of the type of employment, position or years of service). These benefits include, among others, medical care package, sports package, and accident insurance. Their scope and availability vary depending on the company. In the Warsaw office of Dom Development there is a doctor's office, where doctors are on-call duty, which makes it possible to consult a physician without having to go to an outpatient clinic.

EMPLOYMENT AT THE END OF THE YEAR [2-7, 2-8]

	2022			2021		
	Women	Men	Total	Women	Men	Total
by position type						
operational level	290 (71%)	120 (29%)	410	248 (73%)	94 (27%)	342
managerial level	67 (40%)	99 (60%)	166	53 (37%)	89 (63%)	142
top managerial level	12 (67%)	6 (33%)	18	10 (71%)	4 (29%)	14
by contract type						
indefinite term	336 (61%)	218 (39%)	554	292 (62%)	180 (38%)	472
fixed term	24 (80%)	6 (20%)	30	15 (68%)	7 (32%)	22
trial period	9 (90%)	1 (10%)	10	4 (100%)	0 (0%)	4
Casual	0	0	0	0	0	0
by full-time equivalent						
full-time	345 (62%)	212 (38%)	557	292 (62%)	176 (38%)	468
part-time	24 (65%)	13 (35%)	37	19 (63%)	11 (37%)	30
by age						
under 30	117 (70%)	49 (30%)	166	103 (69%)	46 (31%)	149
31 to 40	158 (61%)	101 (39%)	259	129 (61%)	81 (39%)	210
41 to 50	76 (58%)	55 (42%)	131	66 (58%)	47 (42%)	113
over 50	18 (47%)	20 (53%)	38	13 (50%)	13 (50%)	26
by location						
Warsaw	193 (56%)	150 (44%)	343	174 (58%)	124 (42%)	298
Cracow	38 (75%)	13 (25%)	51	11 (61%)	7 (39%)	18
Tricity	84 (74%)	29 (26%)	113	79 (76%)	25 (24%)	104
Wrocław	54 (62%)	33 (38%)	87	47 (60%)	31 (40%)	78
Total	369 (62%)	225 (38%)	594	311 (62%)	187 (38%)	498
Individuals engaged under civil law contracts or self-employed, including field advisers, etc. (not including individuals under appointment)	47	157	204	60	149	209



EMPLOYMENT AT THE END OF THE YEAR [2-7, 2-8]

	2022				2021			
	Warsaw	Cracow	Tricity	Wrocław	Warsaw	Cracow	Tricity	Wrocław
by position type								
operational level	239	36	82	53	204	13	75	49
managerial level	97	13	26	30	87	3	22	27
top managerial level	7	2	5	4	7	1	4	2
by contract type								
indefinite term	330	44	101	79	288	18	91	75
fixed term	8	6	11	5	10	0	9	3
trial period	5	1	1	3	0	0	4	0
Casual	0	0	0	0	0	0	0	0
by full-time equivalent								
full-time	326	49	98	84	287	17	91	74
part-time	17	2	15	3	12	1	13	4
by age								
under 30	95	14	26	31	95	4	23	27
31 to 40	150	21	50	38	120	6	49	35
41 to 50	73	11	31	16	68	4	26	15
over 50	25	5	6	2	15	4	6	1
Individuals engaged under civil law contracts or self-employed, including field advisers, etc. (not including individuals under appointment)	81	31	65	27	95	9	71	34



NEW EMPLOYEE HIRES [401-1]

	2022			2021		
	Women	Men	Total	Women	Men	Total
Warsaw						
under 30	28	13	41	13	12	25
31 to 40	6	19	25	3	13	16
41 to 50	3	5	8	3	4	7
over 50	1	7	8	1	2	3
Total	82	133	215	20	31	51
Cracow						
under 30	7	3	10	0	0	0
31 to 40	9	2	11	1	0	1
41 to 50	5	1	6	2	0	2
over 50	1	2	3	0	0	0
Total	22	8	30	3	0	3
Tricity						
under 30	4	3	7	10	1	11
31 to 40	1	1	2	5	3	8
41 to 50	5	2	7	3	1	4
over 50	0	0	0	0	0	0
Total	10	6	16	18	5	23
Wrocław						
under 30	10	2	12	8	1	9
31 to 40	6	3	9	5	5	10
41 to 50	0	1	1	1	1	2
over 50	0	0	0	0	0	0
Total	16	6	22	14	7	21
Total						
under 30	45	18	63	31	14	45
31 to 40	21	24	45	14	21	35
41 to 50	8	7	15	9	6	15
over 50	2	9	11	1	2	3
Total	76	58	134	55	43	98
% of new employees in a team	21%	26%	23%	18%	23%	20%

EMPLOYEE DEPARTURES [401-1]

	2022			2021		
	Women	Men	Total	Women	Men	Total
Warsaw						
under 30	12	4	16	9	11	20
31 to 40	10	8	18	3	4	7
41 to 50	2	5	7	4	6	10
over 50	1	2	3	4	5	9
Total	25	19	44	20	26	46
Cracow						
under 30	5	2	7	0	0	0
31 to 40	4	3	7	1	0	1
41 to 50	3	1	4	1	0	1
over 50	2	2	4	0	0	0
Total	14	8	22	2	0	2
Tricity						
under 30	3	1	4	3	1	4
31 to 40	2	1	3	7	2	9
41 to 50	1	2	3	2	0	2
over 50	0	0	0	1	0	1
Total	6	4	10	13	3	16
Wrocław						
under 30	7	0	7	2	1	3
31 to 40	4	2	6	1	4	5
41 to 50	4	3	7	2	0	2
over 50	0	1	1	0	0	0
Total	15	6	21	5	5	10
by age						
under 30	24	6	30	14	13	27
31 to 40	18	13	31	12	10	22
41 to 50	9	10	19	9	6	15
over 50	3	5	8	5	5	10
Total	54	34	88	40	34	74
Percentage of employee turnover	15%	15%	15%	13%	18%	15%

As a consequence of the organisational growth and the entry to the Cracow market, employment in the Group increased proportionally. It is encouraging that the rate of turnover remained unchanged in relation to the previous year.

