

ESG



Iain Child
Managing Partner

The Penta Group was established more than a quarter century ago and, for almost all of its history, it has been active in healthcare, real estate development, financial services, retail, manufacturing and media. It employs more than 41,000 people across Central Europe. Penta's ambition is to be in the forefront of innovation, quality and efficiency. Our companies and projects are built upon the solid foundations of entrepreneurship, professionalism and hard work, as we look to positively impact society through these business practices. This vision is linked to our sense of responsibility and our desire to create value that will last for many generations to come.

Recently there has been much coverage of ESG investments in corporate press releases (Environment, Social and Governance). Here at Penta we like to back up our claims with hard numbers. For example, it should be noted that Penta has spent more than € 100 million on all socially responsible related activities and projects since it was founded. Many of these projects were an integral part of our investment strategy, such as the removal of a sludge field produced from an aluminium smelter in Slovakia and the subsequent land reclamation carried out on this site. When the COVID-19 pandemic struck in 2020, Penta invested heavily into providing protective equipment not only to our healthcare professionals and staff members, but also to be used at social services facilities and schools. We have played a significant role in the public health network and our teams of medics have been, and still are, part of the frontline in the fight against COVID 19. We have undertaken a total overhaul of how hospital beds are profiled, invested in training our staff and introduced various new innovative protocols and procedures. Recently, after the start of the war in Ukraine, we reacted immediately with a number of initiatives aimed at providing material and humanitarian aid to the Ukrainian people.

Regardless of whether concerned specifically with charity, CSR or ESG, we have sought to align Penta's business projects over the years with the interests of our broader group of stakeholders, whether corporate customers or the general public.

Doing business responsibly also means having financial resilience and very strict risk management procedures in place, which the senior management of our portfolio companies ensure through their direct involvement in creating value in sustainability. Everybody across the entire Penta Group values the environment, both in how we do business and most of all in how and where we live. That is why, in addition to our charitable and not-for-profit- projects, corporate social responsibility is naturally interweaved into the strategies of our companies and projects.

The three core pillars of Penta's ESG strategies are: improving healthcare, creating better places (both residential and workplace), and insisting on responsible entrepreneurship.

A culture of meritocracy has been a consistent element at Penta ever since the group's establishment. This means that the only criteria we apply for hiring, compensation and career development are individual skills, talent and hard-work. I am pleased to be able to present you with this report, where you will find more detailed insights into what Penta does and its perspectives.

Penta's fundamental principles

- › *Building the best management teams*
- › *Fostering innovation, Big Data, AI and digitalization*
- › *Unfailingly supporting our businesses, investing each year over 500 million euros in developing companies and projects*
- › *Promoting a culture of meritocracy, where among our staff the key qualities of perseverance and striving to reach new heights are the key factors for career growth*

What has Penta already done?

- › Our real estate projects in Prague, Bratislava and Warsaw have won over 50 major awards. More than 4,000 residential units have been added to the market. Penta has also brought world-renowned architects to Prague and Bratislava.
- › Penta is the largest private integrated healthcare provider in Central and Eastern Europe, employing more than 15,000 physicians and nurses while providing overnight or day-care treatment to more than 5,000,000 patients each year.
- › We are the largest private investor spending on Slovakia's environment, cleaning up a former sludge field and reclaiming environmentally damaged land. More than 50 million euros have been invested in land reclamation and Penta has been awarded an ENVIRO OSCAR for its efforts.



We employ over
43 000 people
across our portfolio of companies



We employ over
15,000 professionals
in our healthcare companies



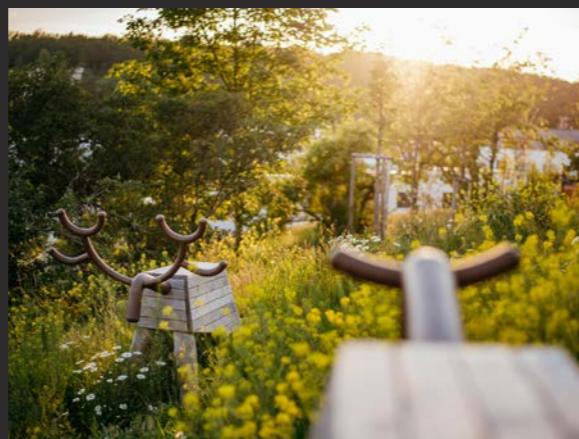
Since 2015 Penta has paid
€ 1,2 billion
in income tax and levies
for our employees



In Prague and Bratislava,
new city parks
of more than 80,000 square meters
have been built by Penta



Over 25 years Penta has spent over
€ 100,000,000
on socially responsible projects



Each year Penta provides
healthcare to more than
5,000,000 patients



Penta invested
€ 280 million
in building new hospitals
in Michalovce and Bratislava



Penta was the first private investor
in Bratislava to build a public
nursery school with
€ 2,300,000 invested



*Penta sets aside more than
€ 1,500,000
each year for educating and supporting
our healthcare professionals*



*Penta's real estate projects have won
more than 50 awards*

*Penta has invested
€ 13,000,000
in the reconstruction of the Jurkovič
Heating Plant, a national monument*



*Penta invested
€ 50,000,000
in cleaning up of environmental
damage in Žiar nad Hronom*

*The Penta Foundation has donated
more than € 7,000,000
to charitable projects*



*Health Warriors has reimbursed
€ 1,500,000
to our insurees*



We're improving
healthcare

Innovations and technologies

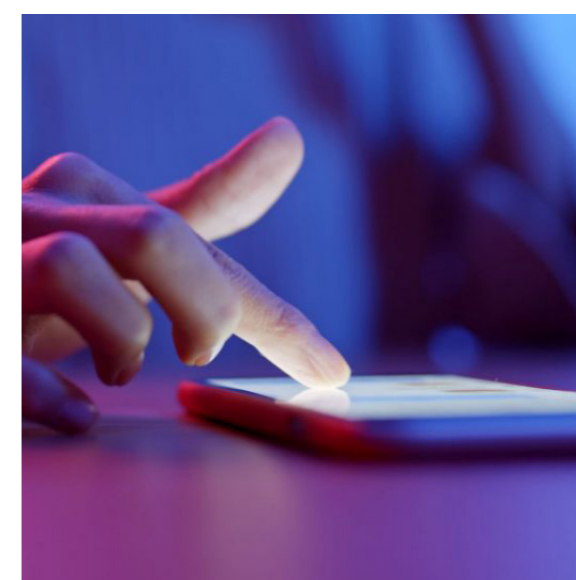
Healthcare should not only be accessible, more importantly it should be safe, effective and of high quality. These values are also reflected in how our healthcare companies are set up and operate. In practical terms, it means investing **millions of euros every year in digitalization, purchasing modern technologies and AI (artificial intelligence).**



A good example of artificial intelligence used at our seven Svet zdravia hospitals is the **'e-Stroke Suite' from Brainomix**. It evaluates each patient suspected of stroke and, after reviewing the images, provides physicians with a quick and accurate second opinion along with important data which manual methods are unable to obtain.



