

ESG POLICY

FUTUREAL
HOLDING

FUTUREAL
| DEVELOPMENT

FUTUREAL
| INVESTMENT PARTNERS

FUTUREAL
| CAPITAL MANAGEMENT



TABLE OF CONTENTS

1. PURPOSE	4
2. APPLICABLE FOR	8
3. ENVIRONMENT, SOCIAL & GOVERNANCE RULES OF FUTUREAL HOLDING	10
3.1. ENVIRONMENT	11
3.2. SOCIAL	15
3.3. GOVERNANCE	22
4. POLICY OWNERSHIP & INTERPRETATIONS	28



1 | PURPOSE

FUTUREAL
HOLDING

FUTUREAL
| DEVELOPMENT

FUTUREAL
| INVESTMENT PARTNERS

FUTUREAL
| CAPITAL MANAGEMENT



Futureal Holding is aware that its operations have impact on environment, society and broader communities and understands its responsibilities in this respect.

Futureal Holding ESG policy (“Policy”) formalizes Futureal’ strong commitment to business practices which are responsible in:



This Policy confirms and sets rules for Futureal Holding’s ESG responsible approach to corporate operations as well as to our investments, projects and business management.

ESG aspects of Futureal Holding’s operations are regularly reviewed by the Investment Committee and Operations Board of the company which also sets short, mid and long-term targets and tracks the completion. ESG area is overseen by Futureal Chief Operating Officer.

Futureal Holding’s ESG approach to investments and projects is further elaborated in ESG Strategy for Developments of Futureal (see: [LINK](#)) and in the Hello!Zero vision (see: [LINK](#)). This Policy and ESG Strategy for Development of Futureal shall be read together.



Futureal Holding strikes to build efficient, modern and A class assets, in the right locations, ensuring our tenants and customers needs and having positive impact on the environment and responding to climate change risk.

Environmental aspects are taken into account throughout all the phases of the development, operations and investments. Futureal Holding's projects and developments target achieving sustainable building certification at least at the level of BREEAM Excellent and WELL Platinum Requirements. To ensure the solid

foundations of high quality operation in regards environmental matters, the ISO 14001:2015 environmental management system is being followed. In order to take into consideration environmental characteristics over the investment decisions the Green Finance Framework could provide guidance.



Futureal Holding invests into its employees to provide dynamic, inclusive, diverse and challenging working environment which supports career growth of the team members as well as promotes adequate work life balance.

Health and well-being of Futureal Holding's teams is always in the center of attention of any work and operation related decisions.

Futureal Holding is also actively supporting initiatives that benefit environment, human wellbeing, and career development. Company activities cover its own employees

as well as support to various communities and charity organizations.

Protection of human rights and welfare is deeply in the company's DNA and part of Futureal Holding's business operations as well as is explored throughout company's supply chain.



Futureal Holding strongly promotes transparency, risk management and oversight of its business operations at all levels of the organization taking ESG aspects always into account.

Strong corporate governance structure is put in place, including various levels of group as well as business lines committees and boards. Management is clearly accountable for following the governance rules of the company.

Business and operational risks are overseen by Groups Head of Risk Management in cooperation with Futureal Holding's Chief Operating Officer who also oversees business continuity management for the firm.

Strong ethics and compliance rules are put in place and on regular basis stressed