PARENTAL LEAVE [401-3]

	2022			2021		
	Women	Men	Total	Women	Men	Total
number of employees eligible for parental leave in the specific year	35	33	68	37	18	55
number of employees who took parental leave in the specific year	35	33	68	37	18	55
number of employees who returned to work in the specific year after their parental leave ended	13	33	46	14	17	31
number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work	7	6	13	5	6	11

OPPORTUNITIES FOR PERSONAL DEVELOPMENT

[404-2] In the Dom Development Group, we try to perceive relationships with our employees in the long-term perspective and support their personal development through an individualised approach to training. The first such training is offered when a newly hired employee begins work at one of our companies. We provide each employee with a comprehensive information package, including a session on occupational health and safety training, which enables the employee to quickly adapt in a new organisation. As a target, we intend to hold interviews with newly hired employees after they have worked for a month, which could help us to further improve our support in the process of adaptation. Now, all our employees (100%) undergo a periodic assessment process, during which the achievement of the goals set for them is reviewed.

The employee's development plan is based on the individual development path designated by their supervisor during the periodic assessment process. The Group intends to make the concept of training and development part of the future HR strategy. Current training and development programmes for employees are mostly customised. Employees are offered various types of training and development activities, including assessment of employee/team potential, post-graduate studies, managerial training, managerial coaching, training to improve personal skills and industry-specific training. Thanks to our membership of organisations such as the Polish Association of Developers (PZFD) and the Polish Association of Listed Companies (SEG), our employees have access to numerous free training courses.

With regard to transition periods, e.g. return after long-term absence or return after parental leave, the Group focuses on the immediate and effective re-integration of the returning employees into their current working environment. The employee's immediate supervisor has a fundamental role in this process.

PERCENTAGE OF EMPLOYEES SUBJECT TO EMPLOYEE ASSESSMENT [404-3]

	2022			2021		
	Women	Men	Total	Women	Men	Total
operational level	100%	100%	100%	100%	100%	100%
managerial level	100%	100%	100%	100%	100%	100%
top managerial level	100%	100%	100%	100%	100%	100%
Total	100%	100%	100%	100%	100%	100%



OCCUPATIONAL HEALTH AND SAFETY

[3-3, 403-1, 403-2] The Group's occupational health and safety policy is an internal regulation which is not subject to external certification. In 2022, the Group companies continued work on harmonising occupational health and safety procedures, especially in the area of general contracting of construction projects. At the same time, we also decided to develop occupational health and safety standard for contractors with whom we cooperate and who carry out contracted work on our construction sites.

Due to the specificity of the Group's business model, physical work related to the implementation of our development projects is performed by subcontractors, and it is their employees who are potentially the most vulnerable to injuries. Being aware of this, we require our contractors to comply with and observe the Group's standards. At the same time, we collect and analyse information about all occupational health and safety-related incidents on our construction sites and at our branch offices, concerning also people employed outside of the Dom Development Group. Moreover, we analyse not only accidents but also so-called near-misses and medical events that are not the result of an accident (e.g. fainting) or environmental failures.

Euro Styl Construction Sp. z o.o. – our general contractor operating in Tricity – will implement similar procedures in 2023, whereas at present specific issues are handled on the basis of the law in force in that respect.

The management approach in the companies implementing construction projects in Warsaw, Wrocław and Cracow is regulated by the procedures concerning:

- identification of hazards,
- training,
- accident,
- management of subcontractors,
- allocation of work clothes and personal protective equipment,
- subsidies for the purchase of corrective spectacles or goggles.

SPENDING ON OCCUPATIONAL HEALTH AND SAFETY (IN PLN '000)

The sum allocated to occupational health and safety	2022	2021
	1714.4	1683.4

[403-4] Our occupational health and safety experts visit construction sites in each of the Group's markets on a regular basis to carry out ad hoc inspections. An appropriate report is prepared from each such visit. In addition, we carry out targeted inspections aimed at a single issue affecting work safety, such as checking the completeness of health and safety documentation on the site, reviewing the technical condition of our subcontractors' power tools or fire protection measures in place at our construction sites. We believe that an improved understanding of hazards and continuous learning is the best way to reduce the number of accidents. Therefore, after every accident or significant incident, including those occurring in other construction companies, we analyse and alert our employees about them. Such communication, which includes recommendations, is a form of prevention.

OUR COMMITMENT TO OCCUPATIONAL HEALTH AND SAFETY

[403-4, 403-5, 403-7, 403-8] We are convinced that many accidents on Polish construction sites have been prevented as a result of this routine. Even the best procedures and personal protective equipment will not provide safety if not used. That is why we put great emphasis on training, building awareness of hazards and prevention in the broad sense. In addition to mandatory occupational health and safety training, which we are obliged to provide by law, we periodically organise webinars which are usually devoted to very specialised topics (e.g. vertical transport or scaffolding). Focusing on a specific topic is often the result of requests made by workers at individual construction sites. This is consistent with the Management Board of Dom Construction Sp. z o.o.'s policy, which requires that a safety-related lead topic be selected and focused on each year. In 2021, such topic was the said vertical transport. In 2022 we implemented new technologies for work processes. These were mobile apps for ordering containers for construction waste and keeping records of waste generated on construction sites and an application for ordering regenerative meals for construction workers. We are currently working on the implementation of an application for employee accident reporting in the Dom Development Group.

[403-4, 403-5, 403-7, 403-8] However, prevention involves not only training and communication related to risk prevention. It is primarily about learning specific skills. For example, in 2021, we conducted mock evacuations from a tower crane with employees in Warsaw and Wrocław. In addition, in both those locations we organised and conducted training for vertical transport coordinators, as well as training for hook handlers/signers at our construction sites in Wrocław. The management staff was trained on the methodology of providing on-the-job training.

We regularly carry out first aid mock drills. We carry out this training according to our proprietary program, which is adapted to the risks and nature of accidents encountered on construction sites. In 2022, we used VR for training purposes. While our ambition is to provide training to all employees of Dom Construction and Euro Styl Construction, at the end of 2022 more than 70% of employees of both companies were trained. By the end of 2022, in Warsaw, Cracow and Wrocław, we additionally trained almost 30 people from our staff on how to provide first-aid. Some people participated in that training several times. As a result, people with life-saving skills are present at each construction site.