Our hospitals also use **cutting-edge medicine preparation technology**; an automated robotic device that puts together medication packages for patients. This has the added benefit of reducing errors, thereby contributing to greater patient safety and relieving healthcare professionals from routine work so they can devote more time to their patients.



Ever since Penta's companies entered into the healthcare sector, they have been among the leaders in digitalization and computerization. This led to a number of successful projects whose final outcomes were revolutionary both for us and all of Slovakia. A splendid example is **'eRecept'** from Dôvera, a health insurance company, which simplifies communication between pharmacies, patients and health insurance companies. Patients also benefit from Safe Medicines service, a follow-up service that protects patients from inappropriate combinations of prescribed drugs that could potentially cause them harm.

Building new hospitals

Penta has invested hundreds of millions of euros into the **construction of two Next-Generation Hospitals** in an effort to raise the quality of healthcare. Located in Michalovce and Bratislava, they are state-of-the-art and meet the strictest sustainability standards.

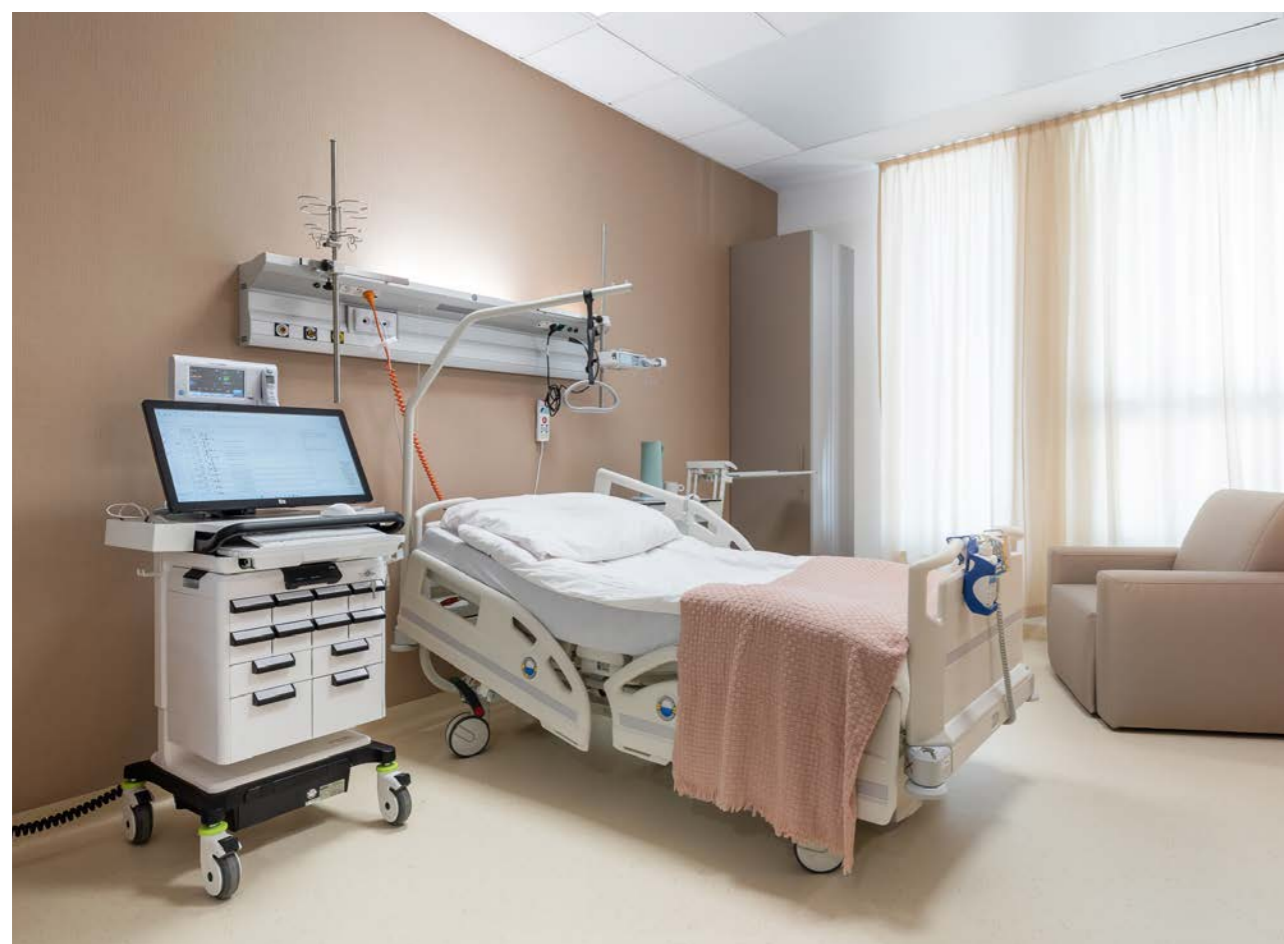
The fresh five-storey hospital being built in Bratislava was designed by Dutch Health Architects, a Netherlands-based architectural firm, according to the latest principles of healing environment, such as plenty of daylight, views of green atria and interiors with a positive impact on the overall well-being of patients. All these features contribute to faster recovery. **The hospital also has a green roof that, in addition to aesthetics, saves energy and provides climatic comfort inside the building.**



Nemocnica Bory

In March 2023, we opened Bory Hospital- the most modern hospital in Central Europe. It brings completely new approaches, modern technologies, and innovations to the Slovak healthcare system, which will significantly improve the quality of healthcare provided.

We must discuss more than modern medical equipment or beautiful building to fulfill this ambition. The most important thing for us is the team of healthcare professionals who are top experts from Slovakia and abroad, for whom human approach to the patient, providing quality medicine and high safety standards is a priority.





NEMOČNICA BORY

CSR

All the companies in our healthcare portfolio additionally engage in corporate social responsibility (CSR). For several years, Dr.Max has been involved in projects such as **Taxík Maxík**, a service for transporting seniors and medically disadvantaged citizens that operates in 126 cities across the Czech Republic.

Our portfolio companies leverage synergies in CSR. In 2020, both Dôvera and the pharmacy chain Dr. Max were engaged in aiding primary school teachers, who were among the population most at risk during the second wave of the COVID-19 pandemic, providing them with thousands of **vitamin packs** to promote immunity and mental health. These packages totalled almost **€ 300,000** and were distributed to more than 12,000 teachers.



Dôvera is proud of its **Health Warriors project**, which it has run since 2012. The grant program provides insureds with the opportunity for a better quality of life. Over the past nine years, **€ 1.5 million** has been spent on treatments, procedures, surgeries, rehabilitation and devices for which the insured would otherwise have been forced to pay themselves, as their health insurance did not cover them.

Dôvera likewise follows Green Office principles to ensure its carbon footprint is the smallest possible, including in the procurement of goods and services. Its ambition is to be a fully **paperless health insurance company**.



Supporting healthcare professionals

Penta's hospitals and outpatients clinics employ more than 15,000 physicians, nurses and healthcare professionals. It seeks to motivate their professional development, providing them with opportunities for additional training and funding their projects through grant programs.

