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# hello! ZERO

Switching carbON to carbOFF  
ESG Strategy





# INTRODUCTION

## Climate-neutral European Union



The Paris Climate Agreement addresses issues such as reducing greenhouse gas emissions, adapting to global warming, and their financial consequences. The agreement, which entered into force on 4 November 2016, was also ratified by Hungary as a member of the European Union. The primary objective of the deal is to keep the global average temperature increase well **below 2°C** compared to pre-industrial levels and to continue efforts to limit the temperature increase to **1.5°C** above pre-industrial levels as a further goal.

On 24 June 2021, the European Parliament adopted the EU Climate Law, which legally obligated the **European Union to become climate-neutral by 2050**, thereby reaffirming the Union's leadership in the fight against climate change. Intermediate targets and various other legislative packages were defined to achieve these goals. One of the milestones requires a reduction of the Union's emissions by at least 55% by 2030.

# INTRODUCTION

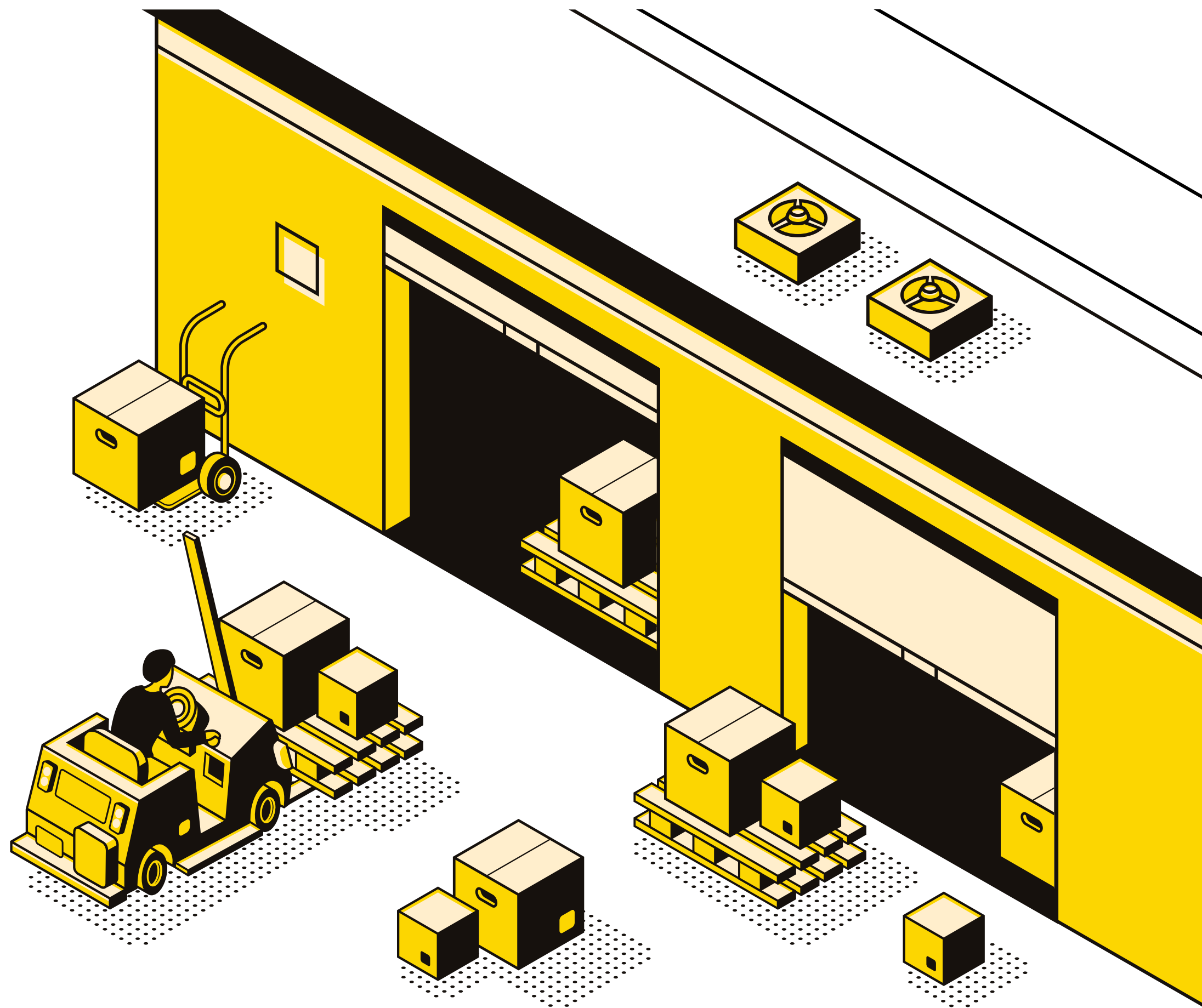
## Responsible construction industry

Our goals for achieving these climate objectives are framed by the United Nations Sustainable Development Goals adopted during the historically significant UN Summit 2015.