ACCIDENTS AT WORK [403-9]

	2022	2021
Employees		
Total number of accidents (injured persons), of which:	2	2
resulting in temporarily incapacity for work	2	2
serious	0	0
fatal	0	0
collective	0	0
Number of workdays lost	3	26
Ratio of injury frequency to the total number of accidents (per 1000 employees)	7.60 ¹	12.26 ²
Rate of serious and fatal accidents (per 1000 employees)	0.00	0.00
Employees of other companies (subcontractors) working on the premises		
Total number of accidents (injured persons), of which:	6	3
resulting in temporarily incapacity for work	6	3
serious	0	0
fatal	0	0
collective	0	0
Number of workdays lost	no data	no data
Ratio of injury frequency to the total number of accidents (per 1000 employees)	0.42 ³	0.38 ⁴
Rate of serious and fatal accidents (per 1000 employees)	0.00	0.00

¹ 263 people were employed in Dom Construction Sp. z o.o. at the end of 31.12.2022

² 163 people were employed in Dom Construction Sp. z o.o. at the end of 31.12.2021

³ The calculation of this ratio takes into account the average number of subcontractor's employees on construction sites in Warsaw, Wrocław and Cracow.

⁴ The calculation of the ratio takes into account the average number of subcontractor's employees on construction sites in Warsaw and Wrocław.

NUMBER OF CONFIRMED WORK-RELATED ILL HEALTH CASES* [403-10]

	2022	2021
Number of confirmed work-related ill health cases	0	0

* Work-related ill health - a group of diseases caused by factors harmful to health present in the work environment or the way work is performed. They arise because of the body being constantly in an inconvenient position, the systematic performance of strenuous activities or regular stay in an environment containing factors harmful to health (noise, inadequate lighting, dust, radiation, chemical compounds, increased mental and physical strain, etc.).



DOM on solid foundations



5

GOVERNANCE

At the Dom Development Group we think about the growth of our business from a long-term perspective, building lasting relationships with both contractors and our customers. Credibility and trust are extremely valuable to us and we make sure that our brand is associated with these values. In times of high volatility in the market environment, stability and security, guaranteed by high-standards of corporate governance, are particularly gaining importance and supporting efficient management of the organisation. Reliability and transparency help us to find partners and enjoy the trust of the communities in which we operate.

In accordance with the DOM 2030 ESG Strategy, we are committed to continuous work to ensure the highest possible standards of corporate governance. Transparent, honest communication with stakeholders, as well as ensuring compliance with both regulations and good market practices are of fundamental importance here. We strive toward the highest attainable level of compliance with the Best Practice for Warsaw Stock Exchange Listed Companies ("DPSN 2021"). In 2022, Dom Development S.A. improved its compliance rate with DPSN 2021 to 92%, which puts the company in the top ten companies of the mWIG40 index. In 2022, the Company made the following changes that improved its compliance with DPSN 2021.

- adoption on 27 June 2022 of the 2022 ESG Strategy – starting to apply the DPSN 2021 Rules Nos. 1.3.1, 1.3.2, 1.4 and 1.4.1;
- adoption on 30 June 2022 of the resolution of the General Meeting concerning remuneration for members of the Supervisory Board Committees – starting to apply the DPSN 2021 Rule No. 6.4;
- adoption on 30 August 2022 of the Diversity Policy – Resolution of the Extraordinary General Meeting, in relation to the Supervisory Board, and Resolution of the Supervisory Board in relation to the Management Board – starting to apply the DPSN 2021 Rule No. 2.1.

THE SUSTAINABLE DEVELOPMENT GOALS



CORPORATE GOVERNANCE IN NUMBERS:



27 years

in the housing market in Poland



17 years

listed on the WSE



PLN 304 million

in cash as at 31.12.2022



PLN 4,1 billion

in assets as at 31.12.2022



PLN 137 million

CIT for 2022

TRANSPARENT ORGANISATION

[405-1] In accordance with the applicable regulations, as a WSE listed company, we make public information about the governing bodies of Dom Development S.A. and the persons on them.

In 2022, the Management Board of Dom Development S.A. was composed of 5 members: 4 men and 1 woman. All members of the Management Board have been with the Group for many years, and their appointment was determined by their expertise and qualifications. These individuals have degrees in law, economics and property management. All members of the Management Board have many years of experience in the real estate development industry, both in the Polish and international markets. Their track record and broad perspective allow for making strategic decisions effectively.

[2-23] Dom Development S.A. and the Group companies pursue the Diversity Policy adopted in 2022, while respecting a diverse, multicultural society and placing special emphasis on the policy of equal treatment regardless of gender, age, disability, health, race, nationality, ethnic origin, religion, political beliefs, trade union membership, sexual orientation, gender identity, family and social status, lifestyle, position in the Company and other individual features. We foster a workplace free from discrimination or other kinds of inappropriate conduct that could compromise the integrity or self-esteem of our employees. The Group's strength comes from the commitment, knowledge and diversity of its employees, who make a significant contribution to the Group's development. All employees are important to us, and each and every employee is of unique value.

Dom Development

II miejsce

w rankingu
Giełdowa Spółka Roku 2022
w kategorii
„Kompetencje zarządu”



TRANSPARENCY IN DIVERSITY MANAGEMENT

In order to safeguard the prospects for development of the Group, the management boards of its companies emphasise the development of key management and its diversity. The directors and vice-directors of the individual divisions and departments include women and men of different educational backgrounds, professional experience and age.

The Supervisory Board of Dom Development S.A. includes persons with experience in various industries, including the property development sector. The members of the Supervisory Board include persons that have been with the company for many years, namely Mr Grzegorz Kielpsz, the Chairman of the Supervisory Board and co-founder of the Company, as well as representatives of Groupe Belleforêt S.à r.l. as the majority shareholder. There are also three Independent Members on the Supervisory Board (Ms Dorota Podedworna-Tarnowska, Ph.D., Mr Marek Moczulski and Mr Krzysztof Grzyliński), with a high degree of proven competence in business and financial reporting, who provide the highest standard of supervision over the companies. Such diversity provides a wide perspective on the operation of the management boards of the companies and the development paths undertaken. As at 31 December 2022, the Supervisory Board was composed of 6 men and 1 woman.

DIVERSITY IN GOVERNANCE BODIES [405-1]

	2022			2021		
	Women	Men	Total	Women	Men	Total
Management Board of DD S.A.						
under 30	0	0	0	0	0	0
31 to 40	0	0	0	0	1	1
41 to 50	0	1	1	0	2	2
over 50	1	3	4	1	2	3
Total	1	4	5	1	4	5
Supervisory Board of DD S.A.						
under 30	0	0	0	0	0	0
31 to 40	0	0	0	1	0	1
41 to 50	1	1	2	1	1	2
over 50	0	5	5	0	5	5
Total	1	6	7	1	6	7



EQUAL OPPORTUNITIES MANAGEMENT

[3-3] We recognise the benefits that come from a diversity of perspectives. We benefit from the experience of local managers in each of the markets, and in the vast majority of the management boards of each of the Group's companies there is at least one woman. Although in 2022 we did not reach a 30% share of women in the governing bodies of Dom Development S.A., in our DOM 2030 ESG Strategy we made clear and precise commitments regarding the diversity of the composition of the Management Board and the Supervisory Board of the Company.