Penta is seeking to reverse the trend of young people leaving Slovakia and the Czech Republic for careers elsewhere through projects aimed at encouraging them to stay. They include **Florence of the Year** for nurses and establishing a **virtual anatomy classroom** at Michalovce's secondary medical school. More than **€100,000** is spent a year to educate and support our medical staff.





Aid during the pandemic

Penta sees its efforts in the healthcare sector as a mission and we consider ourselves to be a responsible investor. This is what drove us to spend more than **€ 15 million in the aftermath of the COVID-19 outbreak** as we fought a new coronavirus. The money was primarily used to purchase special medical supplies, protective equipment and COVID tests along with immediate investments into health facilities and pharmacies as hospitals were reprofiled and technically adapted to the new conditions.







We're creating
better spaces

Building sustainably

Penta seeks to construct real estate projects that contribute to urban development. That is why we are working with top experts, architects and engineers. Combining their creativity and sense of purpose with the Penta team's experience guarantees our real estate portfolio the highest possible quality and value. Our real estate projects emphasize environmental protection, sustainability, architecture, design and providing space for the public.

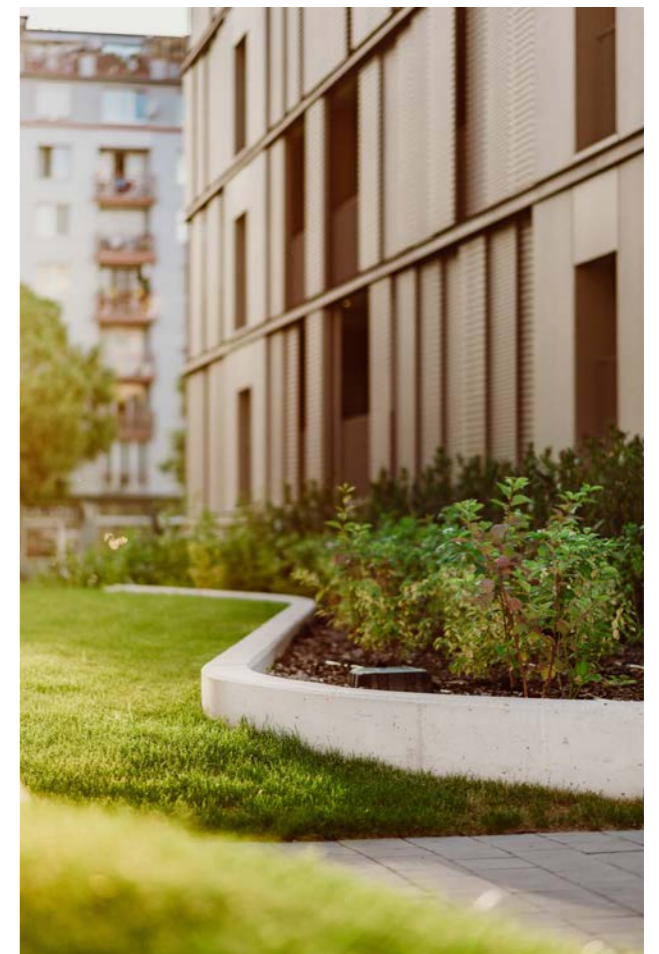
All our office and commercial projects are certified **LEED Platinum or LEED Gold**, the highest category available and a guarantee of compliance with the most demanding of sustainability requirements. Certification involves meeting several criteria like the quality of the building's environment, energy consumption and green solutions. Both owners and users of these buildings see the certificates as a mark of their quality. In addition, Penta takes utmost care in the design of the public spaces that surround them.



Residential development

Penta's residential projects likewise focus on designing parks that offer the highest proportion of green space. We pay a lot of attention to community facilities for these neighbourhoods, such as constructing kindergartens, retail facilities and other services. Bicycle paths are also included in the residential developments which Penta Real Estate builds.

A new park, almost two hectares in size, was designed at part of the Waltrovka project in Prague 5 while, the Bory neighbourhood in Bratislava features a 12,000-square-meter park with lots of greenery and a lake, too. We strive to apply the principles of low-impact development and maximize the retention of rainwater at the point of impact, contributing to a positive microclimate that minimizes the formation of heat islands. There are also solar panels and free cooling for the refrigerating machines in most of the buildings.



Returning a brownfield to life

Penta's real estate division takes a special interest in looking at unused urban locations. Because there are so many former factories and other industrial buildings that have been closed down and abandoned, bringing them back to life means, first and foremost, spending large sums of money on the clean-up of environmentally damaged soils. In designing the future of these saved brownfields, urban planning and development studies, extensive discussions with city experts and the public, and the organization of international architectural competitions are the norm.

A wonderful example of such an endeavour in Bratislava is SKY PARK, a project designed by world-renowned studio Zaha Hadid Architects. Meanwhile in Prague and with ultimate responsibility to the next generation, Penta is focusing on the construction of entirely new neighbourhoods, whether the upcoming Nusle Brewery, Masaryk Station in the very centre of Prague, or Waltrovka, the largest of them.