As

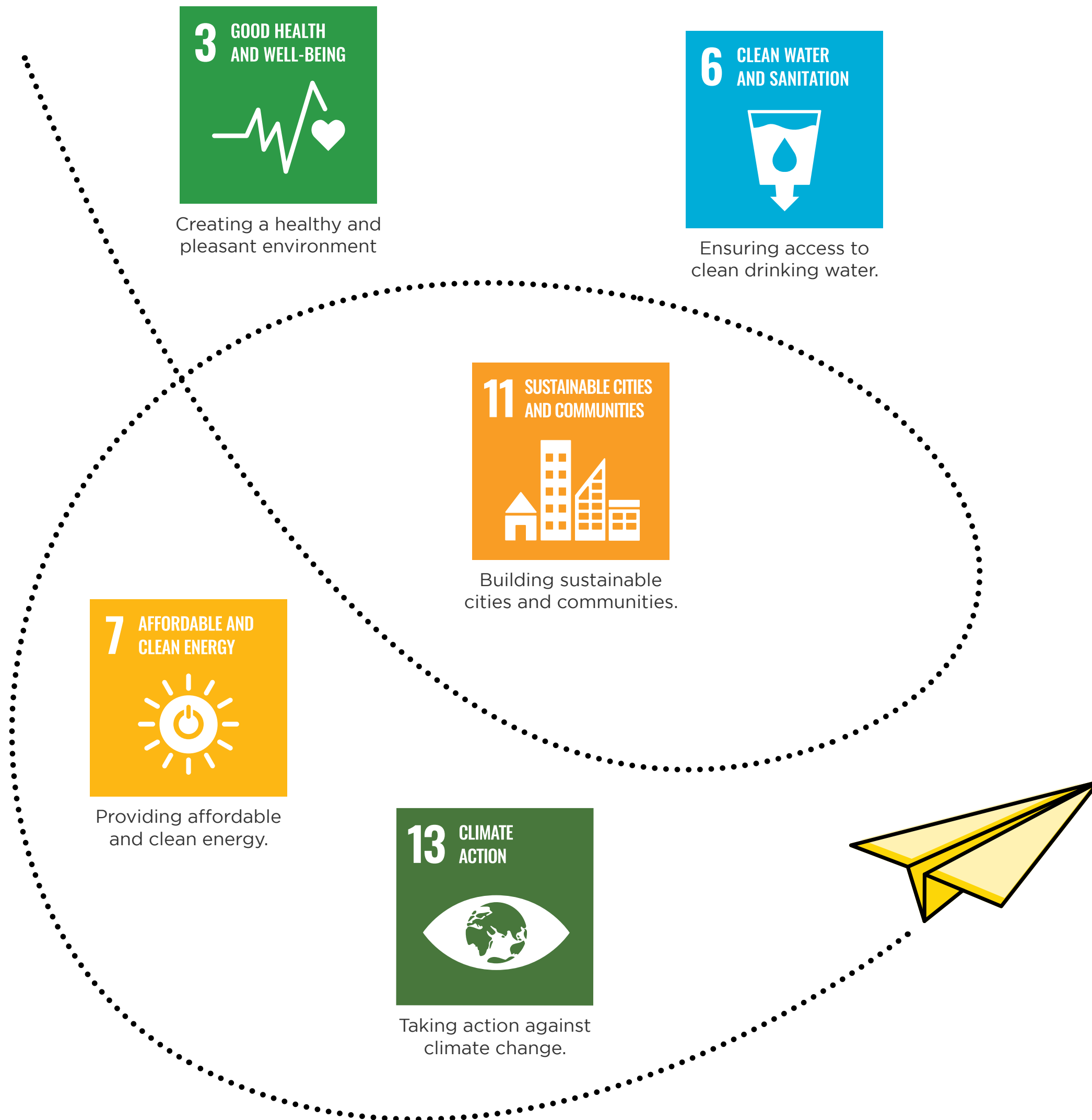
### **buildings account for 40% of total energy consumption in the European Union**

making the real estate sector the largest energy consumer, the industry is responsible for meeting the requirements for climate neutrality and radically changing its current polluting practices. Beyond the challenges, this also presents a tremendous opportunity. The Futureal Group and HelloParks aim to lead in this noble task, setting an example through our ambitious goals to motivate and inspire the entire industry nationally and internationally.