We are committed to true equality between our female and male employees. We will develop managerial skills and successively bring new promising individuals manage our organisation. We aim to increase female participation in the Management Board of the Dom Development Group up to at least 30% by 2026, however, in cooperation with our majority shareholder, we will do our best to increase the participation of women in the Supervisory Board of Dom Development S.A. to at least 30% by 2023.

We want diversity to lead to true equality, which is why we are committed to implement in 2025 the HR Strategy of Dom Development Group, with a comprehensive gender pay gap monitoring system.

Guaranteeing equal opportunities for professional growth and promotion, or equal pay for the same work done, is our fundamental commitment, as an employer, to our employees. At the same time, out of respect for the diversity of employees and to provide equal opportunities for development, we will implement mechanisms of protection against all forms of discrimination.

We try to regularly monitor and counteract the pay gap. Women's salaries at operational and top management levels in the Group have changed due to changes in positions in-between various levels. The current gender pay gap at the managerial level is due to the employment structure and the fact that the areas identified as important for the Group's business (including the general contractor companies) are currently managed by men. Market wages in these areas are relatively higher.

RATIO OF AVERAGE SALARY OF WOMEN TO MEN IN EACH CATEGORY (SO-CALLED GENDER PAY GAP) [405-2]

Management level	2022	2021
top management level	43%	57%
managerial level	14%	1%
operational level	21%	31%

TRANSPARENCY OF TAX STRATEGIES

[207-1] We strive for full transparency of our settlements, including tax settlements. In our view, the proper and reliable fulfilment of obligations under tax law, as well as the fulfilment of obligations toward shareholders, is one of the foundations of corporate social responsibility and an important element of the Group's overall economic strategy. By ensuring compliance of tax settlements with the applicable law, we benefit from tax reliefs, exemptions and deductions to which we are entitled to under the law.

Tax strategies of the companies that form part of the Group¹ aim to maintain positive relations with tax authorities, based on mutual respect and trust. In the case of tax issues that raise important interpretative doubts, in order to minimise the risk of non-compliance of tax settlements used by us, we apply for individual tax rulings.

In 2021, Group companies filed a total of twenty applications for individual tax rulings, as referred to in Section 14b of the Tax Code Act². The companies complied with all the tax rulings received.

NUMBER OF APPLICATIONS FOR INDIVIDUAL TAX RULINGS, AS REFERRED TO IN SECTION 14B OF THE TAX CODE ACT

Company name	2021
Dom Development S.A.	8
Dom Construction Sp. z o.o.	0
Dom Development Wrocław Sp. z o.o.	10
Euro Styl S.A.	2
Euro Styl Construction Sp. z o.o.	0

The tax strategy must be published on the taxpayer's or related party's website by the end of the 12th month following the end of the tax year to which it relates; this means that the information for 2021 must be published by the end of 2022.

In 2021, companies operating within the Dom Development Group did not make tax settlements in the territories or countries applying harmful tax competition.

For full details of the tax strategies of our companies see publicly available information on the applicable tax strategies.

¹ In compliance with the applicable regulations, the following companies have tax strategies: Dom Development S.A., Dom Construction Sp. z o.o., Dom Development Wrocław Sp. z o.o., Euro Styl S.A., Euro Styl Construction Sp. z o.o.

² At the time of publication of this report, the most up-to-date data was shown.

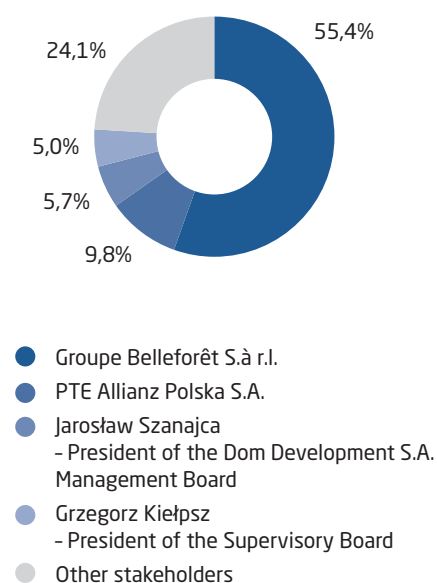
CREDIBILITY AND TRUST

SHAREHOLDERS

[201-1] As at 31 December 2022, the Company was controlled by Groupe Belleforêt S.à r.l. which held 55.4% of the Company's shares. The Dom Development S.A. shareholder structure has been stable since Groupe Belleforêt S.à r.l. was established in 2004. Representatives of Groupe Belleforêt S.à r.l., who were co-founders of Dom Development S.A., serve on both the Management Board and the Supervisory Board of the Company. They are a valuable source of expertise and support for the management of the Company and its subsidiaries. The long-term involvement of shareholders is a support for the activities of Dom Development S.A. thus enabling its sustainable development and optimised operations aimed at building the goodwill of the Company and the Group. Shares of Dom Development S.A. are held in the portfolios of numerous Open-End Pension Funds, of which PTE Allianz Polska S.A. holds 9.8% in the total number of votes and the share capital of the Company³.

The Dom Development S.A. follows the strategy of both a regular (annual) and maintaining as high a dividend payout ratio as is practical as well as a focus on long-term maximisation of the return on equity for shareholders. We are able to achieve this objective by focusing on the profitability of the implemented projects, maintaining scale of operations adequate to the size of our organisation, as well as through geographic expansion to the most promising markets in Poland. The long-term operational perspective and a sense of responsibility toward those, who have decided to entrust us with their capital, are also the basis for a reliable communication policy and transparency in everyday activities. Within 16 years of the stock exchange début the Company paid more than PLN 1 738 million to shareholders while maintaining a very strong balance sheet and a high cash balance. In 2022, the Company paid PLN 268 million in dividend (82% of the Group's consolidated profit for 2021), i.e. PLN 10.50 per share.

SHAREHOLDER STRUCTURE



³ More specific information in this regard is provided in the Management Board's report of activities of Dom Development S.A. and its' Capital Group in 2022.