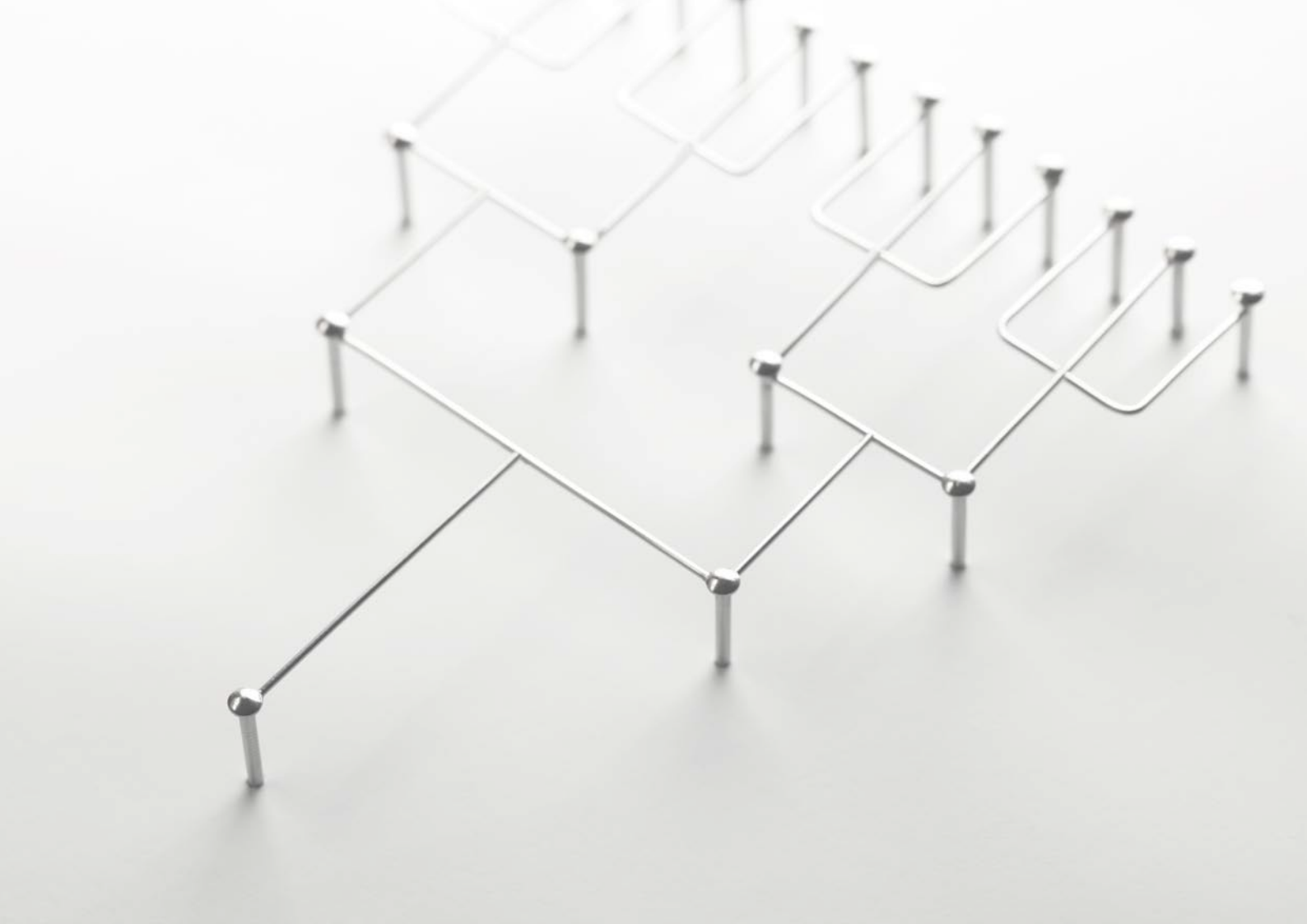
to Futureal Holding's employees and acknowledgements, training participations by the team are documented.

Futureal Holding seeks to proactively prevent and mitigate any risks of non-compliance with the principles of this Policy. For this purpose Whistleblower Interface is put in place.



Whistleblower Interface is an anonymous / confidential tool that Futureal Holding employees are encouraged to use for reporting any breach of the principles as per this Policy or any concerns thereof.





2 | APPLICABLE FOR

FUTUREAL
HOLDING

FUTUREAL
| DEVELOPMENT

FUTUREAL
| INVESTMENT PARTNERS

FUTUREAL
| CAPITAL MANAGEMENT



This Policy is applicable for the following business lines:





3

ENVIRONMENT, SOCIAL &
GOVERNANCE RULES OF
FUTUREAL HOLDING

FUTUREAL
HOLDING

FUTUREAL
| DEVELOPMENT

FUTUREAL
| INVESTMENT PARTNERS

FUTUREAL
| CAPITAL MANAGEMENT



3.1. ENVIRONMENT



Futureal Holding recognizes that the world faces environmental challenges and is committed to promoting a healthy environment.