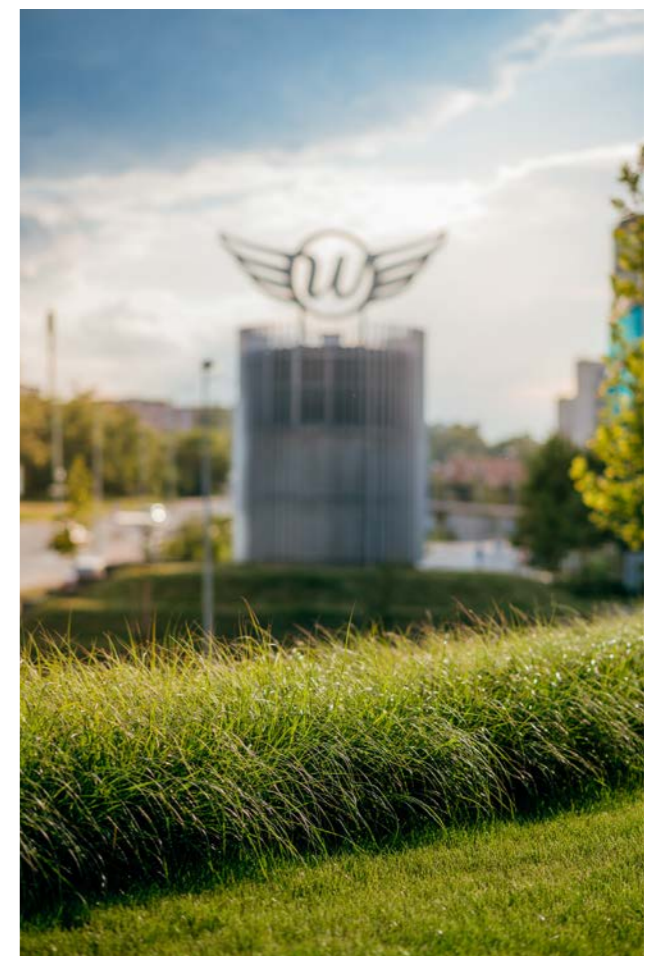
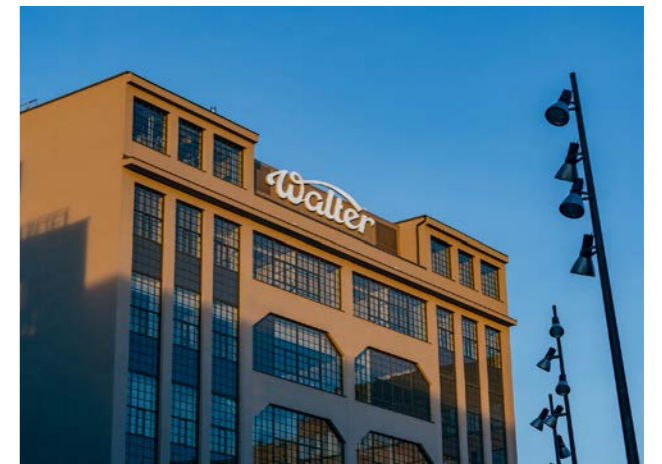
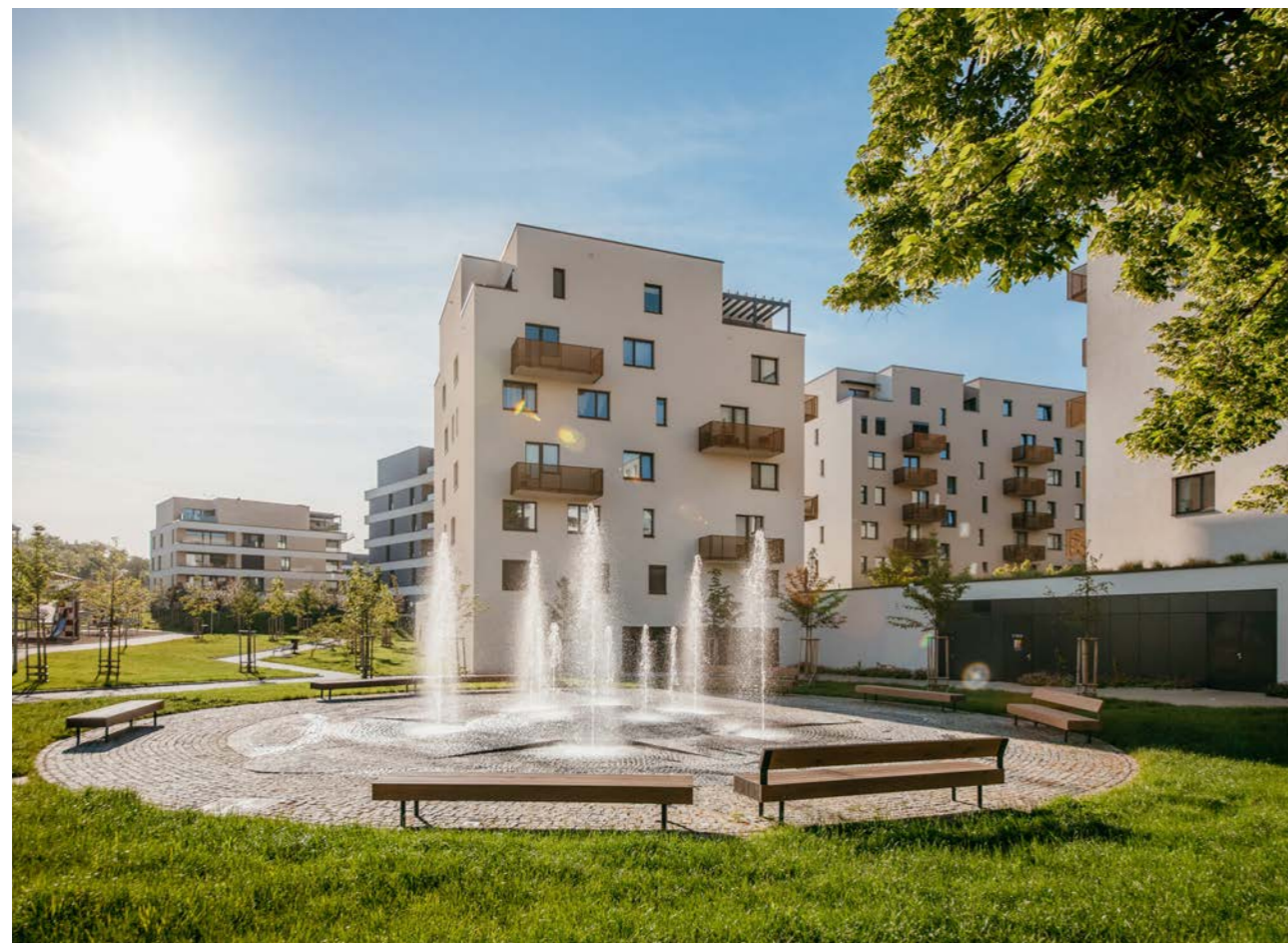


Waltrovka

Waltrovka was originally an aircraft engine factory covering **17 hectares** of land in Prague. Today a modern, full-fledged urban district stands on the site with 700 residential units, office buildings, a medical centre and other community facilities including a kindergarten.

Like Penta's other projects, the possibilities of planned urban development have been utilized here to their full potential, which is why, at first glance, there seem to be many more green zones at Waltrovka than is typical for comparable new urban neighbourhoods. The project also includes a large, **revitalized park.**

A follow-up project to Waltrovka is currently underway featuring 450 residential units, a hotel and two office buildings. The nature of future development is best indicated by its original working title – Zelený háj (Green Grove).

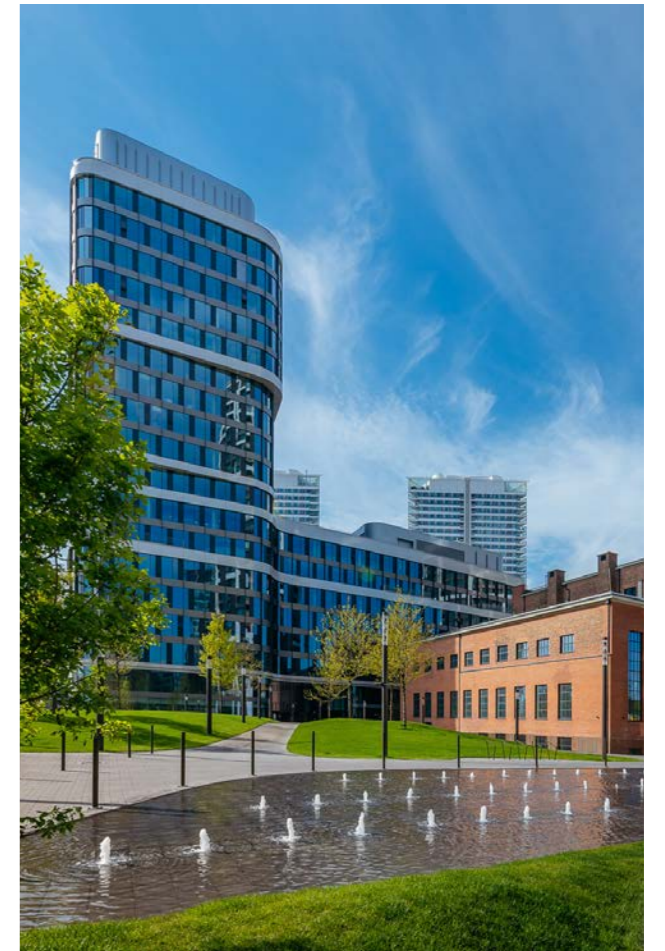
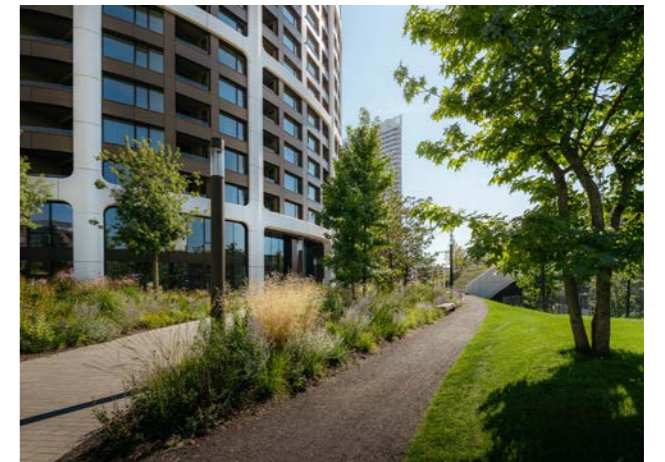




