

ESG report

2023

WING
BUILT FOR BUSINESS



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Dear Reader,

Allow me to present the third Sustainability (ESG) Report of the WING Group, which summarises our environmental, social and governance achievements and improvements for the financial year 2023, and outlines our future ambitions and sustainability objectives for our Hungarian operations.

Sustainability has become an integral part of our operations, with a focus on assessing environmental and social risks and impacts, a corporate governance structure that supports measures to address them, and a corporate culture based on values.

In our day-to-day work, including our developments, we strive to maximise compliance with the increasingly stringent regulatory, funder, investor and tenant expectations in ESG areas, and to apply the most appropriate and effective solutions available to improve the energy efficiency of buildings and the design of associated spaces and green areas.

As a responsible company, we have been an active supporter of youth and student empowerment organisations and initiatives for many years, and we engage with local communities and social causes through our CSR programmes. The core values of our Company, such as reliability, mutual respect, professionalism and transparency, are summarised in our Code of Ethics.

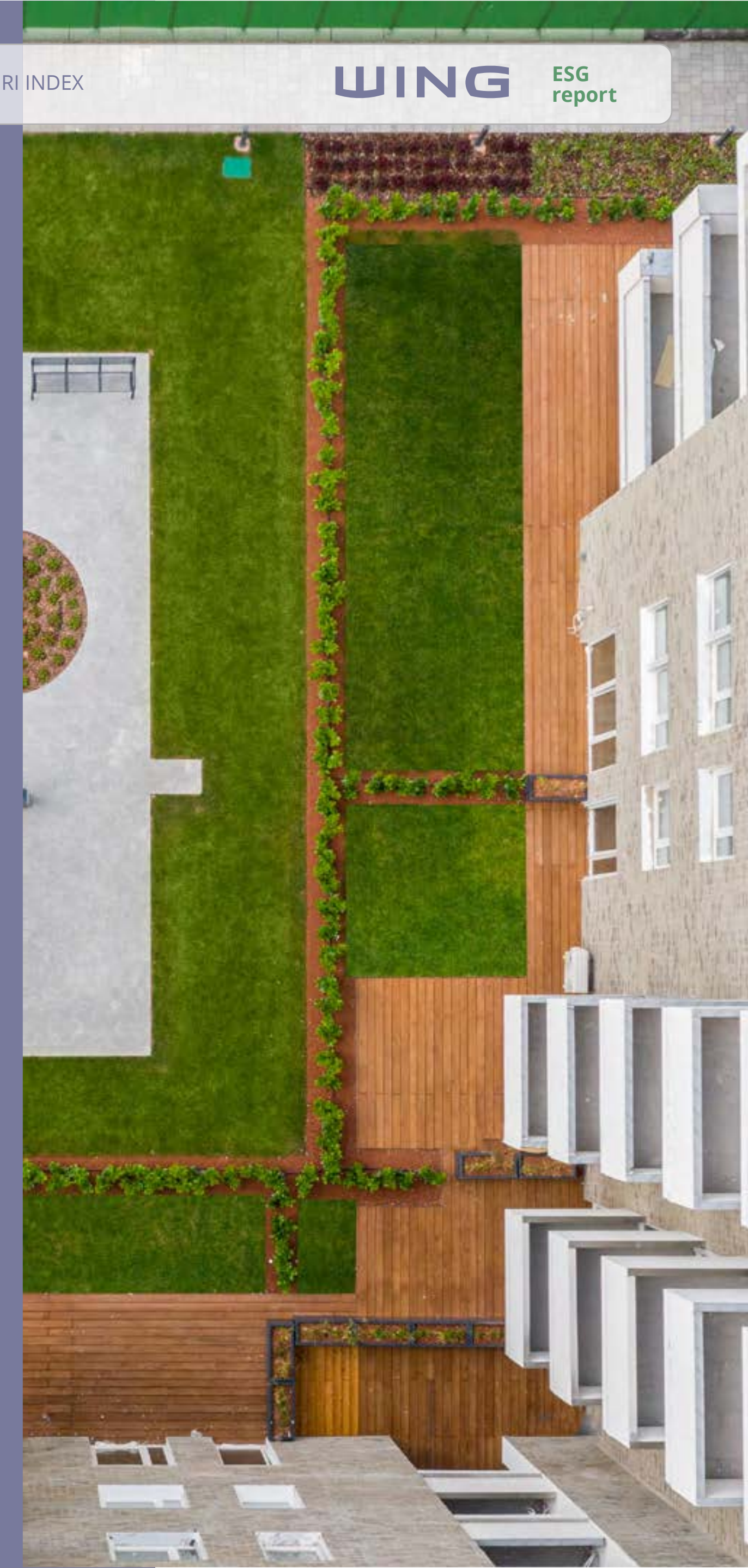
Our aim is to continue the work we have started and further develop our corporate operations along ESG dimensions. We have set up a Sustainability/Energy team to support sustainability, ESG and energy efficiency processes and activities in our organisation. In addition, an ESG strategy has been finalised, setting out the ESG objectives that will guide the Company's future sustainability operations. In the future, we integrate the collection of more and more measurement data into the process, so that annual strategic goal setting and strategy development become more data-driven.