As an organization that engages in the regional real estate business, we believe that our business can and should do things to promote a positive influence in matters that improve the world and environment in which we live. Futureal Holding is committed

to continuing to educate its employees and business partners enabling the growth of a sustainable business, which is vital to improving the environment. Specific actions are taken by Futureal Holding to minimize the impacts of its operations.

ENVIRONMENTAL AND CLIMATE PROTECTION



Futureal Holding is committed to contributing to environmental protection and conservation, as well as the reduction of the adverse effects of climate change.

The Futureal Holding's commitment to the environment goes beyond legal compliance and extends to actions intended to minimize the negative impact of its activities. Conscious effort is made to continuously decrease the carbon footprint of Futureal Holding operations with a target to achieve net-zero carbon neutrality by 2035. A sustainability body and team help the Futureal Holding fulfilling its environmental goals.

ENVIRONMENTAL-FRIENDLY DEVELOPMENTS, RENOVATIONS & OPERATION

Sustainability is a key element of all Futureal Holding activities, including all of its urban rehabilitation projects, residential real estate and retail, industrial, and office developments.

Futureal Holding recognizes that considering full lifecycle of the real estate the carbon emissions and overall environmental impact of newly developed projects are in general higher compared to renovation and rehabilitation projects where existing buildings are repositioned into efficient, class A real estate assets. Futureal Holding is actively searching for such repositioning opportunities.



Futureal Holding also aims to develop sustainable projects achieving at least BREEAM Excellent and WELL Platinum building certifications (where possible).



During the implementation and operation of its projects, Futureal Holding strives to minimize waste generation, energy consumption, and harmful emissions, while helping to preserve the richness of the natural world.

In the office sector in Hungary, Futureal Holding has helped popularize the WELL rating system among industry professionals to construct office buildings that, in addition to protecting the environment, are also beneficial for the health, wellbeing, and comfort of the people that work there.

Sustainability is necessary to be integrated in the entire operation of Futureal Holding, to ensure this approach the development and maintenance of the suitable ISO 14001 environmental management system is fundamental. The environmental performance of Futureal Holding is periodically monitored and improved comparing with the long term environmental goals.

GREEN FINANCING



Futureal Holding also participates in sustainability dedicated financing programs (e.g. green bonds) to support environmental-friendly developments and renovations.

The evaluation and selection of eligible green assets, such as BREEAM and LEED-certified projects constitute a key process at Futureal Holding. A Green Finance Committee (GFC) composed of representatives of the Futureal Holding's leadership was established to ensure that the proposed projects are in line with UN and company values and the criteria set and approved by the annual allocation plan and impact study. The list of eligible green assets adopted by the GFC and related processes are managed and monitored by the Green Bond Team involving Futureal Holding experts.

ENVIRONMENTAL COMPLIANCE

Futureal Holding ensures compliance with the applicable and relevant local and EU environmental laws, regulations, standards, and other requirements.

Beyond the compliance with mandatory legislation Futureal Holding strives to exceed the current environmental requirements completing the different levels of sustainable building certifications over the development phases. Futureal Holding is committed to support and require from the suppliers to meet the requirements of the relevant environmental legislations. Futureal Holding takes all reasonable measures to ensure that only vendors who are in accordance with the main environmental principles and values determined in this policy are selected for engagement.



