

BUSINESS PARK SOFIA

SOCIAL POLICY 2022



**BUSINESS
PARK
SOFIA**

SOCIAL POLICY

TABLE OF CONTENTS

POLICY CONTEXT	3
SOCIAL STATEMENTS	4
KEY PRINCIPLES & OUR SOCIAL MANAGEMENT APPROACH.....	5
OUR MATERIAL ISSUES AND ACTIVITIES	7
EPRA SOCIAL DATA WE USE IN OUR REPORTING	8
POLICY OWNERSHIP.....	8

POLICY CONTEXT

Arco BPS means Arco BPS Holdings Ltd., BPS, and all its subsidiaries and parent companies.

We consider the needs of and impacts on key stakeholders in our daily activities, company decision making and investment decisions. A strategic focus area is to achieve strong, sustainable loyalty from existing and new tenants - driven by high service levels and personal relationships. Our employees are the key to deliver both high quality, consistent services and deepen the relationship with our tenants and wider stakeholders. We appreciate our employees for laying the foundation which allows us to be successful - now and in the long-term.

With this Social Policy (SP), we aim to clarify our commitments that ensure a working environment of mutual respect, equality and inclusivity. At Arco BPS we understand the importance of attracting, developing and retaining quality talent and provide incentives including training programs to ensure a high-performance organization.

The SP does not intend to provide a comprehensive and detailed guideline for every situation Arco BPS employee may face in their daily work. Rather, it serves as a guideline in terms of what values and principles our staff are expected to follow when making decisions, conducting their usual work or business activities, and establishing or maintaining relationships inside and outside the company.

The present Policy applies to all entities pertaining to Arco BPS and everyone within the company:

- Arco BPS executive officers;
- Employees (full-time and part-time), including all temporary staff and individuals providing services to Arco BPS as contractors (“Arco BPS Staff”).

SOCIAL STATEMENTS

“Our aspiration is to create opportunities for local people to realize their potential and help us have a lasting, positive impact across all communities and stakeholders we serve.”

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“We always listen first and reflect on stakeholder views before proposing suitable courses of action including in our pursuit of high levels of quality, efficiency and reliability for our tenants.”

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“We want to be a caring, inclusive, non-discriminatory, fun and openminded company respecting differences in opinion, embracing character diversity and seeking the input from all our employees.”

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KEY PRINCIPLES & OUR SOCIAL MANAGEMENT APPROACH

The Arco BPS ESG Committee (please see ESG Governance Policy document) is responsible for monitoring our social performance, practices, and targets. The Committee will review this Policy annually and, if required, adjust its criteria to meet any legal, market, stakeholder and/or societal developments.

Human capital management

- Our goal is to maintain social practices, policies and standards that meet or exceed Bulgarian requirements and international recommendations, e.g. ILO Conventions, UN Guiding Principles on Business and Human Rights;
- We are committed to a working environment that promote healthy corporate culture, employees' satisfaction, and equal opportunities.

Talent acquisition and retention

- We recruit and select people fairly without discrimination, we comply with all relevant and current national laws, and we do not tolerate any illegal ways of employment;
- We hire people based on actual experience, career path and specific requirements also related to ESG aspects that will help to better manage our risks and opportunities;
- We are committed to define mechanism that enables employees in developing their own professional career.

Learning and development

- We continuously strive to encourage our employees to identify key topics and training courses that help them in further developing their professional knowledge and skills. Along with technical courses, upcoming training modules specifically related to sustainability aspects may be provided, covering such areas as:
 - Introduction to Sustainable Development Goals
 - Sustainability approach at Arco BPS
 - Any relevant environmental & social risks and material issues for Arco BPS

Diversity, Inclusion and equal opportunities

- As a responsible business we are committed to generating mutual stakeholder benefits and ensuring we respect people's rights;
- We do not discriminate against employees based on race, nationality, ethnicity, gender, education, age, religion, political preferences, sexual orientation, personal status, or disability;
- We do not tolerate any forms of discrimination against any individual and promote a working environment where employees feel respected and not discriminated;
- We recognize that in our sector diversity and inclusion is still a concerning topic. We will define actions that ensure a balanced gender representation - whenever possible and according to the skills and technical knowledge required;
- We understand the importance to offer equal opportunities to everyone, including maternity and paternity leaves to all our employees.

