

COMMUNICATION ON PROGRESS REPORT



Expo Business Park, Romania

A MESSAGE FROM THE PRESIDENT

We are pleased to announce that Bluehouse Capital has been adhering to the objectives of the UN Global Compact and has been actively promoting to the spirit of the Ten Principles and applying the measures and policies necessary in the areas of Human Rights, Labor, Environment and Anti-Corruption.

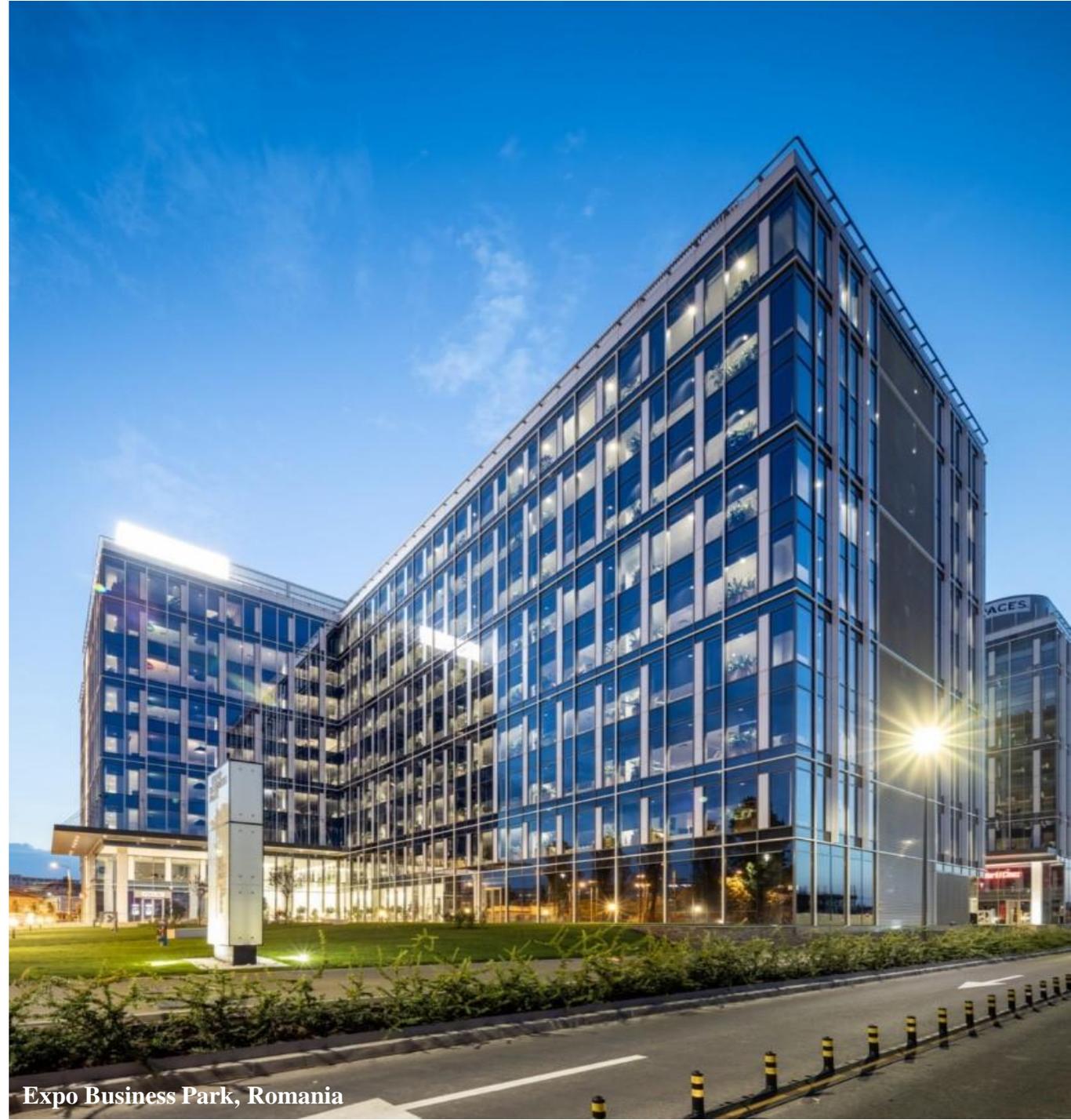
Bluehouse aims to execute its business and to realize property investments in a sustainable way, by implementing appropriate business criteria and practices across the organization in order to protect and enhance value for its investors and stakeholders at large striving to meet the targets of the UN Sustainable Development Goals (SDGs).