SKY PARK by Zaha Hadid

To create SKY PARK by Zaha Hadid in Bratislava, Penta cleaned up tens of thousands of tonnes of soil that had been contaminated when the Apollo refinery was bombed during the Second World War, and which had never been removed. Due to the depth of the excavations, it was an extremely costly project with a total expenditure of several million euros.

A **new city park**, with an area of more than **30,000 square meters**, was also designed by Penta as part of SKY PARK by Zaha Hadid project. It includes a walking trail, sports pitches, children's playgrounds and an off-leash dog park along with fountain and a number of relaxation areas. Penta designed the park along with world-renowned landscape architects from London's Townshend Studio and famous Slovak urbanist Igor Marko, investing more than **11 million euros** into construction of the park.



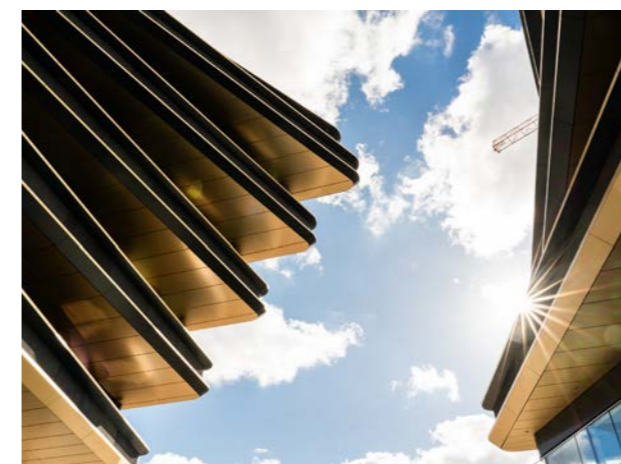
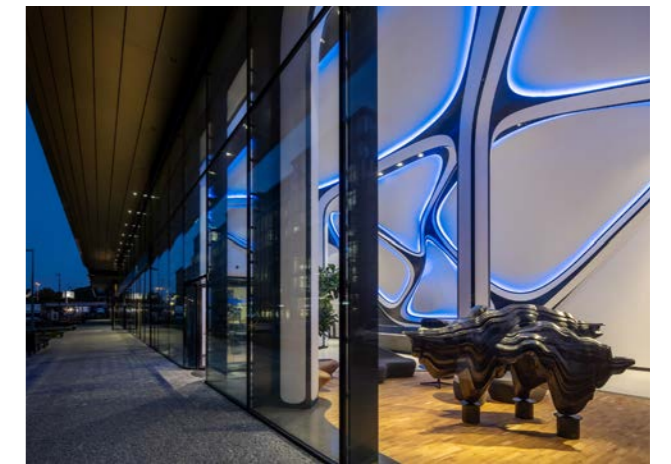