I wish you a good read!

Best regards,

Noah Steinberg

Chairman and CEO,
WING Zrt.



01



INTRODUCTION

1.1 THE OBJECTIVE OF THE SUSTAINABILITY REPORT

ESG reporting aims to provide an objective assessment of the non-financial performance, risks and opportunities of entities from a sustainability perspective, which is increasingly expected by external stakeholders (regulators, funders, investors, society).

The commitment of WINGHOLDING Zrt. (hereinafter referred to as the Company, WING, WING Group or the Group) to ESG dates back more than a decade, when the need for a continued focus on transparency, quantifiability and comparability in corporate sustainability was expressed to ensure that our sustainability and green goals are an integral part of our corporate strategy and practices. As a consequence, from 2021, our Company reports on its non-financial activities in the Sustainability Report for all interested parties, now for the third time.

1.2 CONTENT, SCOPE AND PERIOD COVERED BY THE REPORT

GRI 2-2 | GRI 2-3 | GRI 2-5

Jelen ESG jelentés Társaságunk 2023-as pénzügyi és naptári évére (2023.01.01. – 2023.12.31.) vonatkozó törekvéseket és eredményeket mutatja be a magyarországi fenntarthatósági tevékenységeinkre, entitásainkra kiterjesztve. Kisebbségi részesedésű gazdálkodó egységeink e jelentésben nem kerülnek bemutatásra.

Vállalatunk jelentésében feltüntetett témák összeállítása és lehatárolása egy korábbi lényegességi felmérés keretében történt meg. Interjúk és kérdőívek segítségével

különböző szakterületekről, a jelentésben érdekelt belső és külső feleket (stakeholderek) vontuk be a vizsgálatba. A lényeges témák rangsorolása a külső (iparági szereplők, vállalati partnerek) és a belső (munkavállalók, vezetők) érintettek meglátásai alapján történt. A jelentéssel kapcsolatos kérdésekben bővebb felvilágosításért lépjen kapcsolatba velünk az esg@wing.hu email címen.

Compliance with GRI standards

The GRI (Global Reporting Initiative) is an interconnected modular system of standards that form the framework for sustainability reporting. The GRI makes possible the quantification of rather complex and often difficult to understand characteristics of operational qualities.

This report has been prepared in accordance with GRI standards, i.e. on a 'with reference' approach, and is unaudited. In the future, we will publish an audited sustainability report that fully complies (will be 'in accordance with') with the applicable requirements.

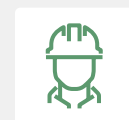
Under each chapter heading, you will find the GRI indicators that are reported on in that chapter. These indicators are summarised in the GRI Index at the end of the report, with page numbers for each indicator for ease of reference.

1.3 OUR STAKEHOLDERS

GRI 2-29

As a first step in the preparation of the first report for 2021, we identified the stakeholders we will and may engage with in relation to the Group's operations and market practices. These were divided into internal and external stakeholders.