TRANSPARENCY

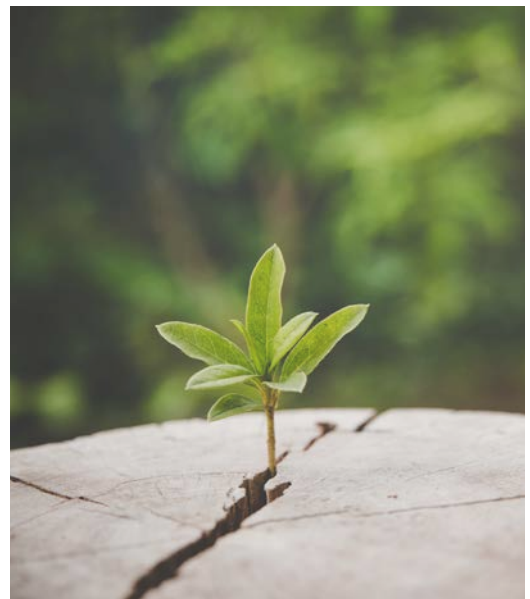
Futureal Holding is committed to conducting an open discussion and communication with its employees, customers, suppliers, partners, local communities, government institutions, NGOs, and the public in order to create transparency in its environmental performance.



COOPERATION

All stakeholders of Futureal Holding make an important contribution to achieving the company's environmental goals. **Programs and initiatives across the organization are implemented to enable employees to create something lasting in their specialist area as a part of a sustainable environment and a responsible corporate culture.** The sustainability knowledge of employees at all levels is expanded through regular internal and external training and communication campaign.

Futureal Holding has been a founding and an active member of the Hungarian Green Building Council (HuGBC) since 2009. The association is made up of professionals from the construction industry dedicated to supporting sustainability, the environment, and architecture, to promote sustainable and profitable construction practices in the country.



More information on Futureal Holding's sustainability principles can be found at: [LINK](#)

3.2. SOCIAL



Futureal Holding's relationship with its employees and their relationship with each other will be based on compliance with the following principles.

Company values, ethical principles and moral rules are further elaborated in the Code of Ethics.



Any breach of these ethical norms must be reported to relevant supervisor or Group Head of HR or through the web-based Whistleblower Interface

Futureal Whistleblower Interface



EQUAL EMPLOYMENT OPPORTUNITY, NO DISCRIMINATION, HARASSMENT, AND OFFENSIVE CONDUCT

Futureal Holding is committed to respect fundamental human and personal rights and prevents all forms of discrimination.

The company supports employment of individuals with unique personalities, goals, backgrounds and views. It is Futureal Holding culture and expectation from all employees that they will respect these differences and will support and contribute to work environment based on mutual respect, free from harassment and discrimination.

Futureal Holding, in the course of employment, gives effect to

- the requirement of equal treatment,
- prevents and avoids discrimination against employees,
- refrains from any conduct which may result in direct or indirect discrimination,

- retaliation,
- harassment or unlawful segregation of certain categories of employees or groups of employees on the basis of their specific characteristics.

Decisions including, but not limited to, those affecting recruitment, promotion, terminations of employment, compensation, leaves of absence, assignments and other conditions and terms of employment have to be made on the basis of qualification, performance and other work-related factors, and without discrimination against any person on the basis of sex, race, pregnancy & maternity, marriage & civil partnership, sexual orientation, gender reassignment, disability, religion & belief and age.

DISABILITY



Futureal Holding welcomes applications for employment from persons with disabilities.

Futureal Holding does not allow discrimination against qualified individuals with disabilities in regards to the application procedure, hiring, terms and conditions of employment, or termination of employment. Futureal Holding commits to take reasonable effort to accommodate for qualified applicants and employees with disabilities and take measures enabling them to perform the job duties.

HUMAN DIGNITY AND MUTUAL RESPECT

Futureal Holding main principle is to respect and accept each other, including different habits and opinions of the Team and settle any disputes in a way that respects human dignity.

All Futureal Holding leaders have a responsibility to set a personal example to create and maintain a culture of ethical operation. The foundation for this culture is leader to subordinate relationship which must be based on mutual respect and transparent, open communication.

Futureal Holding does not tolerate

- harassment,
- defamation,
- or any other degrading,
- demeaning,
- offensive,
- intimidating,
- hostile,
- or even violent conduct.




All Team members must address each other, as well as Futureal Holding's clients, business partners, vendors in a professional and respectful manner. **No Team member is permitted to engage in abusive, disrespectful or unprofessional conduct, whether in person, by phone, or by e-mail.**

SEXUAL HARASSMENT



While all forms of harassment are prohibited, Futureal Holding emphasizes that sexual harassment is specifically prohibited.