# FUTUREAL GROUP



## Creating a sustainable future

In line with the United Nations' Sustainable Development Goals, the Futureal Group places significant emphasis on the following aspects in each of their developments:

### Building sustainability from the foundations

At the Futureal Group, we implement organisation-wide programmes and initiatives daily to ensure that our employees can make a lasting impact in their respective fields within a sustainable environment and under a responsible corporate culture framework. As a result, sustainability appears in every aspect of the group's activities, with a critical focus on environmental conservation and protecting people's mental and physical health.

### Financing sustainable and liveable projects

We have established the Environmental Finance Framework to more effectively allocate resources to projects aligned with the values of the United Nations and our entire group.



# FUTUREAL GROUP



We work on environmentally friendly and energy-efficient developments that meet the strictest sustainability standards from planning through construction to operation.



In the office sector, WELL certification has been introduced to the Hungarian professional community with the assistance of Futureal. Following certification guidelines, we create human-centric, harmonious buildings that adhere to the most rigorous international standards, positively affecting the well-being and comfort of the employees and people interacting with our buildings.



As part of Futureal's own initiative, we establish shared areas of development with the latest healthcare solutions to protect our employees.

# Operating with people and the environment in mind



hello! PARKS



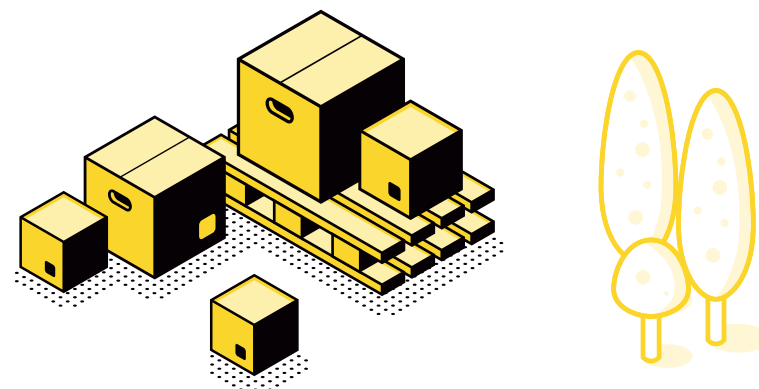
# HELLOPARKS

## The most sustainable industrial property developer in Hungary

HelloParks has stepped up as a pioneer in meeting the requirements for climate neutrality within our own field.