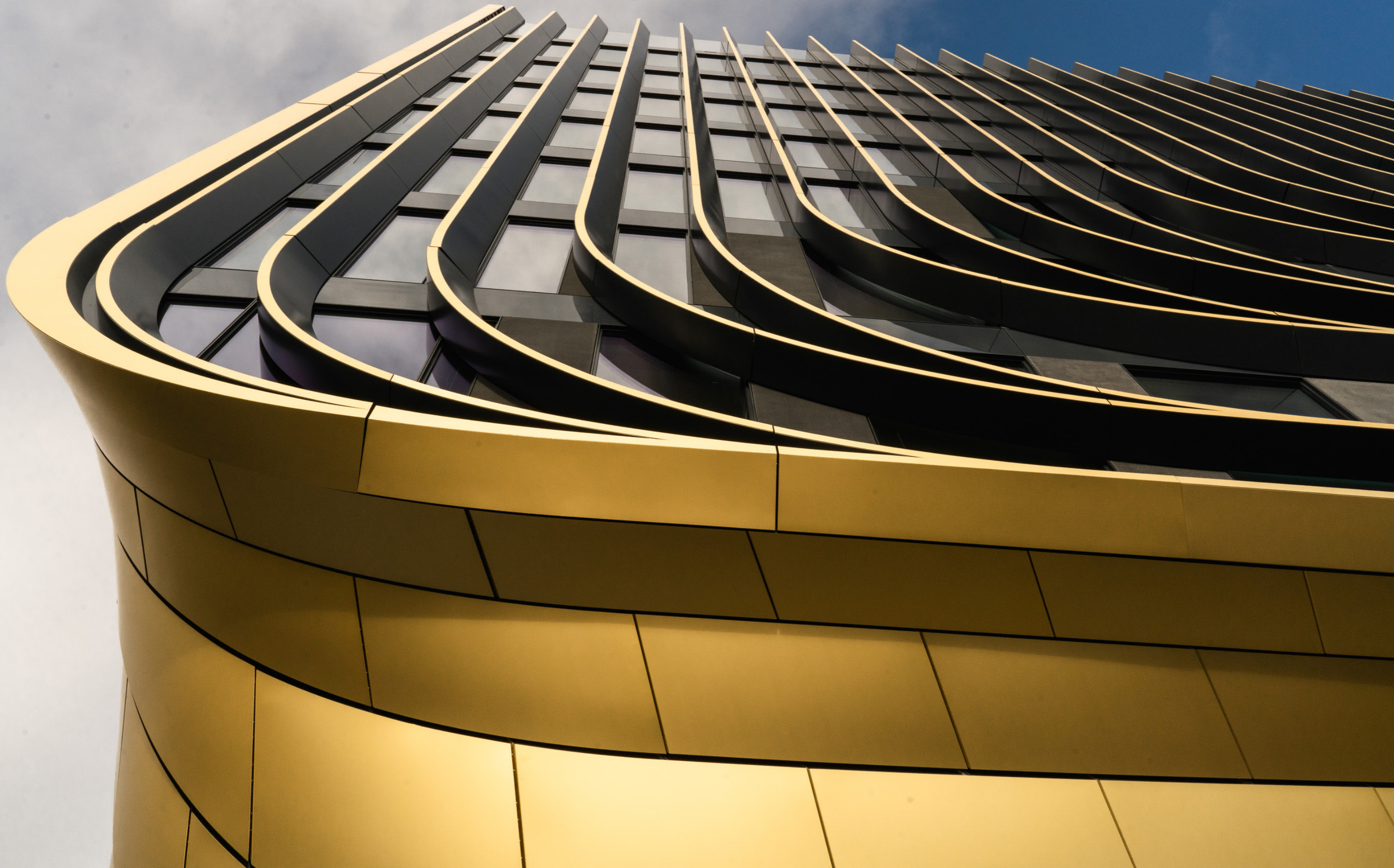
Masaryčka

All of Penta's projects have been designed by extremely talented architects from studios such as Netherlands-based Benthem Crowel Architects, Bogle Architects in London, Italian architects Fuksas and Czech-German Schindler Seko Architects, whom have worked with Penta over the years.

For the Masaryčka – project located right next to Prague's Masaryk Railway Station, an icon of modern architecture, Zaha Hadid, was once again asked to design it. For many decades, the site had been a neglected brownfield at the very heart of Prague. Yet urban planning conducted by Zaha Hadid Architects identified an ideal way of reviving what had been a previously inaccessible and heavily trafficked area. Two of the buildings whose designs bear her influence will be packed with cutting-edge technologies and green roofs featuring gardens open to the public.

A new square with tall trees is going to be built close to Masaryk Railway Station and it will also be lining the revitalized Na Florenci street, with Penta donating several hundred square meters of land to the city for its extension. Zaha Hadid Architects had noticed the beauty of the historical buildings around the railway station contrasting with the modern architecture and creating together with it the perfect symbiosis. This is another reason why Penta has invested almost **€ 10 million** to the renovation of this protected cultural monument.

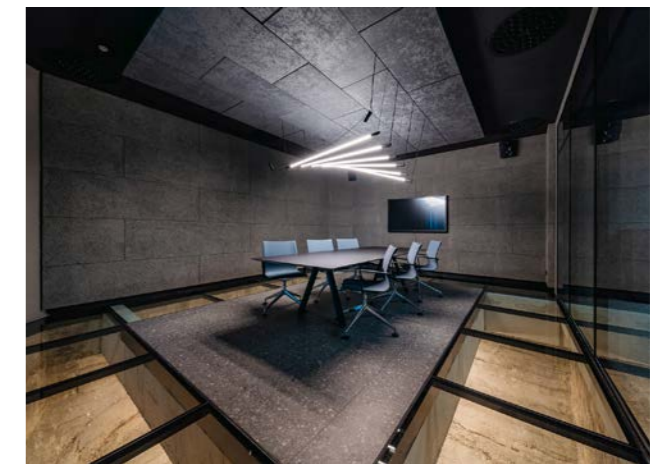
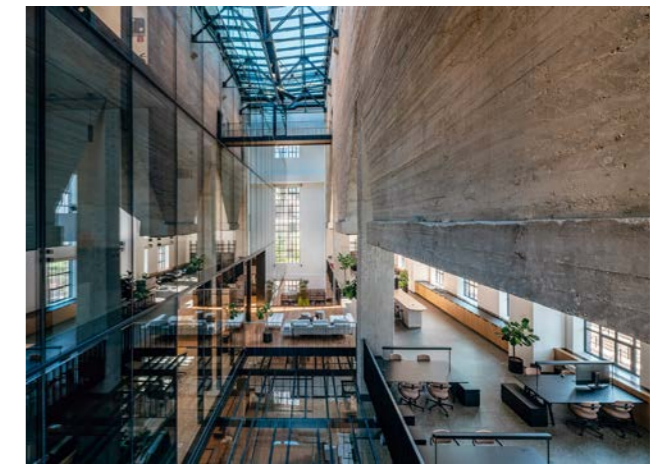




Protecting the legacy

Incorporated into SKY PARK by Zaha Hadid project in Bratislava is a reconstructed national cultural monument – **the Jurkovič Heating Plant**, where Penta has invested over **€ 13 million**. Many more examples of such investments can be found, such as the millions of euros spent for renovation of the **Walter building**, another cultural monument located in Prague, and the earlier mentioned renovation of the historical **Masaryk Railway Station**.

In Prague, Penta has likewise launched the reconstruction of historical buildings at the former **Nusle Brewery** and of the 19th century foundries at Nová Waltrovka. Although the latter is not a protected monument, it still gives the neighbourhood character and an exceptional cachet. Even as 35% of such a project's cost goes toward bringing these relics from a past era up to date so that they are functional and useful today, it remains undoubtedly money well spent and enables us to join the past with the future.





CSR

In the summer of 2021, Penta embarked on aiding villages in Moravia, in the eastern Czech Republic, which had been hit by a tornado. It gave Moravská Nová Ves **€ 160,000 for rebuilding a damaged nursery school**, which covered the cost of repairing its façade, roof and windows.

In addition, Penta was the first private investor in Bratislava to have constructed a **public nursery school**, which is located in the Bratislava's Bory neighborhood. The school was subsequently bestowed upon Lamač municipality, which purchased it for a symbolic one euro, while the entire investment into its construction amounted to **€ 2.3 million.**





Promoting education

Penta's real estate division is promoting education, providing support to young talents and actively cooperating with universities.

In 2019, we purchased **3D printers** and virtual reality equipment for the Slovak University of Technology totalling **€ 15,000**, and accordingly assisted in the **€ 23,000** upgrade of the Faculty of Architecture's **Wi-Fi network**.

Contests for young people studying architecture and civil engineering are regularly organized by us, with winners offered jobs at Penta Real Estate, where they can hone their skills.







Social
responsibility



Social responsibility

Penta believes its primary responsibility to be the development of its companies and projects, whose profits can then be reinvested into innovation and raising the quality of its products and services. It also sees itself as a stable employer.

More than **41,000 people** across Central Europe are employed by Penta and they are helping us to meet our vision and mission, and to whose well-being Penta is contributing as a responsible employer. As an accountable business, **Penta pays taxes and contributions to employees' mandatory insurance in the countries where it operates**, thereby providing them with revenue.

Several of Penta's companies provide revenue to national governments through "**special taxes and fees**" such as development taxes from its real estate companies and gambling duties charged to Fortuna, Penta's betting company.

Fortuna

Betting on different sporting outcomes is a pleasant diversion, especially for avid sports fans. However, when it becomes an addiction subordinating everything else in life, then gambling is an illness that has to be treated. Fortuna is aware of the issue and combating such pathological betting by **educating and advising bettors on its website about how to play and bet responsibly** and not to fall into the trap of compulsive gambling.

Fortuna also subscribes to the European Gaming and Betting Association's standards for responsible gaming, demonstrating that it is in the company's interest to maintain a safe gaming environment. In 2021, Fortuna invested almost **one million euros** into these projects and to support ESG activities.