Our submission of this report acts as a confirmation of our continuous commitment and support of the Ten Principles of the United Nations Global Compact since becoming a signatory highlighting the need for public transparency by laying out our accomplishments, actions, and outcomes.

Sincerely yours,



Charalampos Pandis
Founding Partner



Expo Business Park, Romania

THE COMPANY

Founded in 2004, Bluehouse is a private equity real estate investment and asset management firm focused in Central and Southeastern Europe.

The firm manages capital across multiple funds, investing on behalf of a diverse investor base, including financial institutions, pension funds, endowments, multimanager funds and family offices.

Having established its activity in nine countries, Bluehouse has collectively raised over €500 million of equity and invested in more than 50 property transactions. With 30 experienced real estate professionals, Bluehouse leverages its strong local presence to source and execute proprietary investment opportunities, producing consistently positive returns for its investors throughout property cycles.

Bluehouse is constantly expanding its portfolio by investing in opportunities with attractive risk adjusted returns, while in parallel targeting exits for mature assets.



Expo Business Park, Romania

REGIONAL PRESENCE

Regional presence has been a cornerstone of Bluehouse's competency and the main driver of its growth.

Prior to start investing in a country, Bluehouse employs extensive research and analysis of several economic indicators; including macroeconomic performance, market conditions as well as promising demographics.

Currently the firm operates local offices in all countries of the investment activity having established and maintaining a dedicated focus in Central and Southeastern Europe and particularly in Czech Republic, Poland, Hungary, Romania, Bulgaria, Croatia, Serbia, Greece and Cyprus.

The local offices are involved in all aspects of Bluehouse activities, including investments, divestments and asset management of the existing portfolio securing that all operations are in accordance with our ESG agenda and the applicable accounting and legal principles.



VISION & VALUES

Bluehouse maintains environmental protection as a cornerstone of all operations and investment strategy practices. We have been constantly evolving and focusing on environmental, social and corporate governance (ESG).

Our management team concurs with the belief that enhancing the application of environmental, social and sustainability principles leads to long term benefits to all our stakeholders, including our investors, our team, and our partners.

As a team, we are committed to integrate best practices into every operational activity and decision in order to ensure a positive impact on the performance of our investments while protecting the environment and benefitting the wider community we belong to.

A substantial number of our projects have been awarded with BREEAM and LEED accreditations as well as energy efficiency certifications. We are honored to have developed and repositioned as well as asset managed some of the first green certified buildings in Central and Southern Eastern Europe.



Inforpark, Hungary

VISION & VALUES

We have adopted a holistic sustainability approach that integrates internal policies and best practices around environmental, social, and economic matters including good governance on employee welfare and tax compliance. Bluehouse has a zero-tolerance policy for forced labour, child labour, or any form of abuse including discrimination and extortion. We place human rights and labour laws in the epicenter of all operations.

As part of our approach, ESG principles are incorporated with high priority in our internal operations, investment strategies, due diligence processes and value adding initiatives.



Korso Karyina, Czech Republic

1. HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

Bluehouse is committed to due diligence in all aspects of its operations so as to avoid and completely deter the infringement of human rights. We aim to make a positive contribution towards the protection and fulfillment of human rights through all our policies and actions groups especially in internal employment policies and partnership standards.

We acknowledge that certain biases may hinder the success of qualified individual, thus, we pay special attention to vulnerable and marginalized groups especially in internal employment policies and partnership standards. Our internal processes are designed to inspire and reward excellence above and beyond the norm via annual evaluation and bonus distribution.

We do not condone any behavior that appears to be a violation of the laws or the Code of Business Ethics and we have transparent internal policies for reporting any potential cases for further investigation. During our operations no violations regarding labour rights principals have been reported.



Bluecenter, Serbia

1. HUMAN RIGHTS - action plan

During 2020, Bluehouse supported the societies in which the Firm has been active by:

- Collaborating with domestic and international universities and non-profit professional associations, giving students the chance to explore asset management first-hand and development functions by accomplished on-site managers.
- Mentoring recent graduates and young professionals to bestow knowledge and guide them with valuable expertise gained over the years.
- Offering feedback sessions to 5 aspiring entrepreneurs who aim to start a business, especially interested in the real estate sector, and allocating a portion of the profits to provide seed-stage funding.