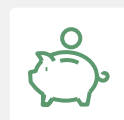
COMPANY HOLDING



Employees



Management



Owners and shareholders

Internal stakeholders

External stakeholders



Financiers and investors



Suppliers



Tenants



Real estate advisors



Property buyers



Industry associations and professional organisations



Media



Local communities, NGOs



Offices, authorities

From the external and internal stakeholders collected, those stakeholders have been selected who have a major influence on the organisation's operations and therefore may have insights to consider in the development of our ESG strategy and in relation to these items. These groups also played an important role in identifying the material topics for the reports. In preparation for next year's reporting, we will take a fresh look at the material topics by carrying out a double materiality analysis.

The stakeholders identified in the reporting process and the way in which they are involved is presented below:

Ongoing communication with **our employees** is done through internal communication channels in the form of meetings or emails, as well as via the intranet and the HRmaster software. The intranet was launched in early 2021 to replace the previous HR newsletter and also contains important information for new entrants. It is suitable for one-way communication. HRmaster has been rolled out continuously from 2022 and allows interactive communication through the newsfeed and groups created, as well as real-time information to employees through push messages.

Communication with **owners/shareholders** is aimed at discussing the Company's plans and results. The form of communication is the regular general meeting.

Communication with **investors** is mainly related to financing and bond issues. This is done through the publication of financial data and financial plans, news

on events affecting the value of real estate projects and periodic reports. The Company communicates with investors on matters subject to mandatory disclosure in accordance with legal requirements in the form of announcements and reports, which are available on the BSE website and on the Company's official website (Home page - Wing). These are occasionally supplemented by press releases from the Company. Furthermore, the indirect channel of communication with investors is the relationship with Scope Ratings GmbH, the output product of which is the rating update/review issued by Scope 1 or 2 times a year.

Communication with the **media** is mainly focused on completed or newly launched developments and projects. In addition, the Company's other corporate social responsibility roles (CSR) are also covered. This is mainly through electronic channels, with occasional press releases, publications or press events.



1.4 MATERIALITY ANALYSIS

GRI 3-1 | GRI 3-2 | GRI 3-3

The compilation and delimitation of the material topics included in our Company's report was specifically defined for the purpose of writing the report, as part of a materiality assessment, through interviews and questionnaires, the preparation of which included the following steps:

1

Assessment of the environmental, social, governance and economic impacts of our Company: identifying and prioritising areas where WING's value chain could potentially have a direct or indirect, positive or negative impact. The assessment took into account various international trends, industry practices, legal requirements and guidelines from voluntary organisations in identifying the topics.

2

Stakeholder analysis: identifying external and internal stakeholders and then interviewing them through an online questionnaire to find out what topic(s) are most material to them. In identifying and selecting stakeholders for the report, it was important to ensure that all functions are represented.

3

Preparation of the materiality matrix: assessing the importance of topics to external stakeholders and comparing them to the extent of their environmental, social, governance and economic impact on and by the organisation. Based on the results, these were sorted into a matrix and subsequently validated by WING's senior management to identify the most material topics standing out from the materiality analysis, which are detailed in the report.

As a result of the materiality analysis carried out in 2022 and still valid in 2023, the following material topics were identified ranked by the average score of the two dimensions of the materiality matrix as follows:

Selected material topics:

NUMBER	TOPIC
1.	Anti-corruption and anti-bribery
2.	Energy management and energy efficiency / Use of renewable energy
3.	Fair and ethical business conduct
4.	Health and safety of tenants and occupants
5.	Sustainability approach in building design and development / Sustainable use of materials
6.	Occupational health, health and safety at work
7.	Reducing greenhouse gas emissions
8.	Staff, employment, human rights, anti-discrimination
9.	Green finance in real estate portfolio and projects
10.	Environmental compliance
11.	Waste treatment, waste management
12.	Water and wastewater treatment
13.	Sustainability and energy efficiency certifications
14.	Data privacy of customers, tenants, partners
15.	Supporting local communities and economy / Conservation and restoration of historic assets/buildings
16.	Education and training

With a view to our future sustainability reporting obligations, next year we will report on the basis of the results of the actually produced so-called double materiality analysis.

1.5 OUR ECONOMIC AND SUSTAINABILITY PERFORMANCE IN 2023

The WING Group continued its international expansion. WING has completed the acquisition of shares in the German company Bauwert AG, thereby acquiring a majority stake in one of Germany's best-known real estate development companies.

