



Because we care.

KINEPOLIS GROUP | SUSTAINABILITY REPORT

2020

PART II

SUSTAINABILITY REPORT

Because we care.

STATEMENT OF NON-FINANCIAL INFORMATION
AS PROVIDED FOR IN THE LAW
OF 3 SEPTEMBER 2017

KINEPOLIS GROUP

2020

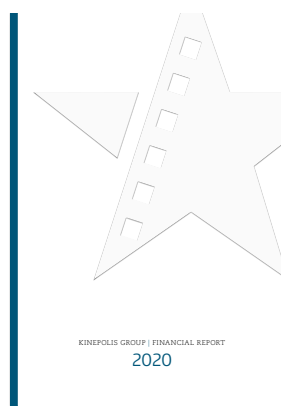
This Sustainability Report is part of the Kinopolis Group Annual Report 2020, which consists of three parts:



PART I
COMPANY REPORT



PART II
SUSTAINABILITY REPORT



PART III
FINANCIAL REPORT

SUSTAINABILITY REPORT

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As a cinema operator, Kinepolis is a part of people’s daily lives and attaches the greatest importance to the social, ecological and cultural aspects of its business operations, in addition to economic value creation.



Kinepolis Nancy (FR)

Sustainable investment in people and the environment

As a cinema operator, Kinepolis is a part of people's daily lives and attaches the greatest importance to the social, ecological and cultural aspects of its business operations, in addition to economic value creation. The principles of Corporate Social Responsibility (CSR) have been translated into a sustainability policy that is an important guideline in the daily decision-making processes and operation of the company.

In the course of 2020, Kinepolis launched a strategic exercise aimed at updating and intensifying its sustainability policy, starting from the principle of value creation for all stakeholders. As this exercise will be continued in 2021, and also in view of the fact that the past year was completely dominated by the Covid-19 pandemic, the result of this will not yet be presented in the current annual report.

CONTEXT AND METHODOLOGY

In 2017, Kinepolis made the decision to structure its existing CSR approach within the framework of the internationally-recognised ISO 26000 standard (*Guideline for Corporate Social Responsibility*). In accordance with this standard, a relevancy and significance evaluation of the various CSR aspects, and the related risks that a company faces, was carried out at the end of 2018. This evaluation was carried out by the members of the Board of Directors, senior management and the Belgian

Works Council. The relevance and significance for Kinepolis itself and for its various stakeholders (including employees, customers, suppliers, investors and government) were taken into account in this regard. An evaluation of this kind is carried out at least every two years, unless there are strong indications that the results are not up-to-date. In such a case, the evaluation is accelerated. In anticipation of the updated sustainability strategy (as explained in the introduction) and given the severe disruption to the operations of Kinepolis since March 2020 as a result of the Covid-19 pandemic, Kinepolis will not conduct a new materiality analysis until the end of 2021.

The above-mentioned study showed that the following three CSR aspects are considered to be the most relevant for the organisation:

- Care of Customers
- Care of Employees
- Care for the Environment



CARE OF
CUSTOMERS



CARE OF
EMPLOYEES



CARE FOR THE
ENVIRONMENT



The Kinopolis policy in each of these domains is set out in more detail below. In light of the Covid-19 pandemic, additional attention has been paid in this respect to the care of customers, employees and local communities in the past financial year. Any risks associated with the care of customers, employees and the environment have been included in the description of the main business risks (see part III: Corporate Governance, page 30-32).

CARE OF CUSTOMERS

Kinopolis strives to offer its customers a positive experience with every contact or visit by clearly informing them, interacting with them and responding to their wishes. Kinopolis takes all target groups into account in this regard, and this is reflected in both the film programming and the infrastructure of its cinemas.

In 2020, the greatest possible attention was paid to protecting the health of each and every customer by implementing, respecting and raising awareness about the safety measures employed to prevent the further spread of the Covid-19 virus. This was done at all times in accordance with the measures imposed by the respective local authorities.

CARE OF EMPLOYEES

The well-being of employees is an important part of the Kinopolis sustainability policy. Kinopolis works hard to develop talent and encourage employees to get the best out of themselves. After all, an employee who feels involved will create happy customers and partners.

The Kinopolis Human Capital policy provides, among other things, for an intensive onboarding process, various training programmes and career guidance. The annual measurement of employee satisfaction enables Kinopolis to closely monitor this policy, and to develop it further.

Normal human capital activities were seriously disrupted in 2020, however. The care for employees was entirely focused on protecting everyone's health in light of the Covid-19 pandemic and guiding both the teams and the individual employees through the crisis. From the beginning of March 2020, Covid-19 had a significant impact on the operations of Kinopolis and all its employees, including long periods of unemployment and compulsory teleworking.

CARE FOR THE ENVIRONMENT

Via its 'Green Star' programme, Kinopolis is also committed to shouldering its responsibilities with regard to caring for the environment. Kinopolis safeguards the comfort of visitors and employees with every procedure it undertakes in its buildings, new constructions or renovations. The company is constantly working to reduce its ecological footprint by introducing innovative, low-energy materials and structural applications.

In recent years, technological developments have also enabled cinemas to significantly reduce the ecological impact of their operations. Examples of this are the evolution of projection systems and the rise in online and mobile transactions.



Kinepolis actively looks for new technologies and initiatives in order to ensure, as appropriate, a rapid response to social and ecological trends.

INTEGRITY IN BUSINESS

In addition to these three pillars, Kinepolis has a strict policy with regard to anti-corruption and bribery, with efforts being made to raise awareness of this policy among employees and management. Integrity is always at the forefront of the business operations of Kinepolis.

MEASURING OUR PERFORMANCE WITH REGARD TO SUSTAINABILITY

In order to measure the effectiveness and efficiency of Kinepolis policy measures with regard to sustainability, a Key Performance Indicator (KPI) was determined for each of the above domains. In addition, descriptive performance indicators and examples will be cited throughout this report to illustrate the policy.

Over the coming years, Kinepolis is committed to further developing its sustainability policy and intensifying its efforts in various areas. The potential risks relating to this topic will be re-assessed on a regular basis, and it will be examined whether adequate policy measures have been provided to limit these risks.



EXPLANATORY STATEMENT WITH REGARD TO THE ACTIVITIES OF KINEPOLIS IN THE USA

Kinepolis acquired the American cinema group MJR Digital Cinemas at the end of 2019. As cinemas in the USA have only been part of the Kinepolis portfolio since late 2019 and operations were seriously disrupted by the Covid-19 pandemic in 2020, Kinepolis will not yet report on its US operations in this chapter.

Kinepolis is committed to implementing its corporate social responsibility policy – as set out in this chapter – as far as possible in the American organisation in the coming years. In the first instance, the focus in this regard will be on the rapid implementation of its Human Capital policy, aimed at introducing the self-learning corporate culture of Kinepolis so as to empower employees to actively contribute to the implementation of the corporate strategy.

KEY PERFORMANCE INDICATORS (KPIs)

THE SUSTAINABILITY PILLARS OF KINEPOLIS	RELATED GUIDELINES ISO 26000	KPI
Customers	<ul style="list-style-type: none"> - Honest marketing, factual and unbiased information and fair practices when concluding contracts - Protection of the health and safety of consumers - Customer service, support and resolution of complaints and disputes - Consumer data protection and privacy - Education and awareness 	<p>Number of completed customer surveys per year: Customer Satisfaction Index (CSI) in Europe</p> <p>'Tell Us About Us' guest survey in Canada</p> <p>One-off KPI 2020: Customer evaluation of safety in European cinemas – 'How satisfied were you with the safety/hygiene measures taken in light of Covid-19?'</p>
Employees	<ul style="list-style-type: none"> - Employment and employment relations - Working conditions and social protection - Social dialogue - Health and Safety at work - Personal development and training in the workplace 	<p>Number of 'budget owners' in relation to the total number of employees</p>
Environment	<ul style="list-style-type: none"> - Prevention of environmental pollution - Sustainable use of resources - Mitigation of and adaptation to climate change 	<p>Development of energy consumption per year Expressed in KWh/m²</p> <p>Reporting at Group level for Europe (reporting in Canada from 2021)</p> <p>KPI not relevant in 2020 due to the limited operation or closure of cinemas</p>
Integrity in business	<ul style="list-style-type: none"> - Human rights - Honest business practices 	<p>% of employees who have signed the Code of Conduct</p>

Our customers

Customer experience is key at Kinopolis, which is why customer satisfaction and care for customers is of the utmost importance in all aspects of the Kinopolis 'customer journey'.



POLICY

Kinopolis strives to offer its customers a positive experience during each visit or contact and thereby increase the probability of a repeat visit and positive word-of-mouth advertising. Kinopolis focuses on a number of aspects in this regard, all of which contribute to a total customer experience:

- An extensive range of films, in which everyone can find one that is to his or her liking;
- Modern, comfortable and easily accessible cinemas and theatres;
- Providing a high-quality service to customers, where the well-being and safety of customers and employees are paramount.

From the start of the global outbreak of the Covid-19 virus, Kinopolis has developed and implemented comprehensive safety protocols to protect the health of its customers and employees – in consultation with the competent authorities and sector federations in each country. These Covid-specific protocols will be explained in more detail in this chapter.