Each manager and/or team leader has a responsibility to maintain the workplace free of any form of sexual harassment.

 **Sexually harassing conduct in the workplace, whether committed by managers/supervisors, non-managerial employees or outside individuals (vendors, customers, independent contractor, etc.) is expressly prohibited and shall be reported via**

Futureal Whistleblower Interface 

For more details refer to Code of Ethics.

WORKPLACE VIOLENCE AND BULLYING



Futureal Holding is committed to providing its employees with a safe work environment.

That means Futureal Holding does not tolerate any form of

- violence,
- threats of violence,
- intimidating or threatening behavior,
- attempts to instill fear in coworkers,
- or any other acts which a reasonable person would consider as posing a danger or threat.

CHILD AND FORCED LABOR

Futureal Holding does not tolerate child labor, the exploitation of children, their engagement in unacceptably hazardous work nor the physical punishment, abuse, or involuntary servitude of any employee.

While Futureal Holding operates in the countries and industry where the risk of child and forced labor may be low, this policy acknowledges that child and forced labor is a serious problem in many other industries, particularly in certain parts of the world.

Futureal Holding ensures that all legal limitations regarding employment of persons below the age of 18 are followed and does not recruit individuals under the legal age of employment.



It is the responsibility of any employee who experiences or witnesses behavior inconsistent with these regulations to report it using the Whistleblower Interface set forth in this Policy: [Futureal Whistleblower Interface](#)



COMPENSATION AND FAIR WAGE POLICY

Futureal Group's compensation and fair wage philosophy is founded on these essential principles:

- **Ensure that the pay practices** (including whole remuneration package) **are fair and competitive by monitoring what the market is paying for the same or similar jobs, qualifications and experiences.** This is reflected in benchmarking the market remuneration to each grade and job family as per Futureal Group job grading system.
- **Rewarding exceptional performance against expectations.** Base salary increases, bonuses, promotions and other rewards, if applicable, are determined by senior management annually reflecting on the targets agreed with each employee for given year. Compensation awards are typically communicated during December of each year.



- **Base salary increases, bonuses, promotions and other rewards are approved by the Futureal Group leadership** following the established transparent approval process.
- **NOTE:** salary raises and or bonuses may not occur if adverse economic or financial conditions exist.

HEALTH AND SAFETY

Futureal Holding is committed providing a safe and healthy working environment to its employees, whether it is in Futureal Holding premises or on project sites.

Futureal Group ensures compliance with relevant statutory health and safety laws, regulations and recommendations and to develop the best feasible operations, procedures, technologies, and programs conducive to such an environment.



The company is committed to prevention of personal injury, environmental damage and hazards, and the reduction of health & safety risks arising from the company activities. **Futureal Holding provides work environment that provides adequate protection and safety, free of unnecessary risks and going above and beyond legal obligations for all persons who work and operate as part of Futureal Holding.**

To support this objective, all Futureal Holding employees are expected to work diligently to maintain safe and healthy working conditions



and to adhere to proper operating practices and procedures designed to prevent injuries and illnesses. In order to accomplish, regular Health & Safety trainings are provided to all employees.

For more details on Futureal Health and Safety rules please refer to detailed policies: [LINK](#)

For more details on Futureal Covid-19 related measures and rules please refer to: [LINK](#)

As part of its benefits accessible to all its employees Futureal Holding offers possibility to opt for private health care services as well as Futureal Holding ensures for its team members regular annual medical examination. Futureal Holding organizes health and wellbeing webinars regularly about various topics, including mindfulness, resilience, physical and mental energizing and focusing skill development.

LEARNING AND DEVELOPMENT

Futureal Holding promotes the professional and personal development of all employees. **Futureal Holding is committed to ensuring that all employees have access to learning, development and training opportunities that enable them to acquire the knowledge and skills to perform their role within the company and to develop their talents in a way that is appropriate to achieve their career goals.**



To ensure that the employee training plan meets Futureal Holding's strategic business objectives, decisions to invest in employee training and development are always made with due consideration of business needs and the individual needs of the employee. Futureal Holding regularly reviews the level of investment in employee training and development and the provision of adequate resources and ensures that training and development activities are beneficial to both employees and the business.