In addition, real estate developments took place in Hungary: a new boutique office development was launched by WING in Liget Center, where Liget Center Vitrum will be a stand-alone building, alongside the renovation of the old buildings. The office spaces of the first phase of the Liberty development, and the ibis&TRIBE Budapest Stadium Hotel, started by WING in previous years, were handed over, thus realising the first TRIBE hotel on the Hungarian market.

The Group handed over Park West 2, the second phase of the highly successful Park West project, part of the LIVING residential development.

WING Industrial handed over the A2 industrial logistics hall, the second phase of the East Gate Pro Business Park.

Construction of a new TRIBE hotel at Budapest Liszt Ferenc Airport has commenced in the reporting year. Furthermore, IHG Hotels & Resorts and WING signed an agreement to bring Hotel Indigo and Holiday Inn Express to Budapest. Our real estate investment activities are focused on the domestic real estate market, but our real estate development activities are active not only in Hungary, but also in Poland and Germany. We are active in all real estate segments in Hungary, while our interests in Poland and Germany are typically active in the residential and office market.



Property development, investment and management, value-added real estate investment, investment fund management, planning

OFFICE	INDUSTRIAL, LOGISTICS
RETAIL	HOTEL
RESIDENTIAL PROPERTY	SPECIAL BUILDINGS



Property development

OFFICE
RESIDENTIAL PROPERTY



Property development

OFFICE
RESIDENTIAL PROPERTY Residential-for-sale (R4S) Residential-for-rent (R4R) Student accommodation
RETAIL



Our Group's major ongoing and completed developments and disposals in 2023:

Ongoing developments:



LIBERTY PHASE II



LIGHTWARE OFFICE BUILDING DEVELOPMENT
IN HOP TECHNOLOGY OFFICE PARK



LIGET CENTER CLASSIC, AUDITORIUM
AND VITRUM OFFICE BUILDINGS



TRIBE BUDAPEST AIRPORT HOTEL

Completed developments:



LIBERTY PHASE I



EAST GATE PRO HALL A2



PARK WEST PHASE II

Sold developments:

none in the reporting year

1.6 MARKET RECOGNITIONS AND AWARDS



REAL ESTATE AWARDS

Planned Hotel Development of the Year - TRIBE Airport
Hotel Budapest

Development Company of the Year - WING



PROPERTY AWARDS

"Real Estate Investment Transaction of the Year - Abroad"
- Bauwert

"Office Leasing Transaction of the Year" - Lightware



HUNGARIAN BRANDS 2023 AWARD IN THE OUTSTANDING BUSINESS BRAND CATEGORY - WING



BUSINESS SUPERBRANDS AWARD 2023 - WING



CRE REAL ESTATE AWARDS

Company of the Year - Investor & Office Developer sub-
category winner

Residential Developer . LIVING

Residential Project – Kassák Passage



HOF AWARDS BEST OF THE BEST 2023

Best of the Best Retail Development award -
GOBUDA Mall



02



ABOUT
WINGHOLDING

2.1 2.1 GENERAL COMPANY INFORMATION

GRI 2-1 | GRI 2-2

The number of operating entities under our Group with activities in Hungary included in the report was 62 for the year 2023. These entities can be grouped into five different categories according to their type of activity: real estate, corporate shareholding, investment fund, service company, architecture design bureau.

Among the (owned) business entities of our Company, real estate projects have the highest share: in 2023, the Group had 37 entities owning properties, most of which were office, residential and development sites for office buildings, warehouses or hotels. The entities also own warehouses, retail units and hotels in a lower proportion.



NAME OF THE ORGANISATION

WINGHOLDING Ingatlanfejlesztő és Beruházó Zártkörűen Működő Részvénytársaság



REGISTERED OFFICE

H-1095 Budapest, Máriássy utca 7



SHARE CAPITAL (THOUSAND HUF)

5,000



TURNOVER
(31 DEC 2023; HUF MILLION)

172,302



NUMBER OF EMPLOYEES IN MAJORITY-OWNED DOMESTIC COMPANIES UNDER THE HOLDING

293



OWNERSHIP

Company - private company limited by shares, for profit (main shareholder: DAYTON-Invest Kft.)



ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Of the entities in the Group, 62 entities were active (owned real estate or had an active stake) in the financial year 2023





2.2 OUR BUSINESS ACTIVITY

WING is one of Hungary’s largest privately owned real estate development and investment companies.

Our company has invested more than HUF 800 billion in Hungarian real estate, with a developed project portfolio covering approximately 1.4 million sqm of real estate. We play an active and dominant role not only in the domestic market, but also in the residential and office segments in Poland and now also in Germany, mainly in Berlin. Over the decades, we have built world-class headquarters for many major international companies.

In 2023, Hungary’s investment appetite remained subdued due to recessionary fears, the lingering effects of the energy crisis, the relatively higher interest rate environment and the ongoing war in the vicinity. However, even in this uncertain situation, our Company continued its old and new developments, overcoming any difficulties.

Our real estate development and investment activities are typically and mostly carried out through wholly owned project companies, but we also have long-standing and successful partnerships with domestic and international partners. In our partnerships, we are strong advocates for our own business interests, exploiting opportunities of synergies.

2.2.1 Areas of activity, products and services, markets served

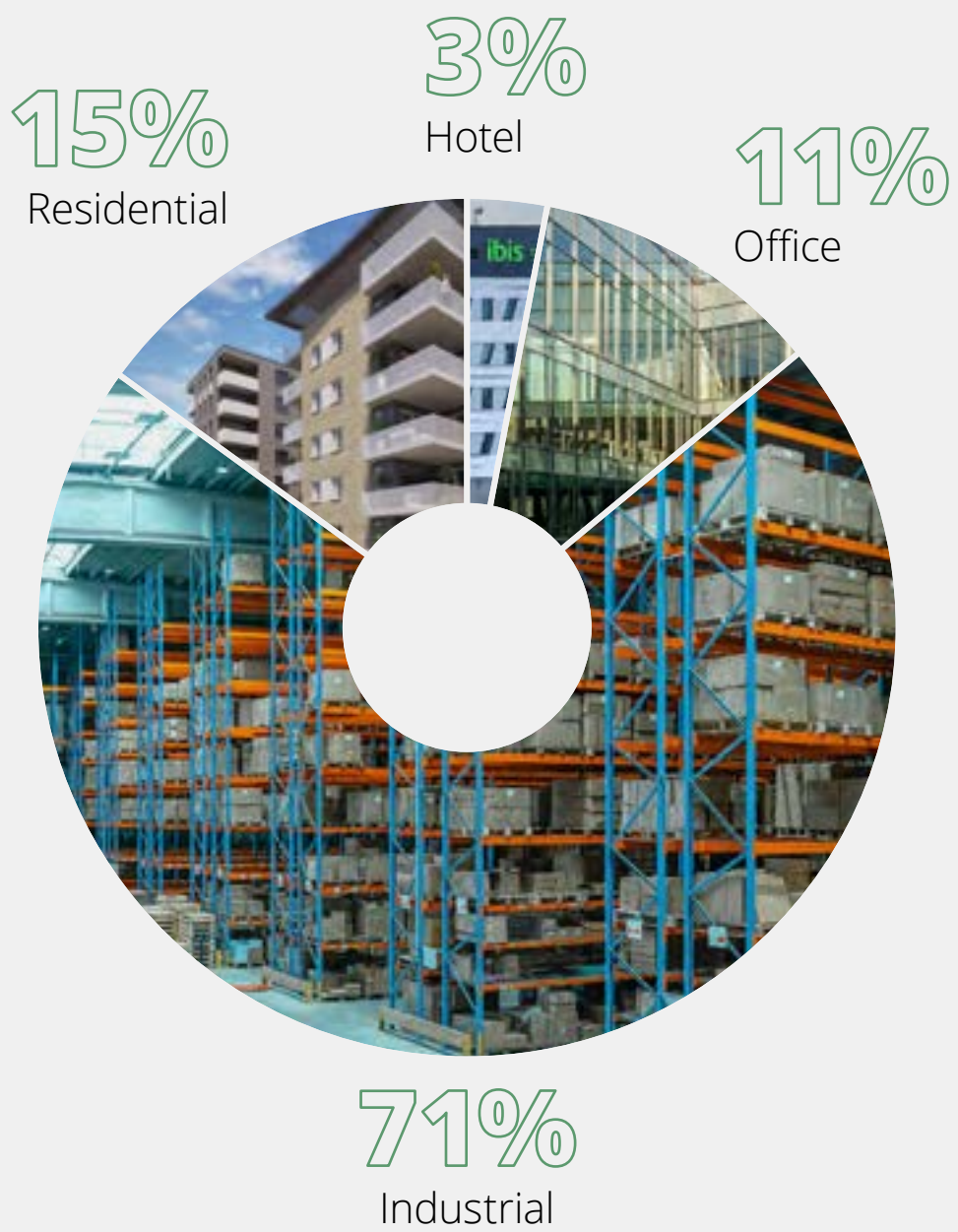
GRI 2-6

Our Company is active in all real estate segments, with a focus on Budapest. Our field of operation covers residential and office buildings, industrial and logistics properties, retail (shopping centres) and hotel developments, utilisation and leasing, supported by portfolio management, fund management and design services. Our real estate development and real estate investment portfolio for 2023 was as follows:

FUNCTIONAL BREAKDOWN OF PORTFOLIO AND DEVELOPMENTS



Investment Portfolio
GLA 540 000 m²



Development Portfolio
GLA 415 000 m²

Our **real estate development** activities, such as strategic planning, site selection, development project management, tenant sourcing, relationship management, etc., are carried out by our own management team.

We deliver projects under pre-lease, on a speculative basis or as built-to-suit (BTS) developments to meet the highest level of specific tenant needs. Our experts can provide in-house solutions to problems and tasks that arise beyond day-to-day operations. In addition to technical tasks, activities related to our Company and real estate include financing, other financial activities, fund management, analysis, leasing and marketing.