EVALUATION OF OUR POLICY: CUSTOMER SATISFACTION INDEX

The measurement of the efforts made by Kinopolis with regard to the customer experience is carried out on a continuous basis via the Customer Satisfaction Index (CSI) in Europe and the 'Tell Us About Us' guest survey in Canada. Both use almost the same criteria⁽¹⁾ to evaluate the quality of the customer experience offered. Kinopolis received a total of 223 825 completed surveys in 2020, 219 635 of which in Europe, and approximately 4 190 in Canada. It is important to note that the number of surveys was strongly influenced by the lower visitor numbers as

(1) No film evaluations are currently being requested in Canada.

CUSTOMER SATISFACTION INDEX

	2019			2020 ^(*)		
	EUROPE	CANADA	TOTAL	EUROPE	CANADA	TOTAL
Number of completed customer surveys	540 193	17 000	557 193	219 635	4 190	223 825

(*) Lower number of surveys in 2020 due to significantly lower attendance figures as a result of long-term cinema closures and capacity constraints.

a result of the long-term closure of cinemas and capacity limitations. All the cinemas – depending on the country – were closed 30% to 50% of the time in 2020. The stimulation of online sales – also as a result of Covid-19 – had a slightly positive effect on the number of surveys in Europe.

All European visitors who buy tickets online and leave their email address receive an invitation to tell Kinepolis about their experience within 24 hours of their cinema visit. Those who do not buy online can share their opinions via a form on the Kinepolis website. The questions relate to various aspects of the customer experience: how did they like the film, the quality of the picture and sound, the service, cleanliness, customer friendliness, waiting times and so on. Customers can also submit suggestions in this way.

The survey is not yet offered by email in Canada but, rather, via the website. Customers are encouraged by the cinema staff to fill in the survey, as well as by the messages in the pre-show. Landmark Cinemas will implement the CSI working method of Kinepolis in 2021, and will review its survey in terms of both process and content. This implementation was originally planned for 2020, but was delayed due to the impact of Covid-19.

The CSI enables Kinepolis to continually collect customer feedback at a very detailed level, with the CSI results reported and assessed on a daily basis at team, cinema and national level. Kinepolis constantly refines its operational management and film programming on the basis of this customer feedback. Comments on seat comfort, for example, are passed on to the relevant department immediately, with the seat in question then checked as quickly as possible and repaired where necessary.

In addition, customer satisfaction – alongside employee satisfaction and financial metrics – is an essential KPI within the Group for assessing the performance of cinema complexes, managers and employees. The above-mentioned KPIs are also included in the bonus scheme for managers and budget owners. The response in all countries is more than high enough to give a representative picture of customer satisfaction.



MOVIE LOVER EXPERIENCE AWARDS



Landmark cinemas that exceed their customer satisfaction goals are honoured at the Movie Lovers Experience Awards, an annual programme on the Canadian cinema circuit, that aims to give wide internal recognition to cinemas that perform well.

COVID-19 SAFETY PROTOCOL

In the past year, Kinopolis has made every effort to offer film enthusiasts a safe opportunity to relax outside the home, thereby contributing to the well-being of its customers in difficult times.

As part of a safe restart of cinemas after the first lockdown, Kinopolis – in consultation with sector federations and the relevant local authorities – developed protocols for its cinemas to protect everyone's health. Although these protocols had slightly different effects in each country where the Group is active and have been continuously adjusted according to current events, they all start from a common basis.

The basic Kinopolis protocol is based on the following pillars:

- Managing the flow of visitors to, from and in the cinema.
- Maintaining an appropriate social distance throughout the entire cinema visit.
- Strict safety and hygiene measures in all areas and in all interactions with staff.

In the concrete development of this protocol, measures were taken in the areas of seating capacity, programming and visitor flow, as well as ticket purchase and checking. The mouth mask obligation



and a (temporary) ban on the sale and consumption of snacks were also among the measures imposed in almost all countries.

Physical contacts between customers and employees were reduced to an absolute minimum. To this end, a switch was made to having ticket sales take place almost completely online in all Kinopolis cinemas.

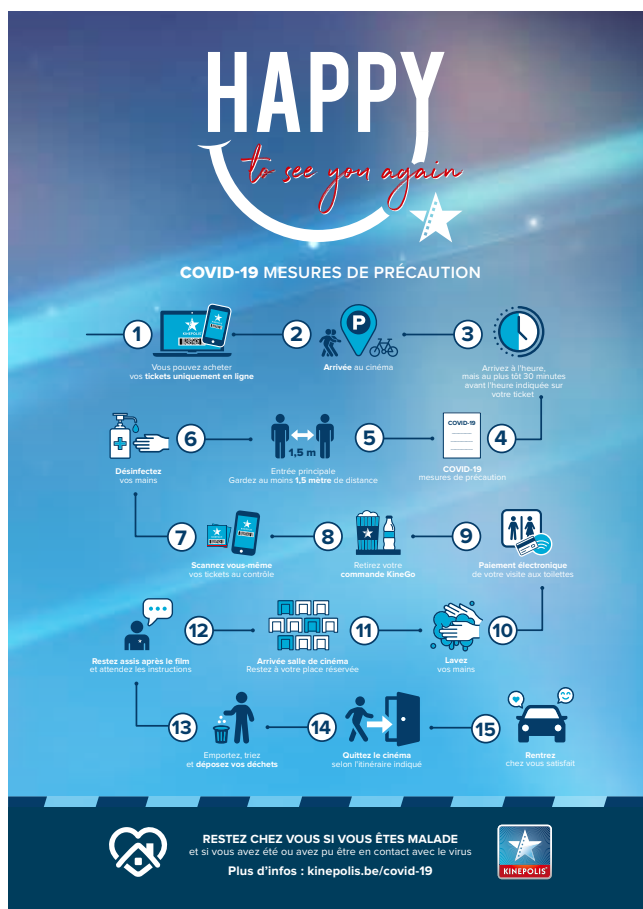
Measures were also taken in the shops, among other things by facilitating the online sales of drinks and snacks (KineGo) – and limiting sales to this in certain periods – as well as limiting the offer to mainly pre-packaged products.

The number of film screenings was optimally distributed so that the number of cinema visitors could also be spread throughout the day in an optimum manner. Pauses during the film were cut in order to avoid any gatherings in the common areas.

The required flow for visitors is indicated by signage and markings on the ground. Visitor flows into and out of the cinema are separated, with seating options in the communal areas removed so as not to disturb the flow at any time.



Example of the Kinepolis customer journey in Covid times



All safety measures were intensively communicated to our visitors through our online channels, as well as in the cinemas themselves. A special Covid-19 webpage was set up on both the Kinepolis and Landmark websites (www.kinepolis.com and www.landmarkcinemas.com respectively) with up-to-date information about the measures in the cinemas, as well as a list of frequently asked questions and answers. Numerous employees were also deployed in the cinema to guide visitors where necessary and to actively point out the applicable measures and the desired behaviour.

In addition, Kinepolis also reprogrammed its ventilation systems to ensure that a maximum supply of fresh outside air is used in all areas (instead of partially recycling used air, as is the case in normal times).

EVALUATION OF THE SAFETY PROTOCOL

In order to evaluate the above-mentioned safety protocol, the following question was added to the CSI survey: "How satisfied are you with the safety and hygiene measures taken in light of the Covid-19 pandemic?". Depending on the country, 84 to 89% of the customers⁽¹⁾ who completed the survey stated that they were satisfied to very satisfied with the measures taken in the Kinepolis cinemas (the rest were mostly neutral).

KPI CUSTOMER RATING OF THE SAFETY AND HYGIENE MEASURES TAKEN

84% to 89%
satisfied to very satisfied

(1) This score only relates to Kinepolis Europe, as this Covid-specific question was only part of the CSI survey and not of the 'Tell us about us' survey that Landmark uses in Canada.



CUSTOMER SUPPORT

Kinepolis wants to be as accessible to customers as possible, and is committed to responding to questions and comments as quickly as possible. In order to inform customers in the best possible way and encourage self-reliance, Kinepolis uses an extensive series of 'frequently asked questions and answers' on its website (www.kinepolis.com and www.landmarkcinemas.com in Europe and Canada respectively.) This list is regularly updated and adjusted on the basis of customer contacts. Kinepolis proactively directs online customers to this 'FAQ' section. If customers cannot find the answer to their question, they can use the contact form on the website. This contact form is designed to ensure that the question is immediately forwarded to the right department and/or cinema. In the event of problems or questions in the cinema, customers can always approach the staff.

During busy periods, an external call centre is sometimes used to relieve the phone lines of the cinema complexes as much as possible, and to avoid waiting times for visitors. Customer questions are also answered every day via social media (Twitter, Facebook, Instagram).

Ever since the outbreak of the pandemic, Kinepolis has committed itself to limiting the impact on customers as much as possible, and to offering them

maximum support through its compensation policy. Customers were given the choice between a refund or a voucher for a cancelled screening (where customers had paid via a voucher, they received a voucher as standard). As a result of closures or other Covid-19 measures, a total of almost 24 000 compensation requests were handled in 2020. Online buyers were contacted proactively, while offline buyers could request compensation via a form on the website. Even when the cinemas were open, but customers decided to cancel their visit (for instance, because of symptoms of illness), they could still apply for compensation. Vouchers that had expired during the closure period were always extended, and the validity period of birthday vouchers was also adjusted.