Futureal Holding believes that it is a mutual responsibility to enable and let employees develop their job-related knowledge and skills. In this spirit, Futureal Holding expects all employees to continuously evaluate themselves and their performance, and to facilitate this, their manager will provide continuous feedback on their work and suggestions for improvement.

Since learning and development is a significant cornerstone of Futureal Holding's corporate culture, constant evaluation is expected from all employees regarding their own behavior, actions, knowledge, skills and performance while working. We believe that continuous self-evaluation together with support and feedback from the managers allows every employee to improve their practices and develop new skills in order to provide even better performance. The evaluation is not reduced to individual personal assessments but is performed on an organizational level such as project or process evaluations.

Futureal Holding's training and development efforts are designated to reach the following objectives:

- Ensure that staff members are supported and empowered to meet the changing needs of the Futureal Holding to achieve its strategic objectives;
- To promote staff development and/or personal growth by expanding, deepening and thereby further developing existing skills;
- Providing a working environment in which continuous learning and development takes place to increase motivation and retain staff.

EMPLOYEE AND COMMUNITY ENGAGEMENT

Employee engagement



Promoting a culture where communication, collaboration and respect thrive is essential to driving positive outcomes for stakeholders, including colleagues, clients, and the communities in which we live.

Futureal Holding is committed to engaging with colleagues in productive and meaningful ways. Regular employee engagement surveys, town halls and smaller feedback sessions enable team members to provide insight on the organization's strengths and the opportunities available for improvement.

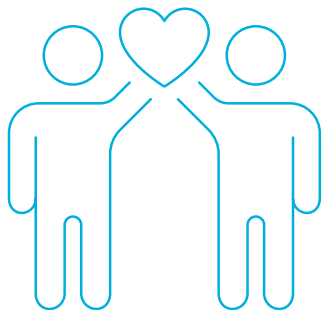
Community engagement



Futureal Holding actively supports and provides financial assistance to various charity organizations and foundations which are focusing on the main social issues in line with the company's ESG values.

The main dimensions which are at the center of the Futureal Holding's community engagement are supporting the most vulnerable communities, education and protection of future generations, health and environmental organizations. The company is long term sponsor of over 20 different foundations and organizations.

3.3. GOVERNANCE



Futureal Holding operates with a high level of integrity and all employees are obliged to avoid bribery and corruption including the misuse of the funds it manages and the use of employees and facilities for money laundering and terrorist financing.

Over the business operation Futureal Holding is committed to conducting business following the principles of ethical

business conduct further specified in the Code of Ethics.

ETHICS & CORPORATE VALUES

Futureal Holding emphasizes the importance of ethical standards and practices for all employees.

The main three dimensions of the ethical business conduct are

- human rights,
- fair corporate and individual conduct and
- the protection of corporate assets.

The details of these values and principles are presented in the Futureal Group Code of Ethics. Employees are required to complete annual as well as ad-hoc training which include, but is not limited to, topics such as ethics, insider trading, anti-money laundering, anti-bribe.



More about Futureal Holding corporate values can be found on: [LINK](#)

GENERAL GOVERNANCE PRINCIPLES

Futureal Holding’s leadership has put in place strong governance structure leveraging various committees (meeting regularly) to assist leadership in exercising its responsibilities and promoting transparency, accountability and ownership over the business and operations matters of the group.

Type[GB1]	Meetings	Purpose
Investment Committee	Weekly	Provide advice and recommendations on various business and investment matters of members of Futureal Holding
Strategy Up-Date Meeting	Quarterly	Revise strategy of the group to react on most recent market development
Finance & Risk Up-Date Meeting	Quarterly	Provide up-dates and discuss actions with respect to finance and risk topics
Group Operations Board	Monthly	Discuss and take decision, provide recommendation on various operation related matters for the group. ESG is standing agenda item on the meeting.
Group Strategy Workshop	Annually	Setting strategy of the group for given year and short/ mid-term. ESG is standing agenda of the meeting
Various functional teams and business lines management meetings	Weekly/ Monthly	Discuss operational matters of on-going projects and operations of given team and/or business line. ESG is standing agenda item of the meetings
Green Finance Committee	Ad-hoc basis, but at least annually	Assess alignment and allocation of funding of eligible Futureal Holding projects for the Green Finance Framework (aligned with ICMA-Green Bond Principles). The committee is ensuring that the ESG processes are applicable to all allocation decision under the respective financing framework. For more details to Futureal Green Finance Framework refer to: LINK

The governance structure is being reviewed annually.