**We aspire to motivate and inspire the entire industry through our ambitious goals.**

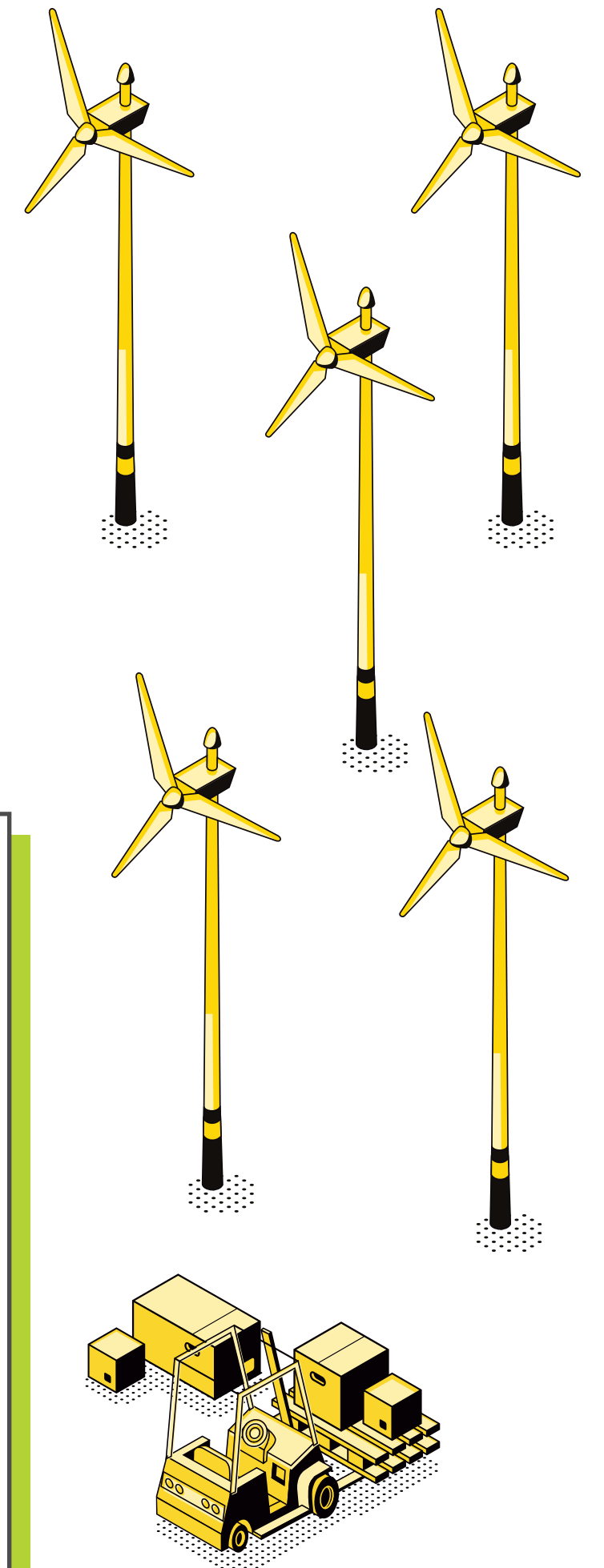
We have developed a detailed roadmap to achieve climate neutrality by 2035 following our objectives defined according to the climate goals set by the United Nations. Between 2035 and 2050, we will focus on reducing the carbon emissions of our entire supply chain and neutralising and offsetting any remaining emissions.



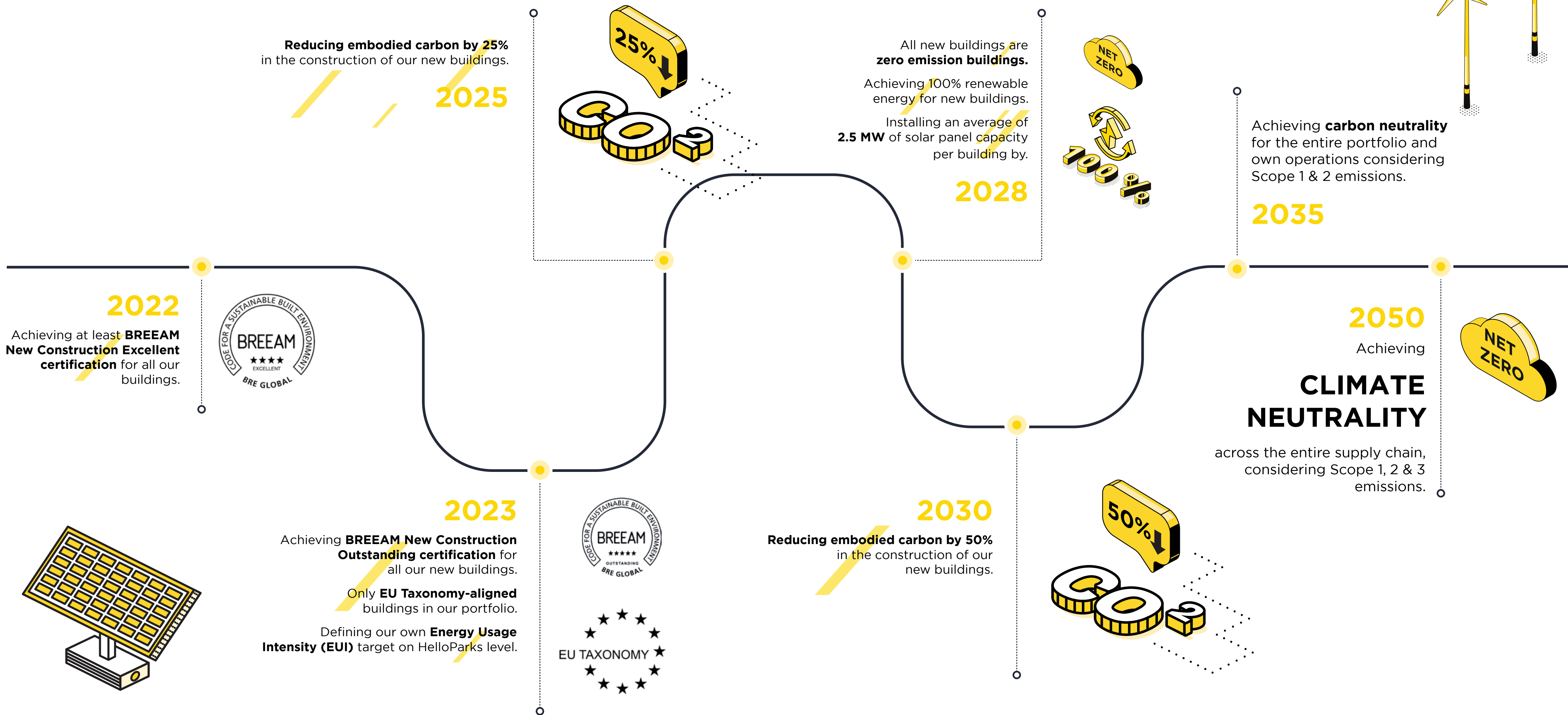
**We pay particular attention to the sustainability of our activities to mitigate the impacts of climate change. Our approach includes:**