PROTECTION OF CUSTOMER DATA

Kinepolis collects data about its customers as part of its relationship-marketing strategy and its *Marketing as a Service* credo. In this way, Kinepolis can optimally tailor its operational management to the wishes of its customers, and European customers receive relevant film and event recommendations based on the data in their personal profile.

As of 25 May 2018, the use of personal data in Europe has been regulated by the European Union's General Data Protection Regulation (GDPR), which is aimed at the protection of personal data. The basic values behind the GDPR have always been the values followed by Kinepolis in the handling of customer data, namely:

- Kinepolis has a transparent data-processing policy towards its customers;
- The main objective of collecting and processing customer data is to improve the service provided to customers;
- Kinepolis attaches great importance to the rights of its customers with regard to data, and allows them to exercise these rights in a simple manner;
- Kinepolis has a strict organisational and technical security policy with regard to its customer data.

The Canadian equivalent of the GDPR is PIPEDA (The Personal Information Protection and Electronic Documents Act). Landmark Cinemas Canada meets all PIPEDA requirements in its handling of customer data, and pursues the same values.

Respect for customers and respect for their data are inextricably linked, and Kinopolis takes both very seriously.

CYBER SECURITY

Kinopolis takes a whole series of measures to protect its IT systems, and thereby also its employees, customers and business operations, against cyber attacks. ICT risks (and the control measures to cover them) are discussed on a bi-weekly basis in the Cyber Security Committee, and are also a regular item on the agenda of the monthly ICT Steering Committee. They are also formally discussed in the Audit Committee at least once a year.

Kinopolis has a Security & Compliance Officer, supported by various external consultants, who continuously checks the security of Kinopolis' ICT systems. For several years now, Kinopolis has been working together with Intigriti, a 'bug bounty' platform that brings ethical hackers together to identify vulnerabilities on behalf of the company, so that Kinopolis can tackle them as quickly as possible. Kinopolis also applies a strict code to external partners with regard to cyber security.

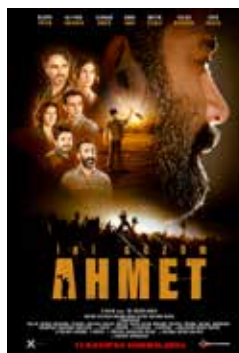
As a result of the outbreak of the Covid-19 pandemic and the intensive use of digital tools, cybersecurity efforts were expanded further over the past year. For example, investments were made in additional protection mechanisms. An active patch management policy ensures that all systems are closely monitored. A great deal of effort was also made internally to provide the company and employees with maximum protection against phishing and other types of cybercrime. These efforts are explained in the chapter on Caring for our employees.

A FILM PROGRAMME FOR EVERYONE

Kinopolis is committed to having a film programme for various target groups at all times, including social minorities (such as ethnic or cultural minorities). In addition to blockbusters, Kinopolis programmes and promotes many local and multicultural films, and has developed its own successful cultural programme, including opera, ballet, art and theatre on the big screen. Kinopolis always tailors its programme to the audience of a given cinema, taking demographic factors, regional identity and the cultural offer into account, among other things.

For example, Kinopolis programmes Bollywood blockbusters and Turkish hits in multicultural cities with large Indian and/or Turkish communities. In addition to Polish and Russian films, among others, there have also been experiments with Chinese and Japanese films in recent years.

Multicultural offer



In big cities, Kinopolis ensures an extensive multicultural offer

Furthermore, films with regional themes and films by (often start-up) filmmakers with strong regional roots are also given a platform in the relevant regional Kinepolis cinemas.

The Covid-19 pandemic caused a shortage of blockbusters in 2020, making it more challenging than ever for the programming teams of Kinepolis to program a diverse and attractive film offering. As such, smaller and local new titles were given a bigger stage. In addition, various re-runs and cinema classics also returned to the big screen.

CANADIAN FILM SPOTLIGHT

Landmark Cinemas Canada has a 'Canadian Film Spotlight' label for a carefully curated selection of Canadian films, highlighting titles from the Canadian Independent Film Series and other local distributors.



In order to promote local film culture, Landmark Cinemas also supported numerous local film festivals each year across the regions where Landmark operates. In 2020, however, most festivals were cancelled due to the Covid-19 pandemic.

LOCAL CONTENT

In Belgium, Kinepolis also invests in the production and promotion of local Flemish films through Kinepolis Film Distribution. Kinepolis believes that supporting and producing local content is essential for the future of the cinema business and the local film culture. Kinepolis is also a partner of local film festivals in various countries.

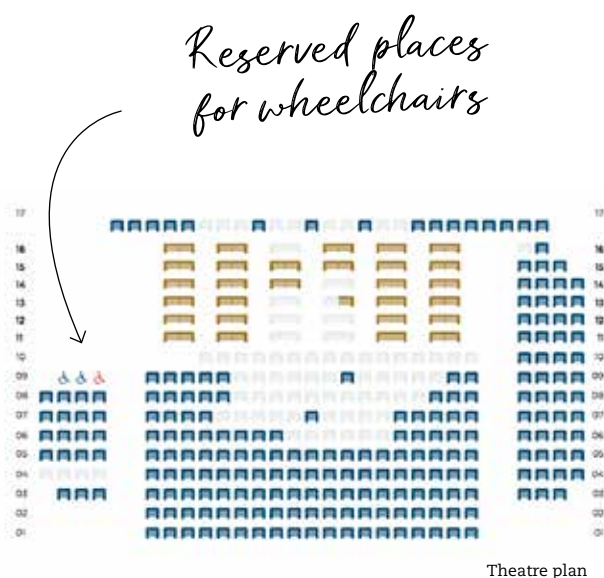
VISITOR SCORE PER FILM CUSTOMERS ADVISE CUSTOMERS ⁽¹⁾

The Customer Satisfaction Index (CSI) also measures the visitor score for each individual film in the Kinepolis programme, and this indicates the extent to which visitors would recommend the film they have just seen to others. The customer score is taken into consideration every week when programming films, making it an important indicator of how long a film will run in the cinema.

Kinepolis always publishes the visitor score of each film on its website, even if it is negative. In this way, customers advise each other on which films to see, with Kinepolis as the facilitator. The visitor score of a film also plays a role in the recommendations that Kinepolis makes to customers. The score is a factor in the Kinepolis' 'recommendation engine', a piece of artificial intelligence that, as far as possible, tries to identify which films from the current programme will appeal to the customer.



⁽¹⁾ Does not yet apply to Landmark Cinemas Canada.



NOISE STANDARDS

Protecting the hearing of our visitors is of the greatest importance to Kinepolis, and the generally applicable national noise standards are therefore strictly observed. In Europe, this means, among other things, that Kinepolis:

- calibrates all its cinemas every year;
- carefully checks the sound settings every two weeks;
- checks the maximum sound pressure level of the various programme types (such as the pre-show and children's films);
- systematically adapts the volume to suit the type of programme and the size of the auditorium.

WHEELCHAIR ACCESSIBILITY

Kinepolis is committed to making as many theatres as possible accessible to wheelchair users. More than 90% of all Kinepolis theatres and 100% of all Landmark theatres are accessible for people with limited mobility, and most of them have reserved wheelchair spaces.



All recently-opened Kinepolis cinemas are 100% wheelchair accessible. In some cinemas, where not all the theatres are wheelchair accessible due to outdated infrastructure, Kinepolis ensures that films are screened in different auditoriums at different times, meaning that visitors with limited mobility are able to see all films. Kinepolis always provides clear information on the wheelchair accessibility of its theatres, both online and on site. When booking online, wheelchair-accessible seats are clearly marked on the theatre plan, enabling customers to reserve these places in advance when purchasing their ticket.



↖ Apps for the visually and hearing impaired

ACCESSIBILITY FOR PEOPLE WITH VISUAL OR AUDITORY IMPAIRMENT

In line with the jurisdiction in France, Kinopolis has installed the Twavox system in all its French cinemas, which enables people with visual or auditory impairment to adjust (i.e. increase or even out) the sound to meet their needs using an app on their smartphone and a pair of headphones. People with visual impairment can also make use of an audio description.

Since 2018, the 'Whatscine' app has been available in all Spanish cinemas. The Whatscine app offers users a choice between audio description, subtitles and sign language on their smartphone, perfectly synchronised with the action on the screen, enabling everyone with impaired hearing or sight to enjoy the latest films. In this way, Kinopolis wants to promote the accessibility of cinema for everyone.

Landmark Cinemas Canada has 'Fidelio' and 'CaptiView' systems in 28 of its cinemas to support movie enthusiasts with an audio-visual disability. Fidelio is a wireless storyline audio system adapted for both the visually and hearing impaired, and CaptiView is a closed captioning system for the hearing impaired or the deaf.

Kinopolis will continue to evaluate the use of the above-mentioned systems with a view to a possible further rollout in its cinemas.



Taking the tram to Kinepolis Antwerp (BE)

MOBILITY

In order to avoid traffic problems around its multiplexes, Kinepolis encourages the use of alternative means of transport. Customers are informed as well as possible about the different ways of getting to the cinema. Most Kinepolis sites offer covered cycle parking facilities and the site is made accessible and open to public transport where possible.

Postcode research in Belgium in 2019 showed that 40% of Belgian Kinepolis visitors come by public transport, on foot or by bicycle. This rises to more than 60% in student cities such as Leuven or Ghent.