BUSINESS PARTNERS

We attach great importance to timely payment of financial liabilities to our suppliers and subcontractors. This is one of the reasons why they perceive us as a reliable and valued partner with whom they want to work on future development projects. For us, they are the guarantee of proven quality and timeliness. Therefore, we have additionally established a discount mechanism that allows them to obtain payment in advance, less a small percentage of the receivable resulting from early payment.

We influence not only prompt settlements between our companies and direct contractors, but also about those involving subcontractors further down the chain. Any work subcontracted by our subcontractors requires not only our acceptance, but also obliges the subcontracting party to submit to us documents confirming the fulfilment of obligations toward their own subcontractors.

At the same time, we treat our competitors with great respect, in particular by respecting the principles of the free market.

ADMINISTRATIVE PROCEEDINGS FOR BREACH OF COMPETITION LAW [206-1]

	2022	2021
the number of administrative proceedings related to the breach of competition law	0	0



ETHICS, COMPLIANCE AND BUSINESS ASSURANCE

We believe that the compliance mechanisms we have put in place are effective and reflect best market practices. Our goal, in accordance with the DOM 2030 ESG Strategy, is to fully implement such measures in all companies of the Dom Development Group by the end of 2024 and pursue supporting actions aimed at developing compliance and legal awareness among employees of the companies operating within the Dom Development Group. An effective and mature compliance culture has a permanent place in the planned development of operations of the Dom Development Group.

[2-27, 410-1] The consistent pursuance by the Company of its development path for the compliance system which is based on monitoring of market situation and legislative activities, and the ongoing analysis of recommendations issued by regulatory authorities, ensures that the companies of the Dom Development Group maintain the highest standard of compliance, and adopt, monitor and update the best procedural solutions. Accordingly, the compliance objectives for the following periods will be to consistently maintain the highest standard of the Company's compliance with best market practice, legislation, and recommendations of the regulators. At present, the Compliance Team is undergoing an internal training programme in the area of policies and human rights.



CODE OF ETHICS

In 2022, we implemented Codes of Ethics in the companies of the Dom Development Group in order to systematise and unify the standards, values, patterns of behaviour and conduct that we have so far followed in all activities. The Codes also define expectations toward our contractors and associates.

Our Codes contain a set of values, guidelines and ethical conduct that guide us in our everyday work. They are addressed to all employees and associates, regardless of their position or seniority. They are also used in relations with entities acting on behalf of each of our companies. They help resolve possible concerns about proper behaviour and to identify individuals, to whom unethical or questionable incidents may be reported and who can provide other information about ethics⁴. In the Codes we have described a wide spectrum of issues, ranging from working conditions and occupational health, mutual relations, professional and personal development, trade secrets, potential conflicts of interest, relationships with customers, contractors and other stakeholders, as well as our commitments to the market and competition and to the protection of personal data.

As the Dom Development Group, we are aware that violation of the principles of ethical business conduct may be a business risk. Therefore, counteracting such violations is a challenge faced by such a large organisation as ours.

OUR COMMON VALUES INCLUDE FIRST AND FOREMOST:

INTEGRITY

We comply with ethical and moral principles, applicable national and international laws and internal regulations and procedures, and in our work we are guided by professional ethics.

RESPECT AND EQUAL TREATMENT

We treat all persons who form the Company, from its employees and customers through contractors and business partners, to stakeholders and shareholders, on an equal footing. We respect and appreciate the diversity of views, origin, race, gender, age, culture, marital status, faith, membership in social and professional organisations, beliefs of others and the right to their privacy, and we strive to treat everyone individually.

RESPONSIBILITY AND PROFESSIONALISM

By fulfilling the common objectives and tasks of the Company, we meet the promise of timeliness, reliability and quality of offered apartments and service outlets, we respond to the needs of customers and other stakeholders according to our best knowledge, and constantly improve our qualifications.

ANTI-DISCRIMINATION

We categorically oppose any form and manifestation of discrimination against anybody for any reason.

TRANSPARENCY AND ANTI-CORRUPTION

We strongly reject and refuse to tolerate any manifestations of corruption, bribery and other forms of taking advantage of or offering any additional and illegal benefits on account of the functions and duties performed, and our actions are open and transparent.

MODERNITY

We boldly implement new technologies and IT systems, and, in particular, in the construction projects we carry out, we care about the proper development and training of employees, and focus on the future while respecting the past. We are ready and open to act in order to find the best solution.

⁴ The issue of reporting and the reporting channels as well as of the protection of whistle-blowers is regulated by the Whistleblowing and Whistle-blower Protection Procedure described below.

WHISTLEBLOWING

[3-3, 2-16, 2-26] We have prepared and put in place the *Whistleblowing and Whistleblower Protection Procedure*, which is in line with the legislation in force. This procedure sets out who is and how one becomes a so-called whistleblower, but leaves open the list of reportable irregularities. Under the procedure adopted, irregularities can be reported using internal or external channels ensuring anonymity. The former includes the e-mail (etyka@domd.pl), the reporting form available on our website www.domd.pl, traditional mail, and information shared by phone. The anonymous external channel (e-mail, phone) is handled by an external law firm specializing in security. Of course, suspected irregularities may also be reported in a non-confidential manner, in compliance with the official reporting rules, to the immediate supervisor, and in special cases directly to the President of the Management Board or the Supervisory Board. In all cases, employees can contact the Company's Compliance Officer, who is also the Compliance Manager of the Dom Development Group, who is in charge of harmonising compliance standards within the Group.

Any information received, regardless of how it is transmitted, is a starting point for an internal investigation.

Retaliation in any form against a whistleblower who reports an irregularity in good faith is prohibited. We will take no actions intended to identify the person who reported a matter anonymously. In case of any matter submitted through official channels, we guarantee identity protection for the person who made the report.

In 2021 and 2022, no corruption incidents or cases of alleged discrimination were recorded.

ANTI-CORRUPTION [205-3]

	2021	2022
number of confirmed corruption incidents	0	0
number of corruption incidents resulting in an employee's dismissal	0	0
number of cases when contracts were terminated or not renewed due to the risk of corruption	0	0

NON-DISCRIMINATION [406-1]

	2021	2022
number of discrimination incidents identified	0	0

PERSONAL DATA PROTECTION

[3-3] As the Dom Development Group, we have put in place procedural measures to ensure that our management approach complies with the requirements of Regulation of the European Parliament and of the Council (EU) No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the General Data Protection Regulation), including the requirement to implement such measures. As an organisation, we are aware of the risks of breaching confidentiality, and, as a consequence, also violating the rights and freedoms of natural persons with regard to the processing of their personal data.