ANTI-BRIBERY AND CORRUPTION

Futureal Holding honors strong culture of compliance that highlights its commitment to ethical practices and to serving the best interests of its clients and Team members by avoiding instances of corruption and bribery including the misuse of the funds it manages and the use of employees and facilities for money laundering and terrorist financing.

Futureal Holding stresses the importance of fiduciary responsibility and the importance of acting in the best interest of Futureal Holding's clients, addressing conflicts of interest, complying with applicable laws and regulations, and promoting high ethical standards of conduct for all Team members. The organization and development of Futureal Holding's personnel structure, the philosophy and operating style of its leadership and the delegation of authority and responsibility including the attention and direction provided to Team members are also important components of Futureal



Holding's commitment to a strong control environment. Futureal Holding Team Members are required by law and by this Policy to comply with all applicable anti-bribery and anti-corruption statutes and regulatory requirements in all jurisdictions in which Futureal Holding operates.

Any suspicious activity, crime or suspected crime along with any violations of Futureal Holding policies and procedures must be reported via [Futureal Whistleblower Interface](#)

BUSINESS CONTINUITY

Futureal Holding has taken appropriate steps to enable the efficient continuation of critical business functions in the event of a crisis that impacts ability to function at Futureal Holding primary work sites.

These critical functions include:

- Data delivery to Futureal Holding's leadership and business partners
- Any statutory obligations
- Management of the Futureal Holding funds

These critical functions and related processes are supported by redundant technology infrastructure that allows to all



Team members to perform their duties from independent or Futureal Holding alternative locations.

VENDOR CODE OF CONDUCT



Futureal Holding expects its vendors and partners to act in a manner that is consistent with this Policy.

Futureal Holding takes all reasonable measures to ensure that only vendors who adhere to

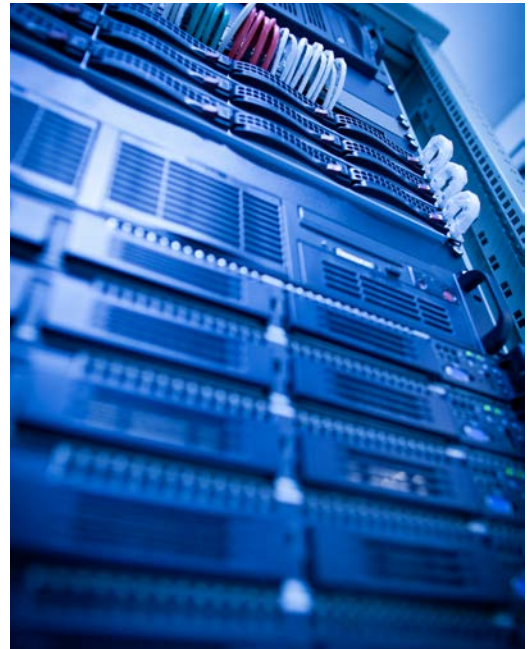
- ethical business practices,
- labor and human rights,
- diversification and inclusion,
- environmental stewardship,
- management systems,
- governance policies are selected for engagement.

Futureal Holding conducts assessment of the vendors during the vendor selection process.

DATA BACK-UP

Futureal Holding is having several layers of data back-up:

- **Physical local daily back-up on servers** in Futureal Holding main office. Deployed technology saves changes incrementally (only changes are saved). This allows to roll back/recover history from earlier dates (i.e. no overwrite).
- Futureal Holding data are further backed-up (mirroring of the previous point) via **private cloud solution** from reputable 3rd party service provider. The back-up is stored at the data center of the provider in Budapest (X. District) with further mirrored copy in data center in Szeged.
- Back-ups are archived for 90 days.