SOCIAL ENGAGEMENT

INCLUSIVE PROGRAMMING POLICY

Kinepolis is aware of its sociocultural responsibilities, and is committed to creating a film programme that reflects the diversity of today's society. Kinepolis' multicultural programming and special screenings for senior citizens are concrete examples of its inclusive programming policy, with attention paid to all social target groups.

As part of its B2B activities, Kinepolis has also created a schools programme, focusing on current topics from the curriculum and offering films with an educational file. Schools can benefit from strongly discounted prices in this regard. In this way, films can be a catalyst for discussion (e.g. about subjects such as 'Anti-bullying Week' and 'Safe Internet Day') or can introduce young students to another language or culture (e.g. 'Cinéperles', which provides an immersion in the French culture and language).

As part of its intensive contacts with schools, Kinepolis met the request from education centres in 2020 for extra infrastructure in order to allow exams and classes to continue to be held in compliance with the prevailing Covid measures. KU Leuven and Hogeschool Kortrijk (BE), among others, worked together with Kinepolis to enable their students to take exams or attend classes in safe conditions.



Hogeschool Vives allowed lessons to continue safely in Kinepolis Kortrijk



Kinepolis provided the additional infrastructure to allow exams and lessons to continue



LOCAL COMMUNITY INVOLVEMENT

Kinopolis also wants to accept its social responsibilities and increase its social engagement by supporting charities via sponsoring, organising or supporting benefit campaigns, or by stimulating social employment. In 2020, Kinopolis supported 'Tournée minérale', Minor-NDAKO and the '1000 km van Kom op tegen Kanker' in Belgium, Stichting Bio in the Netherlands and Kids Help Phone in Canada, among others. At the end of 2020, Kinopolis France also renewed its partnership with 'Les Restos du Cœur' to offer film screenings for vulnerable groups at a greatly reduced rate. These screenings will take place at Kinopolis Fenouillet, Rouen, Mulhouse, Thionville and KLUB Metz.

Kinopolis thanks local superheroes

After the first lockdown, Kinopolis France thanked everyone who had been on the front line in the fight against the Covid-19 virus ('les super-héros du quotidien' 'the everyday heroes and heroines'). 10 000 movie tickets were distributed to local superheroes, who participated in the campaign by submitting a photo of themselves in their workplace. Kinopolis then turned this into a thank-you spot that ran nationally in all its cinemas when the French cinemas re-opened.



Kinopolis Netherlands also set up a campaign in which customers could send in a video message to thank their personal superhero. 25 entries were selected to be shown on the big screen at the reopening of Dutch cinemas.

Donation of supplies of sweets to care centres and charities

During both the first and second closure periods, Kinopolis donated stocks of sweets to various care centres and charities. The St. Nicolas packages of the 'Moeders voor Moeders' (Mothers for Mothers) non-profit organisation in Antwerp (BE), for example, were provided with sweets by Kinopolis. 'Moeders voor Moeders' provides food and materials to families with young children who are struggling financially. The staff in various care centres were also treated to a tasty surprise from Kinopolis.



Kinopolis Netherlands supports the Stichting Bio foundation

From 2019 onwards, Kinopolis Netherlands has been making it easy for everyone to donate to the Stichting Bio foundation. Visitors can choose to round up their purchase amount at the ticket and shop desks in all 18 locations, and as such, donate their change to Bio via Kinopolis. Stichting Bio was founded by the Dutch cinema industry in 1927, and owes its name to it. The Foundation is committed to offering children with disabilities a relaxing holiday, such as in the Bio Vakantieoord (holiday resort) in Arnhem. Campaigns are also occasionally organised around a specific film, with part of the income going to this charity.

Landmark supports Kids Help Phone, among others

For many years, Landmark Cinemas has been a loyal partner of Kids Help Phone, Canada's only national helpline, which provides professional support and information to young people 24/7. Landmark supports the organisation via promotional campaigns in the cinema and through fundraising. Although the more typical annual fundraising campaigns were mostly cancelled in 2020 due to Covid-19, the Landmark teams participated in and supported the 'Kids Help Phone Never Dance Alone-A-Thon'. The organisation's 'Back to School' campaigns were also highlighted. This resulted in a contribution of 45 000 Canadian dollars in media support and fundraising to promote the mental health and well-being of young people across Canada.



Due to the major impact of the Covid-19 pandemic on the communities that the Landmark cinemas form part of, a 'ROUND UP' campaign was also carried out during the holiday season in which movie fans were invited to round up their payments in support of the local food banks. This gave the organisations involved the visibility they require, with Landmark contributing more than 25 000 Canadian dollars in media support and fundraising.



'ROUND UP' campaign in Canada



'Remembrance Day' in Canada



Last but not least, Landmark Canada commemorated war veterans in November (Remembrance Day), programming a selection of films that powerfully document the human sacrifices of WWI. Landmark donated 50 000 Canadian dollars to the Royal Canadian Legion Poppy Fund in media support and funds.

#Graffitipolis

The #graffitipolis project was launched in Mulhouse (FR) at the beginning of the summer of 2020. Kinopolis made the underground car park of its cinema in Mulhouse available to 7 local street artists, who were given 'carte blanche' to transform the car park into an open art gallery. Kinopolis is open to similar projects at other locations.





Plus est en nous

There's more inside us.

Our people

Thousands of employees are committed to providing millions of cinema visitors with an unforgettable movie experience every day. Kinopolis is aware that the talent and commitment of its employees is the driving force behind its success.

The Covid-19 pandemic had a serious impact on Kinopolis' business operations in 2020 and, consequently, on all its employees. Most of the employees have been fully or partially unemployed for a long time in the past year. Those who could work did so in challenging circumstances, showing great flexibility and commitment. The impact of the pandemic on the HR policy of Kinopolis will be explained further in this chapter.

OUR HR POLICY: 'PLUS EST EN NOUS'

The *Ultimate Movie Experience* begins and ends with the people who make their contribution every day, in front of or behind the screens. Kinopolis therefore aims for sustainable growth by attracting, nurturing and developing talent.

The Kinopolis Human Capital policy focuses on:

- attracting competent employees with the right attitude, in line with the behavioural values of Kinopolis (see further);
- retaining and developing committed and motivated talents by creating an optimal working environment, in which:
 - everyone is able to optimally use and develop his or her talents;
 - The Kinopolis values are put into daily practice;
 - Opportunities for further growth are offered at a personal and/or professional level;
 - Each employee can contribute to the further development of the company and its products.

Employee participation and entrepreneurship are stimulated to the maximum and are facilitated in two ways:

- Kinopolis strives to be a 'self-learning' organisation by giving as many people as possible responsibility for departmental targets and budgets, and encouraging them to show initiative and learn from each other;
- Regardless of their level in the organisation, employees are encouraged to constantly question accepted wisdom, to actively listen to customers, to think outside the box and to show initiative and enterprise in their job and beyond. In this way, Kinopolis wants to be a 'self-innovating' organisation as well as a self-learning organisation. The Kinopolis Innovation Lab was set up in this context in 2016 (see further).

By enabling its employees to internalise the self-learning and self-innovating corporate culture and creating a working environment that facilitates the development of talent, Kinopolis aspires to get the best out of its employees under the motto 'Plus est en nous' (there's more inside us).



Employee at work during Kinopolis on Tour

EVALUATION OF OUR POLICY

Kinepolis wants to give as many employees as possible responsibility for departmental targets and budgets, enabling them to actively contribute to the continuous improvement of Kinepolis' business operations. This bottom-up approach is part of the DNA of Kinepolis, and is illustrated by the number of 'budget owners' in relation to the total employee population.

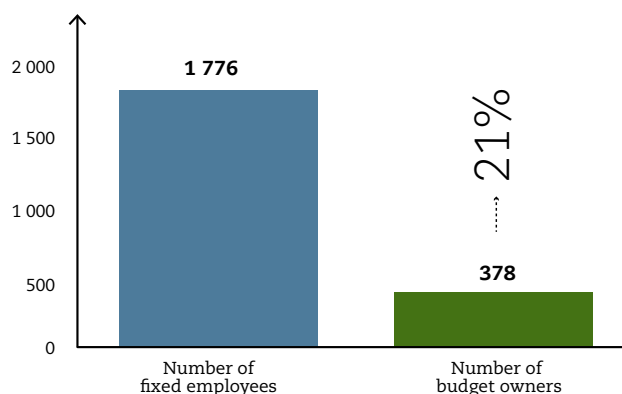
From 2019 onwards, all Canadian cinema teams of the Landmark Cinemas group, which was acquired in 2017, have also taken part in the so-called '5% exercise' (an annual improvement plan with the aim of lowering the company's break-even point), after the principle of budget ownership was introduced in all the cinemas. Since then, the Landmark teams, like their European Kinepolis colleagues, have themselves also been looking for improvement potential, using the processes, reporting and KPIs provided by Kinepolis. For the American MJR teams, this is included in the 2021 planning.

PEOPLE SATISFACTION INDEX

Kinepolis measures employee satisfaction every year by means of a People Satisfaction Index (PSI) survey. In Canada, this is called the Employee Engagement Survey, or EES. Employees are invited to share their experience of Kinepolis (or Landmark) as an employer in a completely anonymous way, indicating what they like and what they feel could be improved. The results are then discussed with the team and translated into concrete actions.