- Holistic planning: a comprehensive approach to planning.
- Reduction and neutralisation of greenhouse gas emissions.
- Increasing energy efficiency.
- Reducing embodied and operational carbon.
- Deploying sustainable water management.
- Deploying waste management and circular economy practices.
- Protection and promotion of biodiversity.

In addition to environmental protection, we are committed to preserving mental and emotional well-being and strongly emphasise physical health. As part of our social responsibility, we support achieving various local community goals.

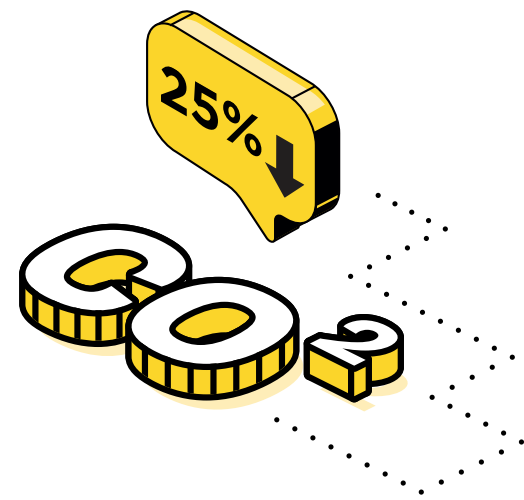


# hello! PARKS milestones



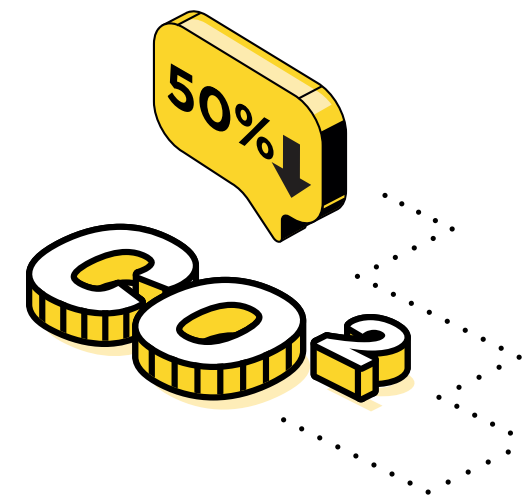
# EMBODIED CARBON TARGETS

Reducing the carbon footprint associated with building materials used in our warehouses.