The Information Security Policy and related documents adopted in the Dom Development Group are to ensure: protection of information against unauthorised access, confidentiality of information, non-disclosure of information to unauthorised persons in deliberate actions and due to lack of diligence, integrity of information by protecting data from unauthorised modification, making information available to authorised users to the extent that it is necessary to perform business tasks and limiting access by users whose access to information is not necessary for the performance of business activities. At the same time, the Policy and related documents provide control over the security of information, especially in the reporting and investigation of breaches/abuses and incidents.

PERSONAL DATA PROTECTION [418-1]

	2021	2022
number of substantial incidents concerning breaches of customer privacy and losses of personal data	0	0

We consider an incident related to customer privacy breaches and loss of personal data to be substantial if it ends with the imposition of a penalty by means of an administrative decision of the President of the Office for Competition and Personal Data Protection.

APOLITICISM

[415-1] As Dom Development Group, we are an apolitical organisation and we do not support political parties directly or indirectly. At the same time, as a prime value, we respect the right of our employees to hold different political views and to engage in social life. We do not accept any discrimination, including discrimination for a particular worldview and political sympathies.

NON-STANDARD SITUATION MANAGEMENT

[2-16] We have also developed the *Non-Standard Situation Response Procedure*, which applies to all situations that prevent the current tasks from being performed without disruption. The procedure specifically may apply to situations related to control and effective cooperation with control authorities or law enforcement agencies, while ensuring the protection of our Group's interests. The procedure also addresses, among others, situations of the threat of aggression from a third party and the way of dealing with such a situation.

We also have the *Offence Identification Procedure* that describes the process of identifying activities that may result in our legal liability. Finally, a separate *Internal Anti-Money Laundering and Counter-Terrorist Financing Procedure* includes measures designed to limit such risks in our Group.

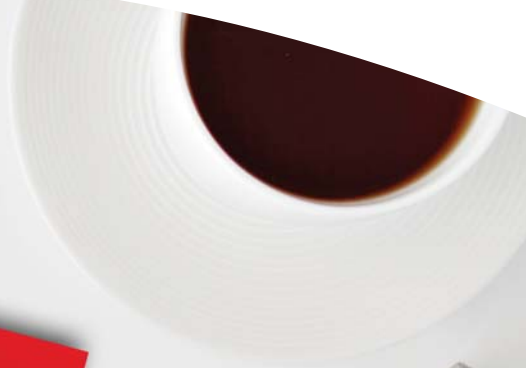
BUSINESS ASSURANCE

[2-24] In line with the objective set out in the DOM 2030 ESG Strategy, we aim to extend the business assurance function by implementing a coherent system for all the Group companies. Currently, this system is used to monitor compliance with laws, processes or internal procedures in our operations and business relationships. The internal control system is also focused on the areas where the most important business risks are identified. The internal control system is implemented through institutional controls (by means of internal and external audits) as well as functional controls (which involves operating on the basis of established procedures, instructions, segregation of duties and allocation of responsibilities).

For many years, Dom Development has nominated an internal auditor, who annually prepares a report on its activities and presents it to the Audit Committee operating within the Supervisory Board.

In 2021, the integrated D365 IT system, which includes a financial and accounting system, was implemented at DOM Development S.A. and in the Group companies. By implementing this solution and integrating it into other existing business systems, we increased our control through appropriate system configuration, access controls, and clearly defined roles and responsibilities. This also enabled us to further improve the quality of data, budget controls and forecasting processes, as well as financial and operational reporting.

About this Report



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NON-FINANCIAL REPORTING AT DOM DEVELOPMENT S.A. CAPITAL GROUP

[2-1, 2-2, 2-3, 2-4, 2-5] The Dom Development Group has communicated our corporate governance to the market as part of its comprehensive financial reporting.

This report is the first non-financial report (*ESG – Environmental, Social, Governance*) prepared on the basis of the external reporting standard published by Dom Development Group, i.e. encompassing all the Group companies disclosed in the financial statements. It covers the period from 1 January to 31 December 2022. The year 2021 has been taken as the base year. This report has been prepared in accordance with GRI standards 2021. GRI Standards is an international system of reporting standards for the economic, environmental and social performance of an enterprise. It is the most frequently chosen ESG reporting standard in the world.

The information on carbon footprint provided in this report was subject to external assurance.



PROCESS TO DETERMINE THE REPORT TOPICS

[3-1, 3-2] The Dom Development Group carried out a multi-stage process that allowed it to identify material topics of responsibility toward its environment and define the scope and structure of the report. This process was carried out taking into account four steps defined in GRI standards (*GRI 3: Material Topics 2021*). Through internal discussion we were able to analyse the business model in the context of individual aspects of sustainable development. The factors taken into account included the nature of the sales offer, local markets in which the Group is present, the specificity of the supply chain and the labour market, as well as the challenges of sustainable development faced by the construction and property development industry and the cities in which the Group operates.

A broad view allowed us to not only take a comprehensive approach to our business, but also to identify long-term challenges and go beyond short-term impacts on the environment. As a result, we were able to recognise, in addition to the current challenges, also those whose significance will potentially increase in the coming years.

In the next step, with the involvement of internal and external stakeholders, the previously identified aspects of responsibility have been assessed in terms of their materiality both for the organisation itself and for its environment. The aim was to identify the materiality of such factors from the point of view of the scale and nature of impact. Online surveys were used in the prioritisation process. Their results are summarised in the following matrix of materiality:

MATRIX OF MATERIALITY OF THE ESG AREAS FOR THE DOM DEVELOPMENT S.A. GROUP:



[2-14] Based on the analyses carried out and supported by the results of consultations with stakeholders, an initial list of indicators has been developed that best describe the results in the areas considered to be key areas. Representatives of the Management Board and shareholders were also involved in the process.

The approach adopted, i.e. taking into account the assessment factors indicated above, meets the requirements of the materiality principle of GRI Standards 2021.