The EES survey in Canada took place in November 2020, achieving a response rate of 84%. The PSI survey that should have taken place in Europe at the end of 2020 was postponed to 2021 due to the impact of the Covid-19 pandemic and the consequent high unemployment and low availability of staff.

KPI NUMBER OF 'BUDGET OWNERS' IN RELATION TO THE TOTAL NUMBER OF EMPLOYEES AT THE END OF 2020⁽¹⁾



(1) The number of employees at the end of 2020 is considerably lower than in other years, due to the mandatory closures in almost all countries (no temporary employees). Due to the absence of temporary employees, the BO (budget owner) percentage compared to the total employee population is approximately twice as high as in a 'standard' year.

From the outbreak of the virus in March 2020, efforts have been made to ensure maximum health protection for employees – both in the office and in the cinema facilities – and to keep them involved in the company during long periods of inactivity. Feedback from employees was collected on an ongoing basis through contacts with supervisors and via Q&A sessions with management and the CEO.



HEALTH AND SAFETY OF EMPLOYEES

Kinepolis has always been committed to ensuring a safe working environment and takes appropriate measures to ensure that all activities, such as replacing projector lamps and maintenance work on technical installations and screens, are carried out as safely as possible.

The health and welfare policy of Kinepolis was entirely focused on the Covid-19 pandemic in 2020.

Extensive safety protocols were drawn up to prevent the further spread of the virus and to offer maximum protection to employees in their jobs. These measures proved to be effective, as there was no outbreak among staff during the past year.

COVID-19 MEASURES FOR PROTECTING THE HEALTH OF EMPLOYEES

Ever since the start of the pandemic, Kinepolis has implemented strict measures to guarantee a safe workplace. These measures have been regularly adjusted according to the regulations determined by the respective authorities. In addition, employees have also been repeatedly reminded of their responsibility to comply with the applicable measures in their private time too.

The following principles apply in cinemas as well as in office spaces:

- Teleworking is the standard for office functions (recommendation or obligation in line with government guidelines);
- An appropriate social distance must be maintained at all times before, during and after work;
- Mandatory mouth mask in cinemas and at the office, in line with the measures imposed by the authorities;
- Regular disinfection of hands and paying attention to respiratory hygiene;
- Staying at home in the case of symptoms of illness and contacting your doctor for advice;
- Using the indicated entrances and exits, as well as the walking plan as indicated by markings on the ground (one-way traffic);
- Maximum number of people for common areas, such as kitchen and meeting rooms;
- Eating takes place individually in the workplace where possible, with sufficient distance from each other also maintained in the dining areas in cinemas;
- Individual use of lifts;
- Meetings take place virtually – even when you are in the same building – except when there is really no other option;
- Business travel is limited as far as possible, and is only allowed in consultation with HR, in compliance with the guidelines of the competent authorities in the respective countries.



Staff in the cinemas received a number of reusable face masks. The *Happy to see you again* masks consist of 2 layers with the OEKO-Tex certificate. In addition, disposable mouth masks are also available for employees in every cinema.



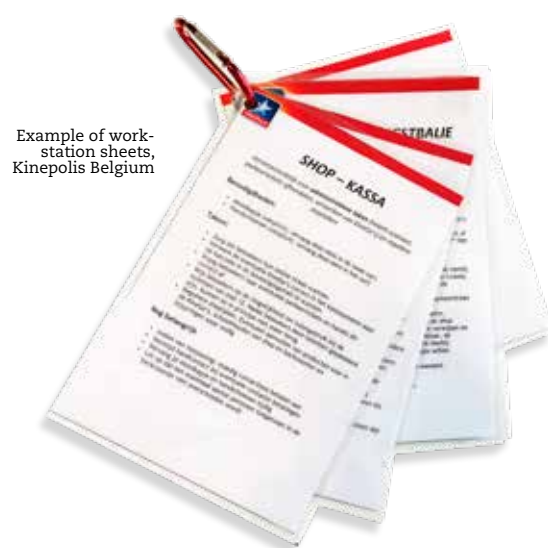
The following additional guidelines apply to cinemas:

- Recommendation to put on your uniform before leaving home;
- Replace gloves (cleaning/shop) after each performance;
- Disinfection of the dining area in staff areas.

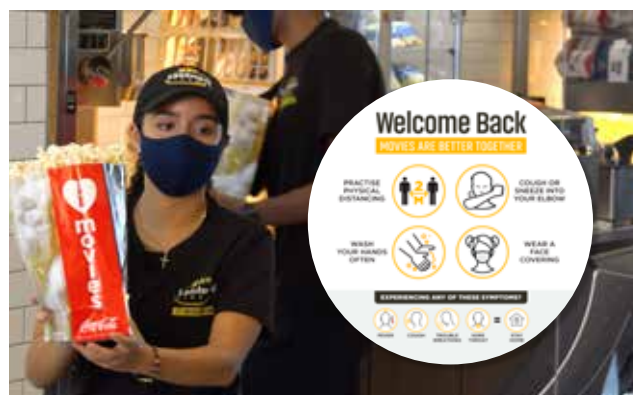
PROTECTIVE EQUIPMENT

Kinepolis has made protective equipment available to all employees, both in the complexes and in the Cinema Support Centres, namely mouth masks, gloves (for cleaning / shop), disinfecting hand gel and cleaning agent for office surfaces.

Cleaning activities were scaled up and the air ventilation systems in both the cinemas and office spaces were adapted to ensure a maximum supply of fresh air. All recirculation or mixing of the discharged air has been switched off. Prior to the reopening of cinemas, site visits were also carried out by operational managers to test the elaborated measures against reality. This led, for example, to the relocation of staff areas to the (unused) B2B areas, in order to be able to maintain social distancing as much as possible.



Example of workstation sheets, Kinepolis Belgium



LANDMARK 'FIT FOR WORK' PROTOCOL

There is an additional 'Fit for work' protocol for Landmark employees, prior to each work shift. A number of questions are asked to gauge any possible Covid-19 symptoms, and body temperature is also measured. If the employee answers positively to any of the questions and/or a temperature of more than 38°C is measured, the employee must return home.

COVID-SPECIFIC FUNCTIONS

A number of new jobs were created in both the Kinepolis and Landmark cinemas (Covid busters, sanitary stewards, etc.) to ensure that the Covid measures were strictly followed. A workstation sheet was created with a clear description of the new, Covid-specific tasks for each of these new jobs and other relevant functions.

TELEWORKING & CYBER SECURITY

Teleworking has been the norm for office jobs at Kinepolis since March 2020. Agreements regarding working hours and tasks are made between the relevant employee and manager on a daily basis. In order to enable a maximum amount of teleworking, Kinepolis has made additional investments in optimising IT infrastructure, with various efforts also made to monitor the security of networks and systems. For example, Kinepolis has invested in additional security for incoming e-mail messages, in a new VPN connection and in 2-factor authentication for the entire Office 365 environment. In addition to the active monitoring of user account behaviour, Kinepolis has also launched phishing campaigns on a regular basis in order to keep the alertness of employees at a high level.

WELL-BEING OF EMPLOYEES

Due to the far-reaching impact of the pandemic on the activities of Kinopolis, all employees were affected by a sharp reduction in their working hours and/or changed and often challenging working conditions (e.g. mandatory wearing of a mouth mask while performing the job, teleworking, etc.).

Attempts were made via various initiatives to safeguard the welfare of employees by keeping them informed and involved in the company to the greatest possible extent. Use was made of the familiar internal means of communication, personal contact moments with the manager and ad hoc initiatives in different teams.

CANADA – WELLNESS NEWSLETTER

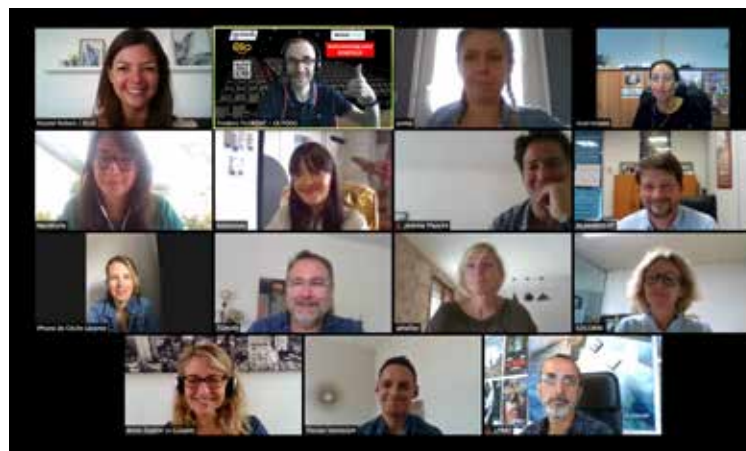
In order to promote the mental health of its employees, Landmark Cinemas set up a 'Wellness Committee'. Among other things, this committee worked on a monthly wellness newsletter and set up various challenges aimed at the well-being of the entire Landmark community. These initiatives stimulated the team to recharge itself and connect with friends, family and colleagues.

INFORMAL TEAM MOMENTS

Various managers have organised informal, digital contact moments for their teams on a regular basis.