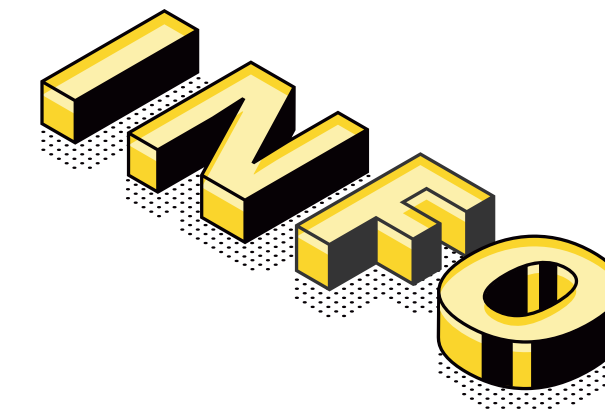
01

Reducing the **embodied carbon** level by 25% in new building constructions starting from 2025 compared to our own baseline value (2021), without offsets.



02

Reducing the **embodied carbon** level by 50% in new building constructions starting from 2030 compared to our own baseline value (2021), without offsets.



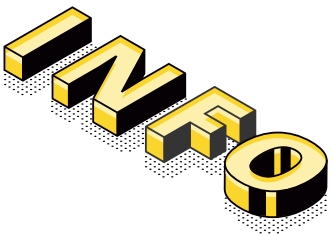
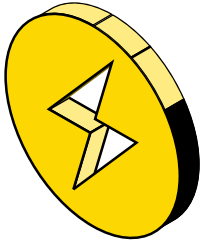
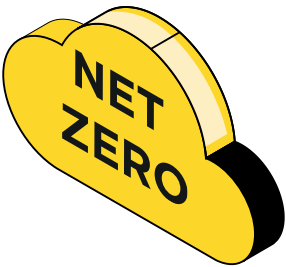
Our initial buildings resulted in a carbon footprint of approximately 400 kg CO<sub>2</sub>e/sqm for what is categorised as embodied carbon, falling under Scope 3 emissions. At HelloParks, ongoing developments and research are in progress to reduce this to a maximum of 300 kg CO<sub>2</sub>e/sqm for all newly-constructed buildings starting from 2025 and further reduce it to a maximum of 200 kg CO<sub>2</sub>e/sqm beginning from 2030, without considering emissions reductions achieved through offset options.

When setting these targets, it is essential to note that there is currently no regulation or target in place in the European Union regarding embodied carbon. Therefore, our commitment is forward-looking and ambitious, potentially serving as a pioneering example in the Hungarian construction industry.



# OPERATIONAL CARBON TAGRETS

Reducing the carbon footprint resulting from the energy consumption of our buildings.



**01** From 2028 all our new buildings will be **Zero-emission buildings**, resulting in net-zero emission in terms of operational carbon

**02** From 2035 **net-zero emissions across our building portfolio** in terms of operational carbon

**03** From 2035 **HelloParks' own operation will be net-zero**

**04** From 2028 achieving **100% renewable energy** for new buildings

**05** **Solar-ready roof with 430 kW** photovoltaic panel capacity as standard

**06** From 2028 an average of **2,5 MW photovoltaic panel capacity per building**

**07** **Increasing the energy efficiency of our buildings** in line with the goals of the Paris Agreement.

In 2023, a specific Energy Usage Intensity target will be defined on HelloParks level.

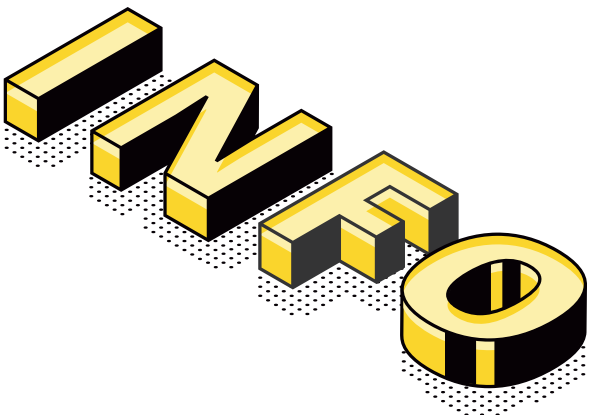
In the European Union, buildings are responsible for 40% of total energy consumption and 36% of greenhouse gas emissions related to total energy consumption. Therefore, the construction and real estate sectors bear a significant responsibility and task to ensure that Europe becomes climate-neutral by 2050, as per its objectives. HelloParks has formulated numerous goals to drastically reduce the energy consumption of our buildings and concurrently enhance their energy efficiency. Starting in 2028, we will exclusively construct what are known as “zero-emission” buildings, categorising them under Scope 1 and 2 carbon emissions. Additionally, we are continuously upgrading our existing buildings in line with the Paris Agreement, aiming for our entire building portfolio to become carbon-neutral by 2035.