1. HUMAN RIGHTS - action plan

Bluehouse is committed to the implementation of a comprehensive health and safety policy to provide and maintain, as far as reasonably practicable, a working environment that is safe and without any health hazards. This policy applies to all employees, contractors and members of the public who are or may be affected by Bluehouse's activities, and is proactively implemented, reviewed and updated. To this end, the Firm has allocated sufficient resources and processes to fulfil the health and safety policy and complies with all legal requirements and industry best practice. The management of health and safety is an integral part of good management at all levels. This includes the provision of:

- Safe and healthy working conditions
- Arrangements for the operation, design and maintenance of safe systems of work
- Properly maintained buildings
- Information, instruction, training and supervision appropriate to the Firm's activities
- Arrangements for consultation with employees and their representation regarding health and safety matters relevant to their activities
- Extensive private medical insurance plans

During 2020, Bluehouse management and team have supported numerous philanthropic foundations that are strong advocates of human rights in the countries of investment activity including education for children and medical support.



Retail Park Pleven, Bulgaria

2. LABOUR STANDARDS

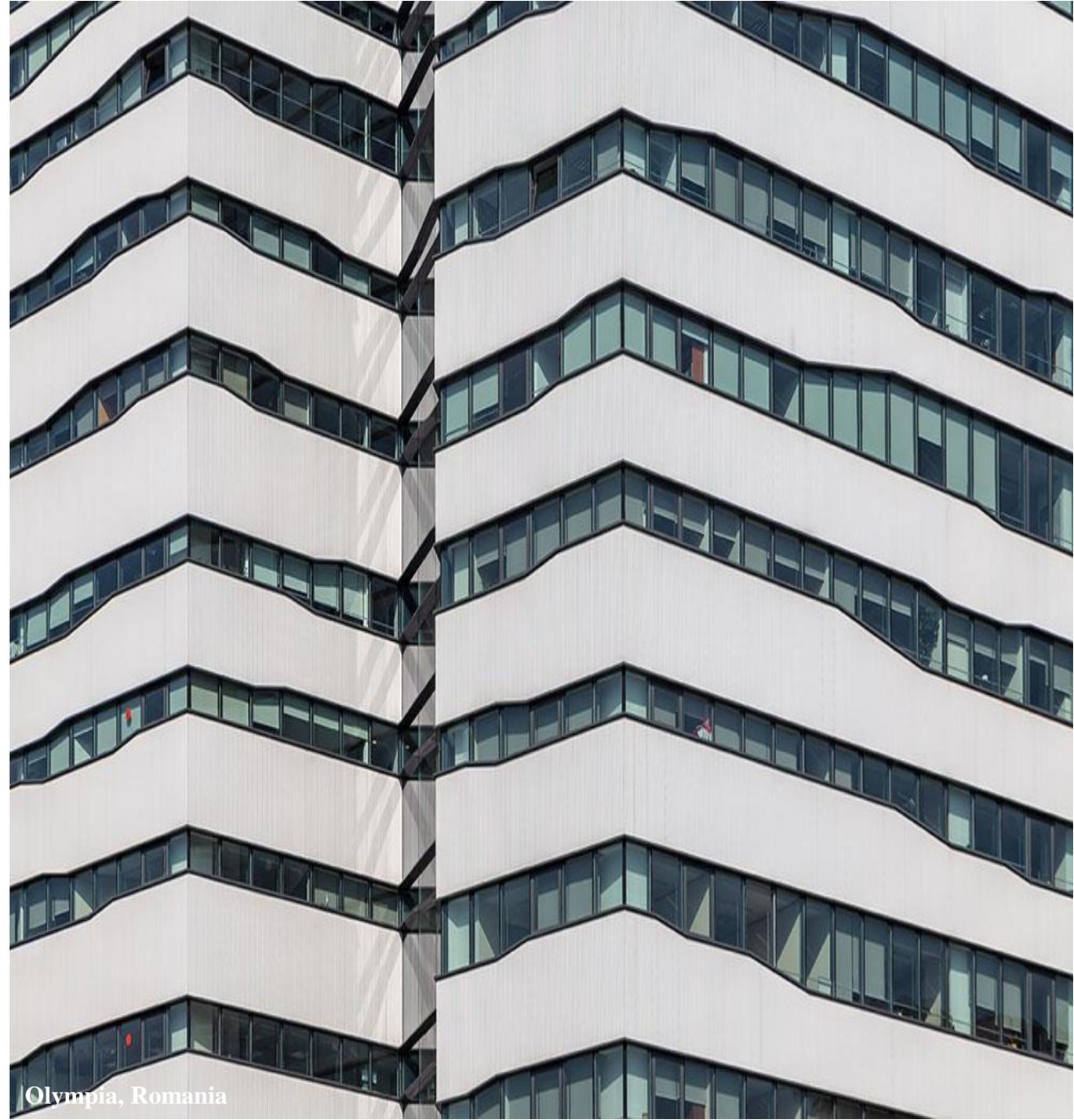
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining protection of internationally proclaimed human rights

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour and

Principle 6: The elimination of discrimination in respect of employment and occupation

Bluehouse as an equal opportunity employer provides the same opportunities to all employees and applicants for all internal processes including but not limited to hiring, advancement, placement, transfer, termination, and benefits. We are committed to a zero discrimination policy, acting without regard to race, color, religion, gender, pregnancy, sexual orientation, disability, or any other class or status protected by law. This policy also applies to all terms and conditions as well as the selection of third party providers and local partners.