CEO COMMUNICATION

Since the outbreak of the pandemic, a broad internal statement has been communicated by the CEO at least once a month. This has taken place via a monthly email update, video messages and digital Q&A sessions. On each occasion, an update was provided on the current state of the company and the sector, on small and large successes that have been achieved and on the strategy to be pursued with a view to a sustainable future. The approach of these communications was at all times aimed at retaining and motivating employees, as well as thanking them for their understanding and their efforts.



Digital 'Boost-up' workshop for the French marketing team in July, 2 weeks after the reopening of the French cinemas.

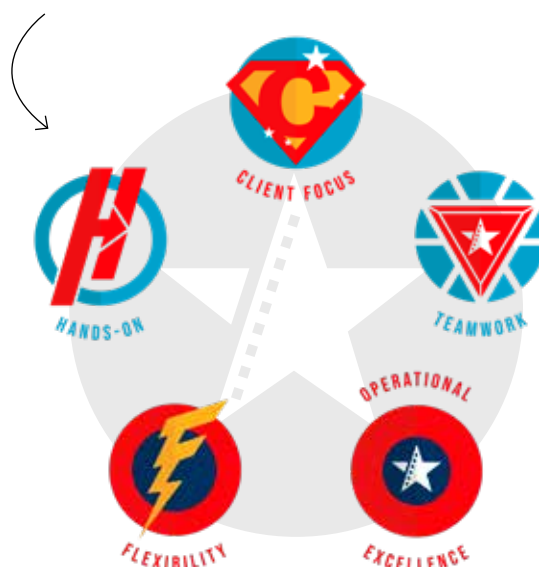
FINANCIAL SUPPORT MEASURES

The company called on the support measures provided by the relevant authorities in all the countries in which Kinopolis operates. These support measures varied from country to country, and had a different impact on the employees involved. In the Netherlands, France and Canada, employees continued to work, while Kinopolis was financially compensated by the government. Employees in Belgium and other countries were given technical unemployment status. In this case, employees were compensated by the government directly.

As far as possible, Kinopolis has taken action to alleviate the financial impact for its employees. For example, all Spanish employees – where the government administration ran into serious delays – were able to receive an advance payment on their holiday pay, if desired. In America, Kinopolis met the health insurance needs of the MJR employees (who would otherwise lose their insurance after a certain period of unemployment) and, in the absence of an official decision on the assimilation of holiday pay and end-of-year bonus in Belgium, Kinopolis itself took the decision in favour of employees.



Kinopolis values



KINEPOLIS VALUES

'Client Focus', 'Teamwork', 'Operational Excellence', 'Flexibility' and 'Hands-On' are the behavioural values that every Kinopolis employee works hard to put into practice. Putting the customer first, working together constructively with a common goal in mind, performing your job correctly and efficiently, dealing flexibly with changes and with a sense of initiative and entrepreneurship: everyone is expected to implement each of these aspects individually and as a team. Kinopolis uses a 'Hire for attitude' policy for new recruitments: the right attitude is more important than the right diploma. Kinopolis is prepared to invest more in the training of new employees, as long as the behaviour and attitude of the candidates are in line with the company's values.

The Landmark core values fit seamlessly with these Kinopolis values, but have a different form and formulation today.

Landmark core values



KINEPOLIS ACADEMY



Training – for every employee – is another important aspect of the Human Capital policy.

The ‘Kinopolis Academy’ helps employees develop their personal skills, also through e-learning. Many training courses are organised on the work floor, with more senior employees assuming a coaching role to help new employees during their onboarding process. There are also personal coaching programmes for managers, and ‘Insights Discovery’ training courses have been organised for teams since 2017.

An updated digital ‘Kinopolis Academy’ was introduced in Europe in 2019, with various new e-learning modules and training programmes at various levels (Star(t)s, Professional, Lead and Develop).

The ‘Star(t)s’ training courses relate to general modules for new employees (e.g. safety, K-Values, GDPR), with the ‘Professional’ module containing job-specific training, ‘Lead’ offering training for novice and experienced managers, and ‘Develop’ focusing on personal development needs, such as language training or an individual coaching process.

Following the outbreak of the Covid-19 pandemic in early March 2020, normal training activities have been severely disrupted. The training courses that did take place focused on the implementation of

Covid-19 measures in our cinemas. These courses were organised on a country by country and cinema by cinema basis, via e-learning and on-the-spot training. In the run-up to the re-opening of the cinemas, test days were organised at various locations – including test audiences – to ensure that everything would run smoothly and safely for employees and customers, and to make adjustments where necessary.

TALENT FACTORY

Every Kinopolis employee has a formal assessment interview meeting with his or her manager at least once a year. The performance of the person concerned is assessed, and personal objectives for the coming year are discussed. Our employees and managers are coached and encouraged to conduct this discussion openly, and to discuss both short- and long-term ambitions and development needs.

Under the name ‘Talent Factory’, Kinopolis offers a framework and toolset for identifying and coaching talents, in order to further develop its human capital in this way. Talents within the company are identified with an eye to the possibility of development and promotion, with job opportunities always communicated internally. After all, internal mobility leads to greater employee commitment and deployability. ‘Talent reviews’ are organised with managers throughout the year in order to identify and highlight the talent and development of their employees. Employees are encouraged to give their input regarding their own career in open dialogue with their line managers.

Given the impact of the Covid pandemic, which resulted in high unemployment and few or no recruitments, career opportunities for employees were limited in 2020. Efforts were made, however, to make maximum use of internal capacity by giving the opportunity to staff who were in a state of technical unemployment to temporarily support other departments where necessary.



SELF-LEARNING ORGANISATION

In its day-to-day operations, Kinopolis creates and stimulates learning networks through its so-called 'operating reviews', among other things. Here, employees in similar positions but from different cinemas talk to each other in order to gain new insights and learn from each other. In this way, Kinopolis invests in a work environment that revolves around feedback and entrepreneurship.

As stated above, since 2019 a new organisational structure has also been implemented in Canada, as the basis for introducing and facilitating the self-learning corporate culture of Kinopolis. The foundations for this will also be laid in the acquired American organisation in 2021.

SELF-INNOVATING ORGANISATION

With the introduction of the Kinopolis Innovation Lab, which encourages employees to submit innovative ideas and then elaborate them further together with a project team, Kinopolis strives to be both a self-learning and a self-innovating organisation. Everyone at Kinopolis – from student to manager – is encouraged to think outside the box and dare to be 'entrepreneurial'.

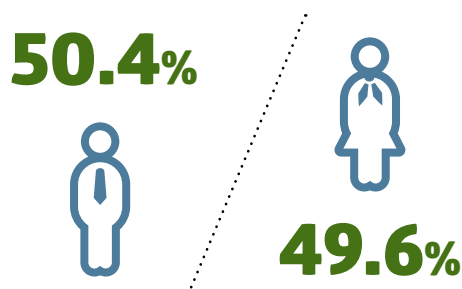
Every quarter, the best ideas are selected by an Innovation Lab jury, and teams are put together to flesh them out and implement them. In this way, the Innovation Lab also ensures that employees collaborate more across departments.

'Innovation Awards' are presented for the best ideas each year. And even if a project turns out to be unsuccessful, the initiator is still rewarded with an entrepreneur bonus. The Innovation Lab has not yet been introduced in North America, but it is planned for a later stage.

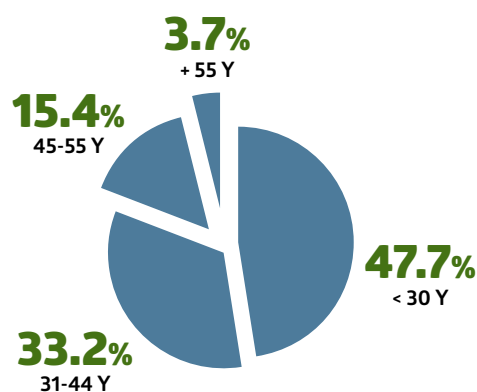
The operation of the Innovation Lab was seriously disrupted by the Covid pandemic in 2020. Even when cinemas were closed, however, Kinopolis continued to work on innovation with a view to developing new sources of revenue in light of the current market context. In addition to elaborating concrete, creative solutions to the Covid challenges (adapting seat reservation systems, etc.), cross-departmental teams also set to work on completely new projects, such as *Kinopolis on Tour*, home delivery services and *Private Cinema*.



M / F RATIO



AGE DISTRIBUTION





Drive-in cinema Kinopolis on Tour in Maldegem (BE)



Private+ cinema, MJR Digital Cinemas

*Creative
'Covid innovations'*



Home delivery service

CONSTRUCTIVE DIALOGUE WITH SOCIAL PARTNERS

Based on the governance framework, Kinopolis strives to achieve a social dialogue and a long-term relationship with its employees and/or relevant external employee organisations in all countries. In consultation with the social partners, Kinopolis wants to find the best solution(s) for both employees and the company in the field of social dialogue, social relations and safety, with due consideration for the legal obligations.

DIVERSITY

Kinopolis respects the individuality of each of its employees, and is committed to giving everyone equal opportunities. We endeavour to mirror the diversity of society in our workforce with regard to age, gender, origin and so on. In 2020, Landmark Cinemas Canada reviewed and adjusted its internal procedures, as well as its recruitment approach and training, in order to focus more on diversity and inclusion in the workplace.