# BUILDING CERTIFICATION GOALS

## Goals related to the certification of our buildings



01

Achieving a minimum BREEAM New Construction Excellent certification level for all our buildings. Starting in 2023, achieving **BREEAM New Construction Outstanding** certification for completed and handed-over buildings.



02

Only **EU Taxonomy**-aligned buildings in our portfolio



**BREEAM** (Building Research Establishment's Environmental Assessment Methodology) is the world's leading sustainability assessment method and certification system for projects, infrastructure, and building design. It evaluates developments in nine key areas (Health and Well-being, Energy, Transport, Water, Materials, Waste, Land Use, Pollution, and Innovation), assessing them in both the In-Use and New Construction categories for different types of buildings.

HelloParks develops buildings in the New Construction category, which evaluates the entire planning, management, and construction process and the finished building itself. The New Construction category is more rigorous than In-Use, as it includes the construction process itself, from sourcing materials and transportation

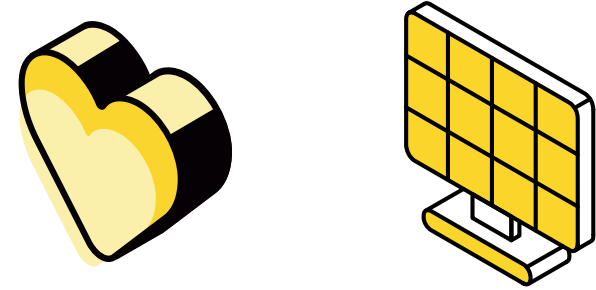
to waste management and the use of technologies.

In Hungary, HelloParks is the first and only industrial real estate developer to have achieved an Excellent rating, specifically for the MG1 warehouse. We are the only developer in the country to build warehouses according to the strictest Outstanding criteria.

The **EU Taxonomy** Regulation is a unified classification system for sustainable activities. It determines which economic activities can be considered sustainable. According to the EU Taxonomy, activities significantly contributing to achieving EU environmental objectives are considered sustainable. HelloParks ensures all its completed and ongoing developments comply with the EU Taxonomy requirements.



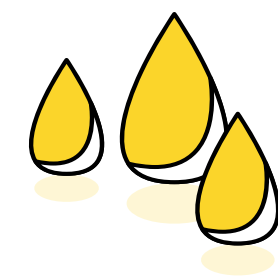
# FURTHER GOALS



01

## Health, equality, and accessibility

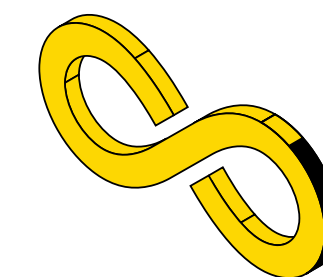
We provide a healthy, human-centric, ergonomic, and green working environment for both the employees working in our parks and our own staff. This includes supporting sustainable transportation within our parks. We base our designs on the guidance of the BREEAM and WELL certification systems.



02

## Water management

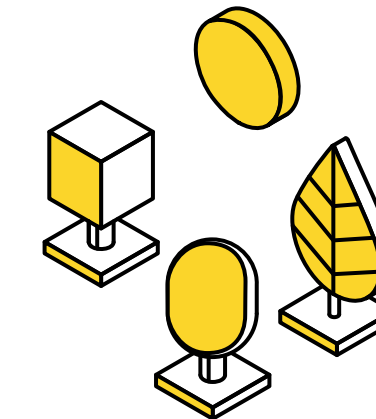
We implement various measures to reduce water consumption and promote rainwater reuse. We carefully treat all potentially contaminated rainwater before releasing it back into the environment. Our goal is to minimise the impact on water management within our parks.



03

## Circular economy

We recycle at least 85% of construction waste during warehouse construction. At least 25% of the aggregates used in our buildings come from recycled or secondary sources. We source most of our building materials from certified sustainable sources, and we only use timber from legal sources.



04

## Biodiversity

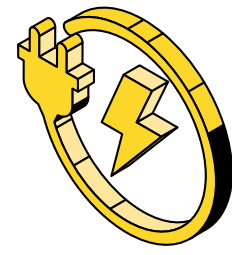
We create green environments in our parks that strongly support local biodiversity and ecosystems. Throughout our construction projects, we pay close attention to prevent and reduce pollution in our wider environment and in the context of biodiversity and water management.