Health, safety, and wellbeing

- We are committed to ensure a safe and healthy working environment, and maintain an exceptional standard of health, safety, and security in all the working environments we control;
- We recognize that wellbeing entails a range of physical, psychological, and social aspects. We will consider activities and/or initiatives that contribute to a healthy lifestyle for our employees.

Community engagement

- We aim at contributing to better lives of communities. We will define periodical activities that enable a constant listening and engagement of local communities to ensure robustness in addressing social issues, preventing or reducing potential impacts;
- We want to ensure that stakeholders are well informed and have access to information about our business and our activities;
- We promote sustainability, an eco-friendly lifestyle and smart livelihoods that support community growth, mutual respect, and sustainable development. We will consider interventions, that may include:
 - Identifying initiatives and programs that contribute to sustainable development and generate shared value both for Arco BPS and the stakeholders
 - Volunteering with local organizations to support local or regional social causes
 - Contributing to initiatives that support the local communities, with special attention to children and people with disabilities
 - Providing access to the public to Arco BPS's events and/or trainings on sustainability or general topics that could be of interest of the stakeholders, e.g. Earth Hour, the International Women's Day, the International Yoga Day, etc.

Client centric

- We respect all our clients and appreciate the vital role that they play in the Arco BPS's business;
- We are continuously looking at ways at improving our services. We believe that Arco BPS plays a key role in supporting clients in their sustainability journey. We aim at sharing our initiatives and actions to help our clients in strengthening their sustainability commitments while enhancing their reputation.

OUR MATERIAL ISSUES AND ACTIVITIES

The company' 2022 environmental activities, supporting all identified material issues, are marked ** and linked to a separate Social Activity Plan document.

Issue	Opportunities	Risks	2022 Activities	SDG impact
Human capital management and development Talent acquisition and retention Diversity, equal opportunities and inclusion (DEI) Learning and development Health, safety, and wellbeing	Promote equal rights, conditions and opportunities and being recognized as equal employers Promote social development and enhance business performance Increasing the quality and attractiveness of Arco BPS	Regulatory breaches Reputational damage Loss of talent Loss of key clients due to bad reputation/not complying with national and not aligning with international standards	Define learning and training activities for our employees to strengthen their capabilities and ESG knowledge by Q4 2022** Arco BPS aim to increasing awareness of diversity, equal opportunities and inclusion among employees. Establishment of a online platform for all employee training (MyLMS) in 2022** Increase employee awareness on key cybersecurity issues affecting their jobs and daily activities** Report on all social metrics and targets in the first UN Global Compact COP report in December 22.** ESG Committee meetings discussing diversity (Sept); Equal pay disclosure statistics (Oct) **	
Community engagement Clients centric service delivery	Strengthen the relationship with the tenants Reduce or avoid any social impacts on the surrounding communities Improve reputation and brand benefits Increasing the quality and attractiveness of Arco BPS	Reputational damage Impact on local communities which might affect the license to operate and/or have impact on future financial position	Tenant survey (as part of the annual satisfaction survey) on demand for relevant social products and safety programs in December 22.** Q1 2023 tenant event to discuss survey results and create joint initiatives around material ESG issues.** Report on tenant feedback in the first	

Issue	Opportunities	Risks	2022 Activities	SDG impact
			UN Global Compact COP report in December 22.**	

EPRA SOCIAL DATA WE USE IN OUR REPORTING

The team of Arco Real Estate Management consists of highly qualified engineers, professionals with a business and finance backgrounds and lawyers. The combination of young and experienced professionals and managers is the result of a well-developed business strategy. All members are highly skilled and motivated professionals and excel as an integrated team.

Employee gender diversity	<ul style="list-style-type: none"> • Percentage of employees
Gender pay ratio	<ul style="list-style-type: none"> • Ratio
Employee training and development	<ul style="list-style-type: none"> • Average hours
Employee performance appraisals	<ul style="list-style-type: none"> • Percentage of employees
New hires and turnover	<ul style="list-style-type: none"> • Total number and rate
Employee health and safety	<ul style="list-style-type: none"> • Injury rate, absentee rate and number of work-related fatalities
Asset health and safety assessments	<ul style="list-style-type: none"> • Percentage of assets
Asset health and safety compliance	<ul style="list-style-type: none"> • Number of incidents
Community engagement, impact assessments and development programs	<ul style="list-style-type: none"> • Percentage of assets

POLICY OWNERSHIP

Arco BPS