KINOPOLIS AS THE FIRST WORK EXPERIENCE FOR STUDENTS

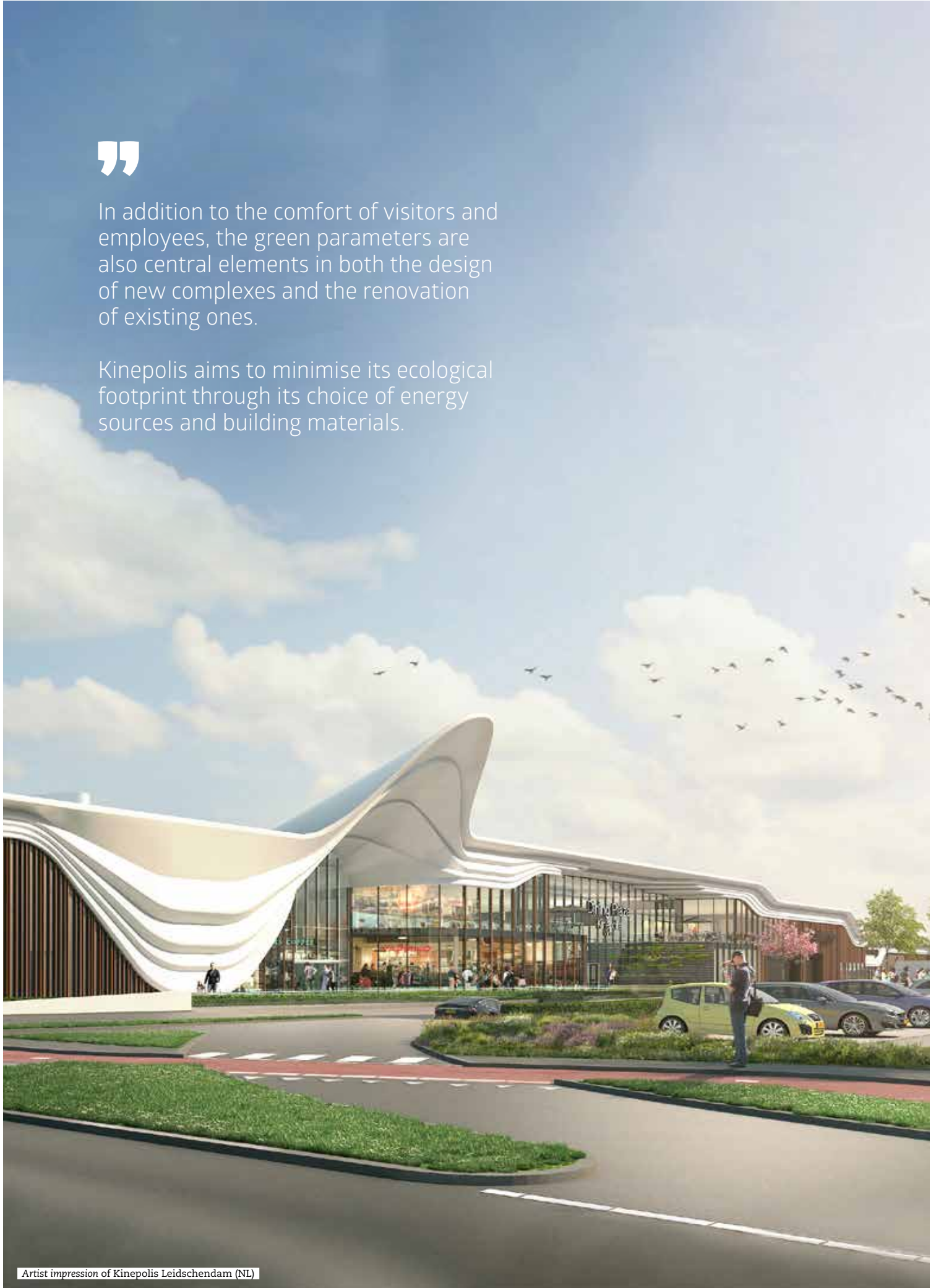
Kinopolis again employed hundreds of students in Belgium in 2020. Given the impact of the pandemic on its activities, however, there were far fewer of them than in previous years. Corona was also a blow to their personal accounts for our many working students during the long periods of closure, and they also missed their close network of friends and colleagues.

Student workers at Kinopolis commit themselves to working in the cinema on at least one weekday and one weekend day per week. The duties vary: from working at the cash desk or in the shop, to cleaning and the coordination of events. In this way, Kinopolis provides hundreds of young people with their first work experience and helps them to acquire a whole range of professional skills, such as working in a team and taking on responsibility. Many of them stay with Kinopolis for years and there are numerous examples of students who have signed a permanent contract and have a rewarding career at Kinopolis.

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In addition to the comfort of visitors and employees, the green parameters are also central elements in both the design of new complexes and the renovation of existing ones.

Kinepolis aims to minimise its ecological footprint through its choice of energy sources and building materials.



Artist impression of Kinepolis Leidschendam (NL)

Care for the environment



Kinepolis seeks to limit its environmental footprint as much as possible by means of its 'Green Star' policy, introduced in 2011.

GREEN STAR POLICY

The Kinepolis 'Green Star' policy is based on the following principles:

- Sustainable design and execution of new construction projects;
- Sustainable renovation of existing cinemas;
- The application of water and energy-saving techniques;
- Sustainable cinema technology;
- The promotion of mobile ticketing and the pursuit of a ticketless customer journey;
- Limiting waste and raising awareness about waste sorting.

The main objective of the above-mentioned policy measures is to systematically optimise, or at least hold the level of energy consumption in check. As a Key Performance Indicator, Kinepolis has been measuring the development of the energy consumption within the Group (expressed in kWh/m²) since 2019. Due to the limited activity and long-term closures of all the cinemas, this KPI is not considered relevant for the year 2020. Full reporting including Landmark Cinemas Canada is expected from 2021.

The following Green Star principles are applied for new-build projects:

- The use of certified materials and techniques with a limited ecological impact;
- Adaptation of systems to sustainable sources of energy, such as geothermal heating systems in Utrecht, Dordrecht and 's-Hertogenbosch;
- Where possible, cinema complexes are supplied with renewable energy (by entering into green power contracts);
- Opting for LED lighting as standard;
- Simplicity of maintenance, as an important factor in the total cost of ownership (sum of construction plus operating costs);
- Focus on multifunctional spaces for various types of use, without major alterations;
- Efficient wall and roof insulation;
- Aiming to obtain a sustainability certificate for new-build projects (such as GPR in the Netherlands);
- Installing water-saving technology in sanitary areas.

SUSTAINABLE REAL ESTATE

In addition to the comfort of visitors and employees, the green parameters are also central elements in both the design of new complexes and the renovation of existing ones. Kinepolis aims to minimise its ecological footprint through its choice of energy sources and building materials.

KPI ENERGY CONSUMPTION OF KINEPOLIS GROUP⁽¹⁾ IN 2019 (KPI NOT RELEVANT IN 2020)

In kWh/m ²	2017	2018	2019
Belgium	171.55	169.95	160.92
The Netherlands	N/A	N/A	158.17
France	N/A	N/A	162.88
Spain	101.43	99.60	107.24 ⁽²⁾
Luxembourg	N/A	N/A	192.30

⁽¹⁾ Excluding Landmark Cinemas and MJR.

⁽²⁾ The increase is explained by the addition of El Punt cinemas, with lower energy performance.

Renovations are often the ideal opportunity to implement additional measures, such as:

- The installation of additional insulation during roofing work;
- The insulation of parking spaces under the theatres;
- The use of water-permeable asphalt when renovating parking lots, in order to take advantage of the absorption capacity of the soil;
- Installing rain drains to catch surface water;
- The installation of updated control systems for heating and cooling (e.g. BaOpt and Optivolt);
- Replacing the existing floors in our shops with Gerfloor, a 100% recyclable PVC flooring that is free of formaldehyde;
- Installation of water-saving technology in sanitary areas.

SOLAR PANELS

Kinepolis 's-Hertogenbosch has had a photovoltaic installation since the beginning of 2019. Solar panels were also installed on the roof of Kinepolis Braine-L'Alleud in 2020. This installation will lead to estimated energy savings of 20 to 25% for the cinema complexes concerned. Given the impact of Covid-19, the installation of solar panels in other cinemas is not included in the investment planning for 2021, but will be further evaluated at a later date (to include, among others, the cinemas in Breda, Utrecht, Madrid and Granada).



GPR CERTIFICATION

The Kinepolis cinemas in 's-Hertogenbosch (photo) and Dordrecht received the Dutch GPR certification, a label for sustainable real estate based on five themes (energy, environment, health, user quality and future value).

APPLICATION OF ADVANCED ENERGY-SAVING TECHNIQUES

Kinepolis has been able to reduce power consumption year after year through the intensive monitoring and adjustment of its technical systems. Kinepolis systematically measures and assesses power consumption in its cinemas and, where possible, takes steps to reduce the consumption further. In the Kinepolis cinemas in 's-Hertogenbosch and Haarlem, for example, the air treatment installation was fitted with a frequency-controlled variable pressure system.