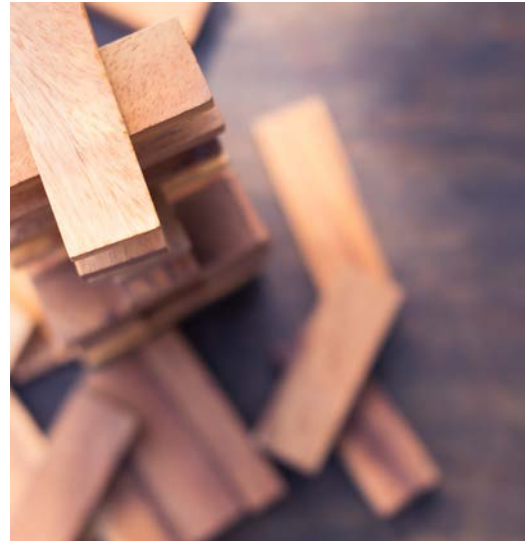


RISK MANAGEMENT

Risk management and assessment is integrated within the business and operational units of Futureal Holding.

The relevant internal operational boards identify and analyze environmental, social and governance related risks occurring over the business operation; risk assessment actions are taken to prevent and minimize the impacts.

The implemented ISO 14001 environmental management system supports the proper management of risks. Futureal Holding's commitment to the management of ESG risks includes business partners, vendors and suppliers.



CRISIS MANAGEMENT

Crisis situation for the purposes of this Policy shall be interpreted as any situation which any Team member may have reasonable grounds to believe that there is a risk of serious direct or indirect threat to the Futureal Holding business, operations, Team members or property ("Crisis Situation").

Futureal Crisis Management is secured by Operations Board. In case of any crisis Futureal Holding Chief Operating Officer must call Operations Board meeting (to be organized virtually as per the need) within at the latest 12 hours to discuss the crisis situation and take decision on actions.



Any Crisis Situation or suspicion that Crisis Situation may arise shall be reported immediately to Futureal Holding Chief Operating Officer using the mobile phone number +36 70 651 2672 .

GDPR

For more information on the rules and approach of Futureal Holding to data protection and security please refer to Futureal GDPR Policy: [LINK](#)



WHISTLE BLOWING

Futureal Holding is committed to the highest standards of business conduct and ethics.

Futureal Holding strongly adheres to its corporate values (Integrity, Creativity, Perseverance, Team Spirit) and to the principles outlined in this Policy. Futureal Holding expects its employees and members of its Board of Directors to follow and to promote those principles in order to maintain the high standards of integrity and ethics, to deter wrongdoing and to promote compliance with this Policy and applicable regulations.

Employees have an affirmative obligation to promptly report any known or suspected violations of the rules as per this Policy and or any behavior in violation of principle of corporate values to their supervisors or the Group Head of HR. Alternatively, a **web-based Whistleblower Interface**

Futureal Whistleblower Interface is

available for reporting. Futureal Holding does not allow retaliation of any kind against any person who, in good faith, reports a suspected violation of law, regulations as per this Policy or violation of principles of corporate values.



Futureal Holding's Whistleblower Interface provides an option to submit reports on a 100% anonymous basis. Submitted reports can only be accessed by Futureal Holding's Chief Operating Officer and Futureal Group's Head of HR who are responsible for the investigation of feedback submitted and for taking corrective actions.



4

POLICY OWNERSHIP & INTERPRETATIONS

For any questions with respect to this Policy and its interpretations contact Futureal Holding Chief Operating Officer.

FUTUREAL
HOLDING

FUTUREAL
| DEVELOPMENT

FUTUREAL
| INVESTMENT PARTNERS

FUTUREAL
| CAPITAL MANAGEMENT



FUTUREAL
HOLDING

FUTUREAL
| DEVELOPMENT

FUTUREAL
| INVESTMENT PARTNERS

FUTUREAL
| CAPITAL MANAGEMENT