2. LABOUR STANDARDS – action plan

We take pride in providing a safe environment for all employees by conducting regular inspections and evaluations on a regular basis as well as training all employees based on their experience and needs through specialized activities in order to bestow on them the most important Bluehouse values and safekeep the overall adherence to the company's principles. All Bluehouse employees have completed training programs about accounting, compliance and GDPR functions and policies.

As of June 2021, 58% of Bluehouse team members are female including senior managerial positions such as Head of Legal, Chief Financial Officer, Country Managers and Investment Managers.



Alchemia, Poland

3. ENVIRONMENTAL PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environment challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Bluehouse aims to execute its business and to realize property investments in a sustainable way, by implementing appropriate business criteria and practices across the organization in order to protect and enhance value for its investors and stakeholders at large. The firm's sustainability policy applies to all activities including development, new investments, asset management and internal operations.

Bluehouse remains committed to:

- benchmark the existing portfolio and new investments against principles of sustainable development.
- instill an environmentally sensitive attitude throughout the organization.
- continuously monitor the assets under management from an environmental impact standpoint.

Capital deployed during 2020 correspond to investments that have received BREEAM certificates with scores ranging from “Good” to “Excellent”.



3. ENVIRONMENTAL PRINCIPLES – action plan

SUSTAINABILITY ACHIEVEMENTS

Logistics Park Silesia: BREEAM certified with “Excellent” rating.

Logistics Park Lodz: BREEAM certified with “Very Good” rating.

Logistics Park Tychy: BREEAM certified with “Good” rating.

Logistics Park Poznan: BREEAM certified with “Good” rating.

Logistics Park Warsaw: BREEAM certified with “Good” rating.

Logistics Park DHL: BREEAM certified with “Very Good” rating.

Expo Business Park: BREEAM certified with “Excellent” rating. WELL Health-Safety Rating.

Alchemia I: LEED pre-certified with “Platinum” rating; energy efficiency and environmental design certificate issued according to EU/US regulation.

Astoria: BREEAM certified with “Very Good” rating.

Autounion: BREEAM certified with “Very Good” rating.

Bluecenter: BREEAM certified with “Very Good” rating; The first BREEAM certified building in Serbia and also the first Green building in the country by any accreditation system.

City Gate: North Tower Gold LEED certification.

Infopark E: Silver LEED certification; energy efficiency certificate issued according to EU regulation. 1st LEED Core & Shell certified building in Budapest.

Victoria Center: BREEAM certified with “Very Good” rating; energy efficiency certificate issued according to EU regulation.



Victoria Center, Romania

Jasnogorska 1: BREEAM certified with “Very Good” rating.

Malta House: LEED pre-certified with “Platinum” rating; energy efficiency and environmental design certificate issued according to EU/US regulation.

Malta House: LEED pre-certified with “Platinum” rating; energy efficiency and environmental design certificate issued according to EU/US regulation.

Olympia Tower: BREEAM certified with “Very Good” rating; energy efficiency certificate issued according to EU regulation.

One BPS: BREEAM certified with "Very Good" rating; energy efficiency certificate issued according to EU regulation.

Retail Park Hradec Kralove: BREEAM certified with “Very Good” rating; energy efficiency certificate issued according to EU regulation.

Retail Park Pleven: BREEAM certified with “Very Good” rating; energy efficiency certificate issued according to EU regulation. Selected by BRE to participate in the “BREEAM in USE Retail” Pilot Certification Scheme, certified the 1st Green Retail Building in Bulgaria.

Point Shopping Center: BREEAM certified with “Very Good” rating.

4. ANTI-CORRUPTION – action plan

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

Bluehouse condemns any form of corruption, including extortion and bribery, ensuring that all activities are in accordance with the law and current legislative frame, acting in total compliance with any changes or modifications. Employees and partners are all encouraged to communicate concerns or suspicions of such misconduct immediately. Any and all business transactions are required to be in accordance with our policies on integrity, honesty, and transparency.

Compliance and risk management forms an integral part of the operative and financial management processes of Bluehouse and is closely tied to overall corporate governance rather than being a detached system. The said functions are governed both by Bluehouse employees and external third party companies; both teams are comprised of suitably qualified and experienced individuals with the requisite degree of authority and professionalism.



Point Shopping Center, Croatia