Protecting the environment

As one of the region's largest investors, we at Penta are fully aware of the social dimension and significance of our business, as well as its influence and impact on the **environment**. The Penta Group is standing behind Slovakia's largest investment into the clean-up of environmental damage left by past industries. **The sludge field in Žiar nad Hronom**, a town in central Slovakia, posed a major environmental threat in central Europe.

In 2002, Penta committed itself, when it entered Závody SNP in Žiar nad Hronom, to reclaiming land that had been buried under a sludge field composed of several million tonnes of accumulated alkaline substances, which was threatening to spill over to the nearby Hron River and surrounding groundwater. The clean-up commenced in 2004 and was completed in 2012.

More than **50 million euros** have been invested into reclaiming the former sludge field and these efforts have earned Penta an **ENVIRO OSCAR** in the category of Enviro Technology of the Year.



Slovalco, which operates the aluminium manufacturing plant and is co-owned by Norwegian multinational aluminium producer Norsk Hydro, is **one of the most ecological producers of aluminium in the world**. Aluminium production at Slovalco has been as environmentally friendly as possible since 1993, when the plant was completely overhauled for efficient processing that takes the environmental impact into consideration, too.

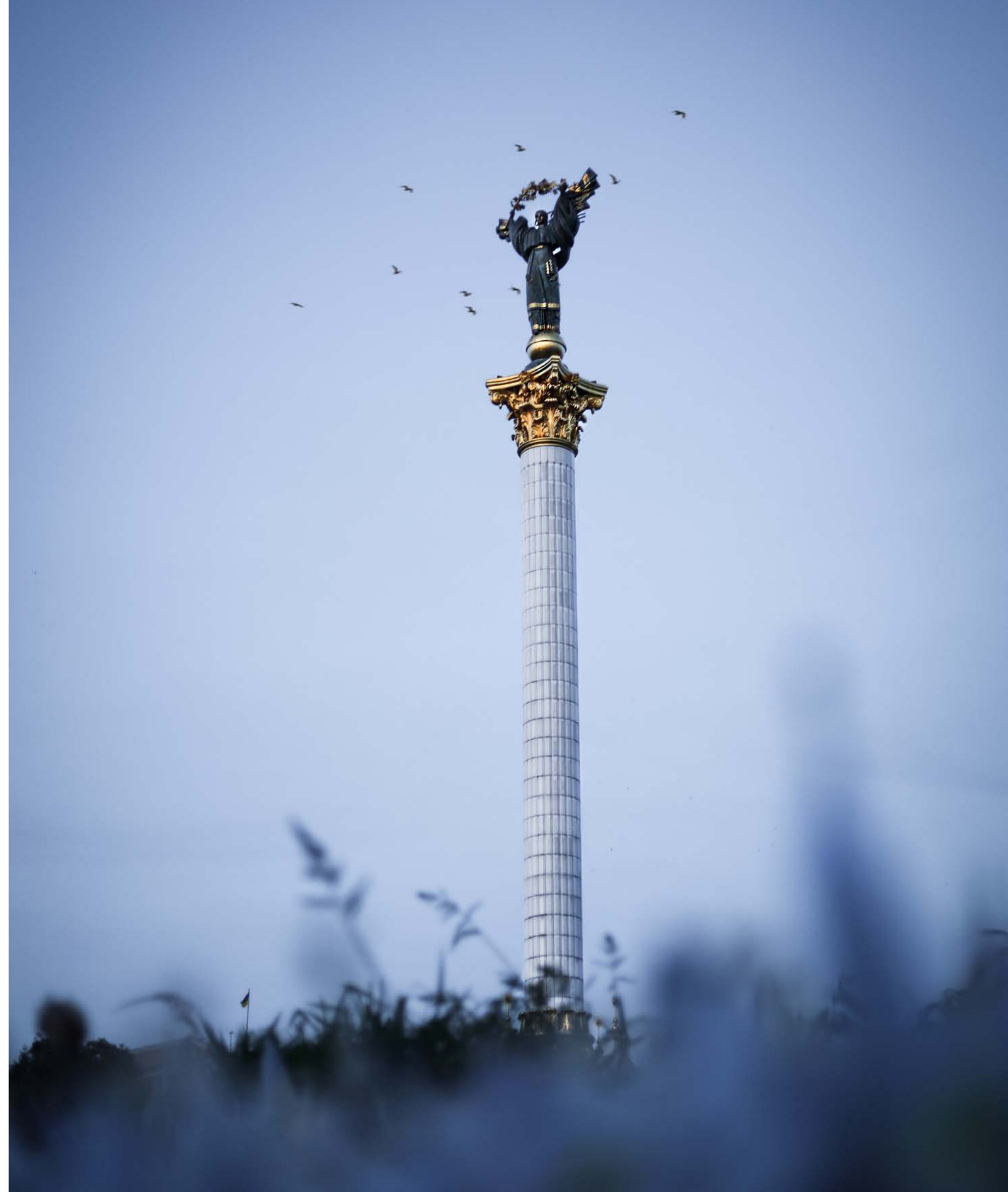
In 2021, a **ten-million-euro investment into a recycling melting furnace** was launched at Slovalco. The furnace is able to melt uncontaminated aluminium waste so we can process otherwise unused aluminium with only 5% of the energy required to produce it from aluminium oxide through process of electrolysis.



Aid to Ukraine

The unconscionable war in Ukraine has caused enormous suffering and a humanitarian disaster whose victims are predominantly innocent people.

Penta and its companies are lending their support to the people of Ukraine with **financial and material aid totalling more than three million euros**. The objective is to provide targeted, meaningful assistance to Ukraine and Ukrainians displaced by the war who are now seeking refuge across the border.



Medical supplies

Due to the critical situation faced by hospitals in Ukraine, Penta Hospitals and Dr. Max are sending medical supplies, drugs and first aid kits to the country and its border regions. The medical supplies transported to Ukraine in cooperation with non-government organisations are based on real needs communicated by the hospitals themselves and Ukrainian authorities. Dôvera – health insurance company has also joined in sending aid and not just medical supplies, but also sleeping bags and mats along with power banks to the hospital in Uzhhorod, a city in Ukraine just across the border from Slovakia.

Helping employees

Penta is providing assistance to the hundreds of Ukrainians employed at its portfolio companies, to whom we wish to send a message that Penta is standing with them in these tragic times. We are providing support to their relatives and family members, whom the war has forced to flee the country, helping them with transportation from the border, material assistance and covering their accommodation costs here.



Helping children from Ukrainian orphanages

Empik has been sending material and financial aid to SOS Ukrainian Children, which is arranging transportation to Poland for children from orphanages in Ukraine. In addition, Empik is endeavouring to provide them with everything they need, such as mattresses, beds, food, school equipment and toys.

Supporting Ukrainian journalists

Vltava Labe Media is also financially supporting regional journalists in Ukraine whose livelihoods have been lost to get by from one day to the next. They can then continue working and freely disseminating information directly from the front lines.