Kinepolis Braine-L'Alleud (BE)



OPTIVOLT

In January 2017, Kinopolis used the Optivolt systems for the first time to reduce power consumption at

Kinopolis Antwerp by eliminating inefficient power consumption. After a positive evaluation, almost all Belgian and several Dutch Kinopolis cinemas were equipped with Optivolt V-Liners and Multiliners, among others, in 2017 and 2018. Optivolt works together with engineers to ensure that the control systems in existing buildings work as efficiently as possible and neutralise the peaks in power consumption. A significant reduction in power consumption can be achieved by setting up the systems to work efficiently, paying particular attention to the interactions between them. Peak capacities have been reduced by around 20% in this regard.

This is a revolutionary control technology that achieves a much more natural and pleasant indoor climate, while consuming up to 40% less energy compared to traditional air-conditioning systems. Kinopolis will now opt for this technique as standard for new-build cinemas.

In addition, Kinopolis has been deploying Optivolt energy-saving systems in Belgium and the Netherlands since the beginning of 2017 (see box). The roll-out of Optivolt in the French cinemas was started in 2019. Similar systems were already installed in all cinemas in Spain in 2018, albeit working together with another supplier.

In Canada, the Landmark team started the implementation of several energy-saving measures in 2019. These include switching to LED lighting, presence sensors, variable-speed HVAC drives and better building automation and control systems. The above-mentioned measures have already been implemented in most, if not all, European cinema complexes; these are practices that have now become common in Europe.

Kinopolis continues to look for ways to reduce its energy consumption. For instance, the heat generated in the projection booths is being used to heat the foyers, where possible. Another example is the switch from open to closed popcorn warmers.

Closed popcorn warmers consume between 30% and 60% less power than open ones. Kinopolis has replaced dozens of popcorn warmers every year since 2017.

SAVING WATER

Kinopolis is also mindful of its water consumption, and is implementing various measures to reduce water consumption and prevent waste. Ipee technology was installed in the toilets at several cinema complexes, for instance. These are smart sensors that adjust the flushing in the urinals after every use, in order to ensure optimal hygiene without wasting water. In the brand new cinema in Leidschendam (opened in March 2021), this technology was not only applied to the urinals, but also to the ordinary toilets for the first time. In recent years, Kinopolis has also replaced the traditional washbasins in most complexes with automatic, water-efficient taps based on optical detection.



SUSTAINABLE TECHNOLOGY

LASER PROJECTION

An important step in the Kinopolis sustainability policy was the digitisation of the projection systems. This technological development has made the chemical production of film celluloid and the transport of voluminous film rolls redundant. Projection technology has taken a step further in the meantime, and Kinopolis has fully opted for laser projection. In June 2018, the cinema group signed an agreement with Cinionic, Barco's cinema joint venture, to equip approx. 300 screens with Barco laser projection by 2021. This includes both installations in new-build cinemas and replacements of older models in existing complexes.

Laser projectors guarantee sublime image quality while also using 30 to 40% less energy than xenon lamp projectors. Moreover, the absence

of lamps also reduces the need for cooling, and lamp replacement is, of course, now a thing of the past.

The laser replacements were largely on hold last year, due to the impact of Covid-19. As part of the agreement with Cinionic, Kinopolis had installed 210 laser projectors by the end of 2020, representing an annual energy saving of over 1.8 GWh. In total, Kinopolis had 257 cinemas equipped with laser projection by the end of 2020, 232 of which in Europe and 25 in Canada. Due to the relatively new projection systems in the Landmark cinemas, we have not yet proceeded with a broad replacement of the current projection systems with laser projectors in Canada. The cinemas that were newly opened in 2019, however, are fully equipped with lasers, including a laser ULTRA screen.



Barco laser projectors from Cinionic



Landmark Cinemas ticket machines



Mobile ticketing

*Everything can be done
via smartphone or tablet*



Kinepolis ticket machines

ONLINE AND MOBILE TICKETING

The increasing importance of online and mobile ticket sales also reduces the ecological impact of Kinepolis' operations. Some years ago, Kinepolis was one of the first cinema operators to introduce numbered and reserved seating, thereby stimulating the sales of online tickets.

In 2020, 51% of the tickets were purchased online or via the app in Europe, and 53% in Canada. With mobile ticketing, customers can purchase tickets on their smartphone or tablet, and don't need to print them out to go to the cinema. Customers who purchase tickets at the ticket machines in European cinemas can also enter without a printed ticket.

WASTE SORTING



Kinepolis has always made efforts to limit waste and ensure the specialised removal of waste flows.

The company tries to minimise waste wherever possible. One example of this is the replacement of the automatic hand-towel rolls in sanitary areas with electrical drying systems. When seats are renovated, the cushions are only replaced if worn. Where possible, they are covered with new fabric.

In addition, visitors are constantly asked to pre-sort their waste. Separate receptacles at the entrances and exits of the theatres and in the foyer facilitate this waste collection, which is picked up and processed by specialised companies. Information on waste sorting is repeated in the pre-show (screen announcements ahead of the film). The rules and recycling possibilities vary from country to country. In Canada, for example, a distinction is currently only made between paper/cardboard and other waste.

In Belgium and the Netherlands, Kinepolis works together with Fost Plus (BE) and Milieu Service Nederland (NL) for (test)projects relating to waste sorting.

IN-THEATRE SALES OPT FOR SUSTAINABLE SOLUTIONS

In addition to replacing the open popcorn warmers with the closed version (see earlier), Kinepolis switched to paper drinking straws in its Belgian cinema complexes, with the plastic candy bags replaced by a paper version. The nacho trays in the shops are made of cardboard, and the plastic nacho trays in the pop-ups are being replaced by trays made of (fully compostable) sugar cane. The lids for cola-cups will also be modified to eliminate all single-use plastic.

In general, Kinepolis is aiming to enter into partnerships at national level in order to come up with sustainable solutions together. Regular discussion partners include, among others, Coca Cola and waste-processing companies, but also cities and municipalities and sustainability groups. For example, Kinepolis is an active member of the Green Business Club Utrecht Central, which is looking for opportunities to bundle the logistical flows of companies in the station area, and thereby reduce the emissions from trucks.

CLOSE THE GAP

Kinepolis donates written-off computers, laptops and servers to 'Close the Gap', an organisation that gives this kind of material a second life in developing countries. In this way, we do our part to give as many people as possible access to technology and education. Kinepolis donated a total of 50 laptops and desktops in 2020. Together with Close the Gap, we ensure that the hardware is also returned to Europe afterwards, where it is taken apart in an ecological way.





CLIMATE CHANGE

As Kinopolis is purely a service company and does not have any highly polluting activities, a report on its CO₂ emissions is less relevant. Kinopolis does, however, always strive to make its cinema complexes easily accessible, whether by public transport, bicycle or car.

By introducing the teleworking obligation and severely restricting business travel, Kinopolis contributed to a general reduction in CO₂ emissions as a result of the Covid-19 pandemic. Although this traffic will increase again after the pandemic,

Kinopolis expects to continue teleworking and video-conferencing in a more permanent form, so that traffic will by no means return to pre-pandemic levels.

In its risk analyses (see part III, page 32), Kinopolis takes account of possible natural disasters as a result of global warming that could affect its operations and, where possible, takes appropriate action to anticipate these and to minimise the risks.

Integrity in business



KINEPOLIS ANTI-CORRUPTION AND BRIBERY POLICY

Kinopolis pursues a stringent anti-corruption and bribery policy:

- Kinopolis prohibits the offering and/or payment of bribes to government employees (or the acceptance of such);
- Kinopolis prohibits the direct or indirect offering, promising, payment, demand or acceptance of bribes or other unlawful benefits in order to obtain or retain contracts or illegal advantages. Kinopolis also does not wish to be connected with money laundering in any way whatsoever;
- Kinopolis carries out business exclusively with partners who operate with integrity, and who cannot be associated with fraud in any way.

Kinopolis pursues such a stringent policy based on the conviction that, aside from the unethical aspect, corruption and bribery will ultimately result in irreparable reputational and economic damage to the company and its stakeholders.

POLICY MEASURES

This policy is explicitly described in the Kinopolis Code of Conduct, which every permanent employee receives when entering employment and is requested to sign. Furthermore, all managers must make a formal declaration every year that they have complied with the stipulations of this code of conduct (including the above policy).

KPI % OF EMPLOYEES WHO HAVE SIGNED THE CODE OF CONDUCT IN 2020 ⁽¹⁾

 **100%**

(1) Attached to the employment contract and signed by every new employee.

In addition, the Kinopolis management is made particularly aware of the anti-corruption and bribery policy through compulsory training courses on risk management and control measures. Employees are encouraged to immediately report any potential risk situations to their line manager, making use of the formal 'whistle-blower' procedure or otherwise, so that they can be handled appropriately.

Breaches of the Code may lead to sanctions in accordance with the employment regulations and/or laws of the country in question.

RESPECT FOR HUMAN RIGHTS

Kinopolis endorses the Universal Declaration of Human Rights as adopted by the United Nations and endeavours to comply with it in all aspects of its operational management. On the one hand, these rights are guaranteed by compliance with the laws of the countries in which Kinopolis currently operates and, in addition, respect for human rights is an important criterion for Kinopolis when seeking and selecting potential partners, suppliers and materials.

Aside from the unethical aspect of such conduct, the failure to respect human rights could cause irreparable reputational and economic damage to the company and its stakeholders.



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This Sustainability Report is available
in English, French and Dutch.



WWW.KINEPOLIS.COM/CORPORATE