# SUMMARY

## What we do for green transition



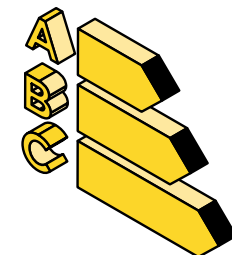
### **Electrification**

Transition to systems powered exclusively by electricity.



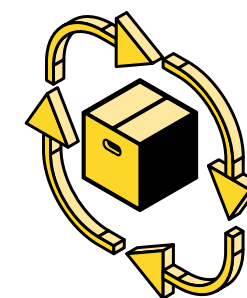
### **100% Renewable Energy**

Covering all energy usage from green sources.



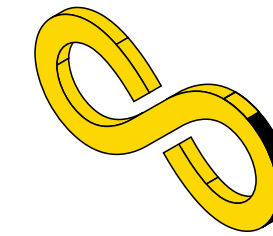
### **Energy Efficiency**

Unused energy is the most sustainable option!



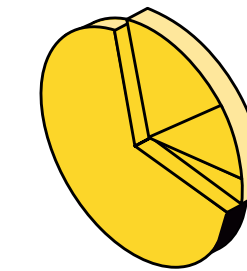
### **Supply chain**

Implementing absolute carbon reduction throughout the supply chain.



### **Circular Economy**

Reducing our raw material needs and the amount of waste generated.



### **Data collection and monitoring**

Continuously measuring our results to track the achievement of our goals precisely.

## Green services for our tenants

- › Providing 100% green electricity with individual agreements.
- › Support in measures to reduce energy consumption.
- › Support in achieving climate goals.
- › Detailed data provision for ESG reporting obligations.
- › Providing professional guidance in sustainability and energy management.



# GLOSSARY

## **Embodied carbon**

Embodied carbon is the carbon dioxide (CO<sub>2</sub>) and other global warming gases' emissions associated with materials and construction processes throughout the whole lifecycle of a building or infrastructure. It includes any CO<sub>2</sub> created during the manufacturing of building materials (material extraction, transport to manufacturer, manufacturing), the transport of those materials to the job site, and the construction practices used. It also includes the CO<sub>2</sub> emissions arising from the replacement and refurbishment of these materials and products, and then, at the end of their life cycle, the emissions from their dismantling and the transport, processing and landfilling of the waste they generate.

## **HelloParks' own baseline embodied carbon level**

Our baseline value was determined based on our standard building type's material composition from 2021, where the embodied carbon footprint was determined according to the requirements set out in EN 15978, including all emissions arising from A1-4, B4-5 and C1-4 phases. Therefore we included within the footprint calculation the whole life-cycle of the building and its components, from raw material extraction throughout production processes till the expected demolition of the building.

## **Offset**

A carbon offset is a reduction or removal of emissions of carbon dioxide or other greenhouse gases made in order to compensate for emissions made elsewhere. One carbon offset or credit represents the reduction or removal of one ton of carbon dioxide or its equivalent in other greenhouse gases. These credits verify that a specific amount of carbon dioxide or its equivalent has not been emitted or has been sequestered from the atmosphere.

## **Zero-emission building**

A zero emission building is defined as a building with a very high energy performance, with the very low amount of energy still required fully covered by energy from renewable sources and without on-site carbon emissions from fossil fuels.

## **Operational carbon**

Operational carbon is the term used to describe the emissions of carbon dioxide and other global warming gases during the in-use operation of a building.

## **Net-zero**

The term net zero means achieving a balance between the carbon emitted into the atmosphere, and the carbon removed/offsetted from it. This balance - or net zero - will happen when the amount of carbon we add to the atmosphere is no more than the amount removed.

## **kgCO<sub>2</sub>e/m<sup>2</sup>**

The quantity that describes carbon footprint as carbon-dioxide equivalent value, which in this case represents the building's carbon footprint in kilograms and units of square metres. Carbon dioxide equivalent represents all green house gases emitted directly or indirectly into the atmosphere.



A close-up photograph of a red ladybug with black spots on its back, resting on a large green leaf. The background is a soft-focus green. The text 'hello! PARKS' is overlaid on the image, with 'hello!' in a bright yellow-green color and 'PARKS' in white.

# hello! PARKS