The report focuses ultimately on the following GRI aspects and standards:

Economic, social or environmental aspects	GRI Standard	Materiality
Co-creation of urban infrastructure and contribution to the development of cities	203-1 Infrastructure investments and services supported	very high
Opportunities and risks due to climate changes	201-2 Financial implications and other risks and opportunities for the organisation due to climate change	high
Consumption of materials and the efficiency of this process	301-1 Materials used by weight or volume	high
Fuel and energy consumption	302-1 Energy consumption within the organisation	high
Water and effluent management and biodiversity	303-3 Total water withdrawal by source 304-2 Significant impacts of activities, products, and services on biodiversity	High
Greenhouse gas emissions	305-1 Direct (Scope 1) greenhouse gas emissions 305-2 Indirect (Scope 2) greenhouse gas emissions 305-4 Greenhouse gas emissions intensity	High
Waste management	306-1 Waste generation and significant waste-related impacts 306-2 Total weight of waste by type and disposal method 306-3 Waste generated	High
Conditions of employment (types of contracts, turnover, wages, supplementary benefits, level of remuneration)	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	High
Occupational health and safety	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigations 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-8 Workers covered by an occupational health and safety management system 403-9 Work-related injuries 403-10 Work-related ill health	High
Training and education	404-2 Programmes for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	High

Diversity and equal opportunity	401-3 Parental leave 405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men 406-1 Incidents of discrimination and corrective actions taken 410-1 Security personnel trained in human rights policies or procedures.	High
Counteracting corruption, anti-market and monopoly practices	205-3 Confirmed incidents of corruption and actions taken 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practice 415-1 Political contributions	high
Local communities and social engagement	201-1 Direct economic value generated and distributed 204-1 Proportion of spending on local suppliers 207-1 Approach to tax 413-1 Operations with local community involvement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	high
Fair and clear contracts and ethical communication	417-1 Requirements for product and service information and labelling 417-2 Incidents of non-compliance concerning product and service information and labelling 417-3 Incidents of non-compliance concerning marketing communications	very high
Respect for the privacy of employees and customers, including the confidentiality of customers' personal data	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	High

If you have any questions regarding the above aspects of the activities of Dom Development S.A. Group, as well as any other questions that would be worth mentioning in our subsequent reports, please contact us.

[2-3] Any questions, opinions, suggestions should be sent to:

Anna Bączyk

ESG and Product Development Coordinator

Dom Development S.A.

Pl. Piłsudskiego 3, 00-078 Warszawa

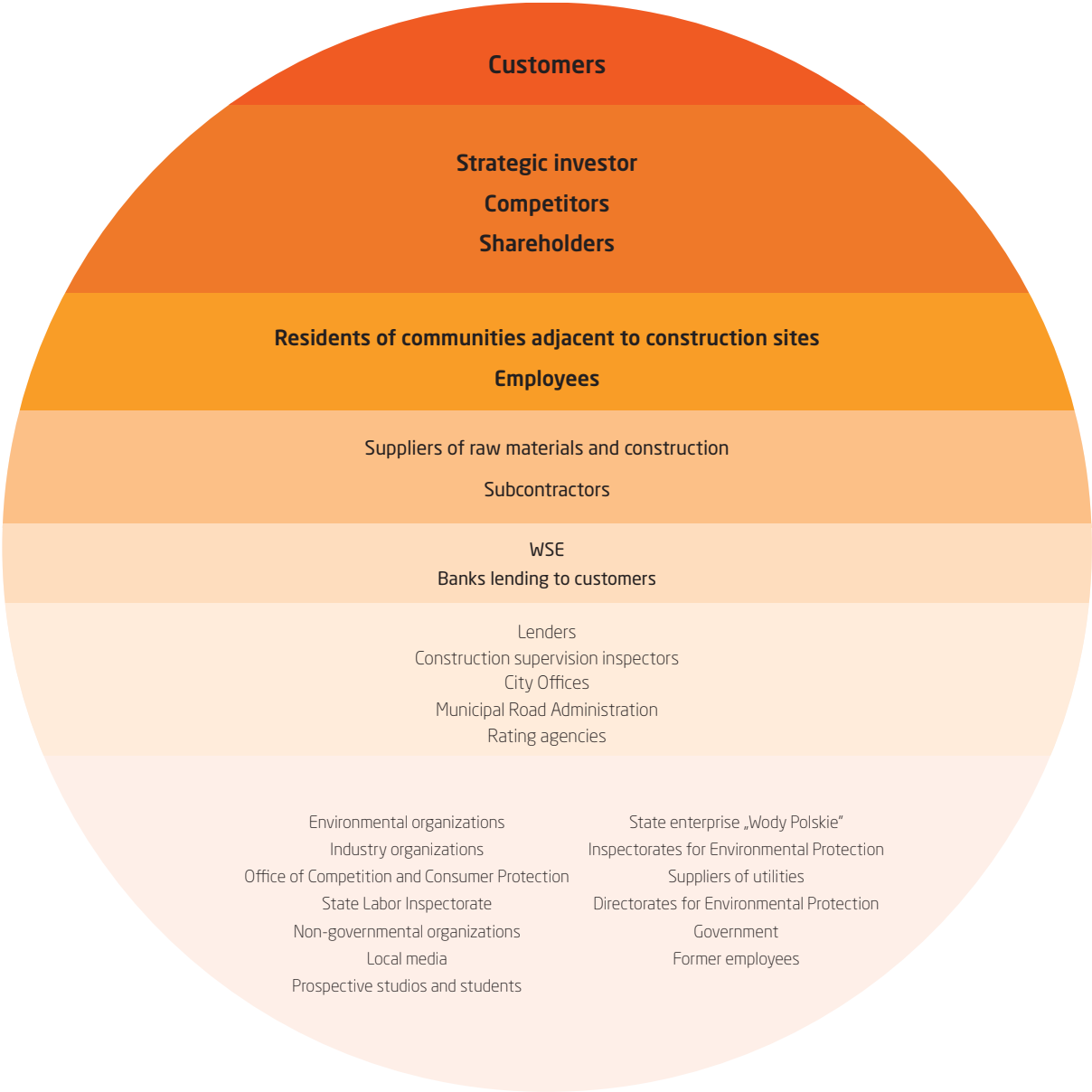
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STAKEHOLDER GROUPS AND THEIR ENGAGEMENT

[2-29] As the Dom Development Group, we establish relationships with different groups of people of entities from our environment (stakeholders) with different frequency and in different ways. When preparing this report for publication, we analysed and mapped some of them. In our analysis we took into account both the real interest in the Group's activities and decisions, as well as the power of influence that a group potentially has. The concise nature and significance of the individual groups in the light of the analyses carried out is as follows:



As mentioned above, the nature, subject matter as well as the form of relations with individual groups in our environment, can vary significantly from one to another. The buyers of apartments, who are interested primarily in the parameters of the purchased unit or the project completion dates, focus their attention on these issues. On the other hand, our employees would focus their attention on employment conditions or career development prospects. Financial market participants would have different expectations toward the Group. The frequency and degree of formalisation of contacts will also vary. While contact with buyers or employees is frequent and not necessarily always formalised, it is extremely important for transparency reasons in the case of contacts with public administration representatives, even if these contacts are occasional and do not go beyond the scope of official procedures (e.g. issuing building permits).