Humanitarian appeals

Bory Mall provided the Association of Towns and Communities of Slovakia and the Embassy of Ukraine in the Slovak Republic with space to hold a humanitarian drive for Ukraine. It also served as a central collection point for sorting and assembling material aid, which non-profit organisations then distributed to where it was most needed. Similar drives were organised by Vltava Labe Media in three Czech cities.

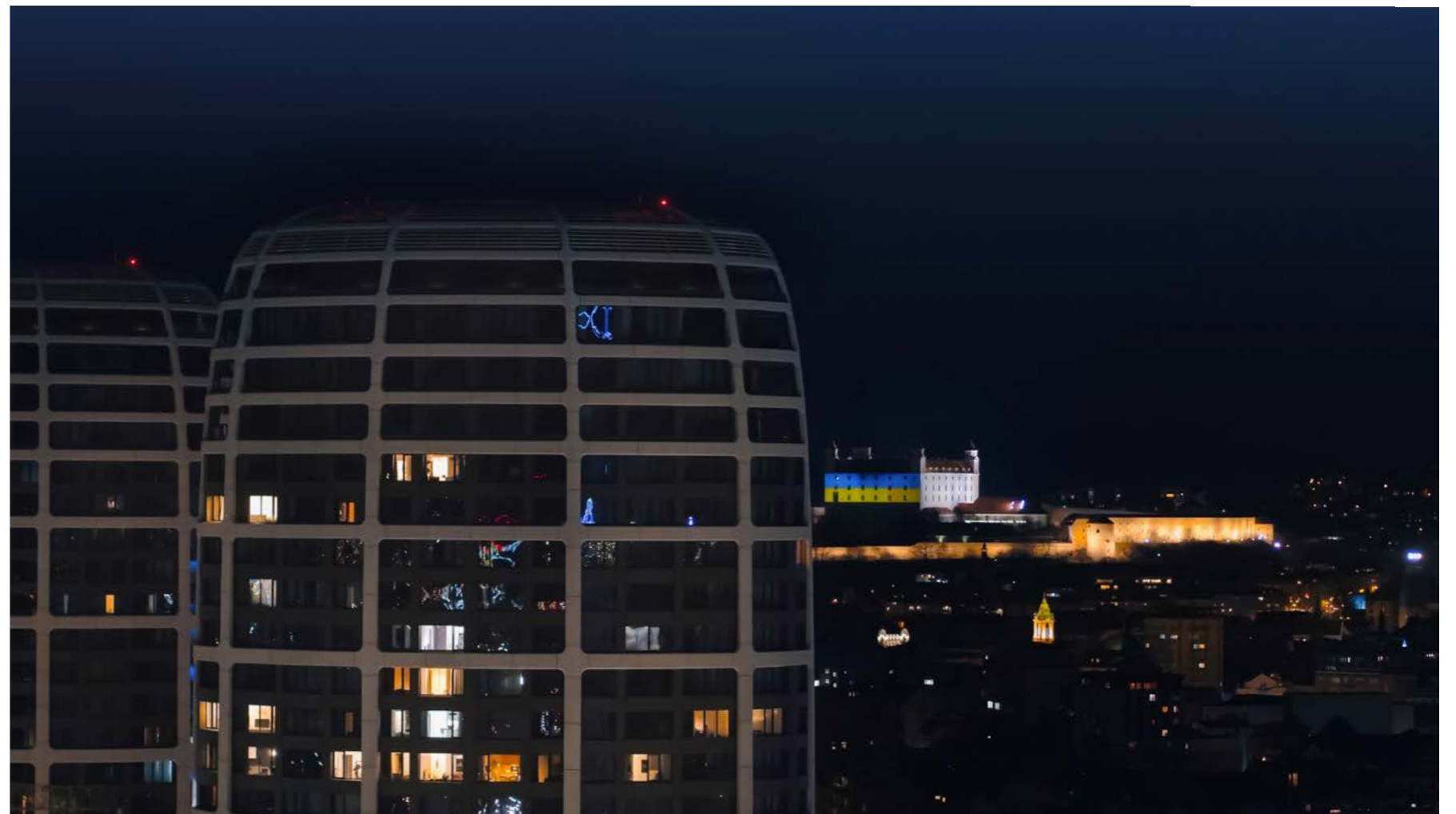
Fundraising

Penta Group organised fundraisers that were able to collect more than € 300,000. These funds, along with what has been earmarked by individual companies in the group, will be used to help Ukraine and refugees from the country.

Sports clubs aiding Ukraine

Czech bookmaker Fortuna has decided to donate all its winnings from the Russian leagues to aid Ukraine. Since the beginning of 2022, this has amounted to € 150,000. Now it has gone to People in Need. Fortuna branches in Slovakia and Poland have launched Prihraj pomoc (Passing the Aid) and Futbalom na pomoc Ukrajine (Football to Ukraine's Aid) to provide financial aid to the Red Cross and People in Need, non-profit organisations that are sending aid to Ukraine thanks to these two initiatives.

Fortuna in Romania is also pitching in to help, transporting hundreds of war refugees from the border in their spare time.





Penta Foundation

The Foundation's work

Ever since the Penta Foundation was formed in 2002, it has donated more than seven million euros to health, culture and science. Through its portfolio companies, Penta provides funding to a range of charities although, in recent years, it has particularly concentrated on education and health. The Penta Foundation accordingly supports numerous projects linked to our business strategy and through which we are able to promote change for the better.

Since 2015, the Penta Foundation has encouraged meaningful projects through **grant calls for Penta Group employees** in Slovakia and the Czech Republic. Our main aim is to fund projects where people employed by the Penta Group are involved, either assisting people in need or supporting charitable activities organized by associations or communities. To date, Penta has provided grant funds to a total of 150 projects and donated more than **€ 150,000** to those who need it the most.



We were able to link education and healthcare in another project organized by the Penta Foundation. This concerned an **innovation grant for healthcare professionals** employed by Penta that was designed to promote development, research and innovative ideas for the delivery of healthcare in Slovakia.

The Penta Foundation has appropriated more than **€ 32,000** for this purpose and backed several innovative projects. One of them is Cognity Care, which uses virtual reality to treat psychiatric disorders. There are only three places on the globe where this type of virtual reality been actively utilized in the treatment of psychiatric diagnoses – in California, Spain and Trebišov, Slovakia.



Roma midwives

For the fourth straight year, Penta Foundation has provided financial support to **Roma health assistants – midwives and healthcare aides in marginalized and disadvantaged communities** throughout eastern Slovakia. The project's name is Mission 1000 and it is organized by the Association for Culture, Education and Communication (ACEC). Roma midwives are volunteers that come themselves from these communities and their role is to raise awareness among pregnant women and mothers there. They give the women support, connect them with healthcare providers and assist them with prenatal preparation and care for newborns.

In addition, the midwives work with Svet zdravia Hospitals in eastern Slovakia, especially at the gynaecological and obstetrics department in Spišská Nová Ves, significantly helping young pregnant Roma women and the hospital staff, too. This year, the project was nominated for the 2021 SozialMarie, a prestigious international award. Each year, 15 outstanding projects from five countries are nominated for social innovation in the oldest such awards in Europe.

PENTA