GRI Index



Statement of GRI Standards use	Dom Development S.A. Capital Group has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022. The year 2021 was taken as the base year.
Standard GRI 1 used:	GRI 1: Foundation 2021
Applicable GRI industry standards:	There are no sector standards for our industry.

GRI Standard	Disclosure	Page No.	
CORE DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organisational details	6, 89	
	2-2 Entities included in this report	89	
	2-3 Reporting period, frequency and contact point	89, 92	
	2-4 Restatements of information	89	
	2-5 External assurance	89	
	2-6 Activities, value chain and other business relationships	6, 9, 12	
	2-7 Employees	67, 68, 69	
	2-8 Workers who are not employees	12, 67, 68, 69	
	2-9 Governance structure and composition	13	
	2-10 Nomination and selection of the highest governance body	13	
	2-11 Chair of the highest governance body	13	
	2-12 Role of the highest governance body in overseeing the management of impacts	14	
	2-13 Delegation of responsibility for managing impacts	14	
	2-14 Role of the highest governance body in sustainability reporting	14, 91	
	2-16 Communication of critical concerns	85, 87	
	2-17 Collective knowledge of the highest governance body	15	
	2-18 Evaluation of the performance of the highest governance body	13	
	2-19 Remuneration policies	13	
	2-20 Process to determine remuneration	13	
	2-22 Statement on sustainable development strategy	17	
	2-23 Policy commitments	14, 77	
	2-24 Embedding policy commitments	14, 87	
	2-26 Mechanisms for seeking advice and raising concerns	85	
	2-27 Compliance with laws and regulations	83	
	2-28 Membership associations	6, 25	
	2-29 Approach to stakeholder engagement	93	
	2-30 Collective bargaining agreements	66	
	MATERIALITY ASSESSMENT		
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	90
		3-2 List of material topics	90
Material topic: Co-creation of urban infrastructure and contribution to the development of cities			
GRI 3: Material Topics 2021	3-3 Management approach	23	
GRI 203 Indirect Economic Impacts	203-1 Infrastructure investments and services supported	23, 54, 56, 60	
Material topic: Opportunities and risks due to climate changes			
GRI 3: Material Topics 2021	3-3 Management approach	35	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities for the organisation due to climate change	35, 77	

Material topic: Consumption of materials and the efficiency of the process		
GRI 3: Material Topics 2021	3-3 Management approach	43
GRI 301 Materials	301-1 Materials used by weight or volume	44
Material topic: Fuel and energy consumption		
GRI 3: Material Topics 2021	3-3 Management approach	38
GRI 302 Energy	302-1 Energy consumption within the organisation	40
	302-3 Energy intensity	40
Material topic: Water and effluent management and biodiversity		
GRI 3: Material Topics 2021	3-3 Management approach	46, 47
GRI 303 Water and effluents	303-3 Total water withdrawal by source	46
GRI 304 Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity	27
Material topic: Greenhouse gas emissions		
GRI 3: Material Topics 2021	3-3 Management approach	39
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	40
	305-2 Indirect (Scope 1) greenhouse gas emissions	40
	305-4 Greenhouse gas emissions intensity	40
Material topic: Waste management		
GRI 3: Material Topics 2021	3-3 Management approach	42
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	42, 44
	306-2 Management of significant waste-related impacts	42, 44
	306-3 Waste generated	42, 45
Material topic: Conditions of employment (types of contracts, turnover, wages, supplementary benefits, level of remuneration)		
GRI 3: Material Topics 2021	3-3 Management approach	66
GRI 401 Employment	401-1 New employee hires and employee turnover	70
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	67
	401-3 Parental leave	70
Material topic: Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management approach	71
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	72
	403-2 Hazard identification, risk assessment, and incident investigations	72
	403-4 Worker participation, consultation, and communication on occupational health and safety	72, 73
	403-5 Worker training on occupational health and safety	73
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73
	403-8 Workers covered by an occupational health and safety management system	73
	403-9 Work-related injuries	74
	403-10 Work-related ill health	74
Material topic: Conditions of employment		
GRI 3: Material Topics 2021	3-3 Management approach	66
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programs	71
	404-3 Percentage of employees receiving regular performance and career development reviews	71

Material topic: Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management approach	77, 79
GRI 401: Employment 2016	401-3 Parental leave	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	78
	405-2 Ratio of basic salary and remuneration of women to men	79
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	85
GRI 410 Security Practices	410-1 Security personnel trained in human rights policies or procedures.	83
Material topic: Counteracting corruption, anti-market and monopoly practices		
GRI 3: Material Topics 2021	3-3 Management approach	85
GRI 205: Anticorruption 2016	205-3 Confirmed incidents of corruption and actions taken	85
GRI 206: Anticompetitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practice	82
GRI 415: Public Policy 2016	415-1 Political contributions	86
Material topic: Local communities		
GRI 3: Material Topics 2021	3-3 Management approach	
GRI 201 Economic Performance	201-1 Direct economic value generated and distributed	81
GRI 204 Procurement Practices	204-1 Proportion of spending on local suppliers	12
GRI 207: Tax 2019	207-1 Approach to tax	80
GRI 413: Local Communities 2016	413-1 Operations with local community involvement, impact assessments, and development programs	50, 54, 55, 60, 61, 64
	413-2 Operations with significant actual and potential negative impacts on local communities	54
Material topic: Fair and clear contracts and ethical communication		
GRI 3: Material Topics 2021	3-3 Management approach	53
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	53
	417-2 Incidents of non-compliance concerning product and service information and labelling	53
	417-3 Incidents of non-compliance concerning marketing communications	53
Material topic: Respect for the privacy of employees and customers, including the confidentiality of customers' personal data		
GRI 3: Material Topics 2021	3-3 Management approach	86
GRI 418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	86

Approval of the Report by the Management Board of Dom Development S.A.

The Management Board of Dom Development S.A., the parent company of Dom Development S.A. Capital Group, confirms that the Group's 2022 Non-Financial Report contains a comprehensive description of non-financial activities, and that the information published in this Report is true, accurate and reliable.



**DOM DEVELOPMENT S.A.
CAPITAL GROUP**

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