Since its establishment in 1999, WING Group has gained extensive experience in providing world-class solutions to meet the needs of the Hungarian real estate market and international corporations. We have a particular expertise in the implementation of special solutions for individual needs, which is why we are regarded as Hungary's number one headquarters developer. We have built the headquarters of leading corporations in Hungary, such as **Magyar Telekom**,

Allianz, E.ON, Ericsson, Siemens-evosoft, and the Liget Center Classic and Auditorium, which is leased to RTL, will also be part of this line. We also have unrivalled expertise in the **industrial real estate market**, with the **East Gate Business Park** providing an example of complex and customised warehouse logistics and production and assembly hall solutions.



SIEMENS-EVOSOFT



E.ON



TELEKOM CAMPUS



ALLIANZ

Our **hotel division** was launched in 2019, building on more than 20 years of experience.

Our Company has developed the country's first hotel with direct airport access, the **ibis Styles Budapest**

Airport Hotel, as well as the first Hungarian unit of B&B Hotels, located in the centre of Budapest. In December 2023, our latest mixed-use development, the **ibis&TRIBE Budapest Stadium at the Liberty**, was added to this line-up.



IBIS STYLES BUDAPEST AIRPORT HOTEL

We are also a major player in the **retail facility development** market, with a number of quality projects

These include Hungary's first green, BREEAM "Very Good" certified shopping centre, the **Hegyvidék**

Shopping Centre in Buda, **Agria Park** in Eger, and two of our renovation projects: the highly successful **MOM Park** and **GOBUDA Mall**.



MOM PARK

In our **residential developments**, we aim to create modern, energy-efficient urban homes that contribute to the well-being of their residents through people-centred services and smart solutions

Our company's expertise, outstanding references, financial stability and commitment to continuous innovation guarantee both high quality and reliability.

In recent years, environmental and energy efficiency considerations have become a strong requirement from both multinational and domestic tenants. For office

buildings, BREEAM or LEED certification is a particularly common requirement (see Telekom Campus, Ericsson House), but this is also becoming more common for residential and warehouse buildings. To meet these requirements, our Company introduces state-of-the-art technological solutions as far as possible.



KASSÁK RESIDENCE

The primary objective of our **property management** activities is to maximise long-term value, ensuring a stable and self-financing cash flow generated by properties. We also aim to achieve long term energy-efficient operation and its continuous improvement and renewal.

2.2.2 Our countries of operation: Hungary, Poland and Germany

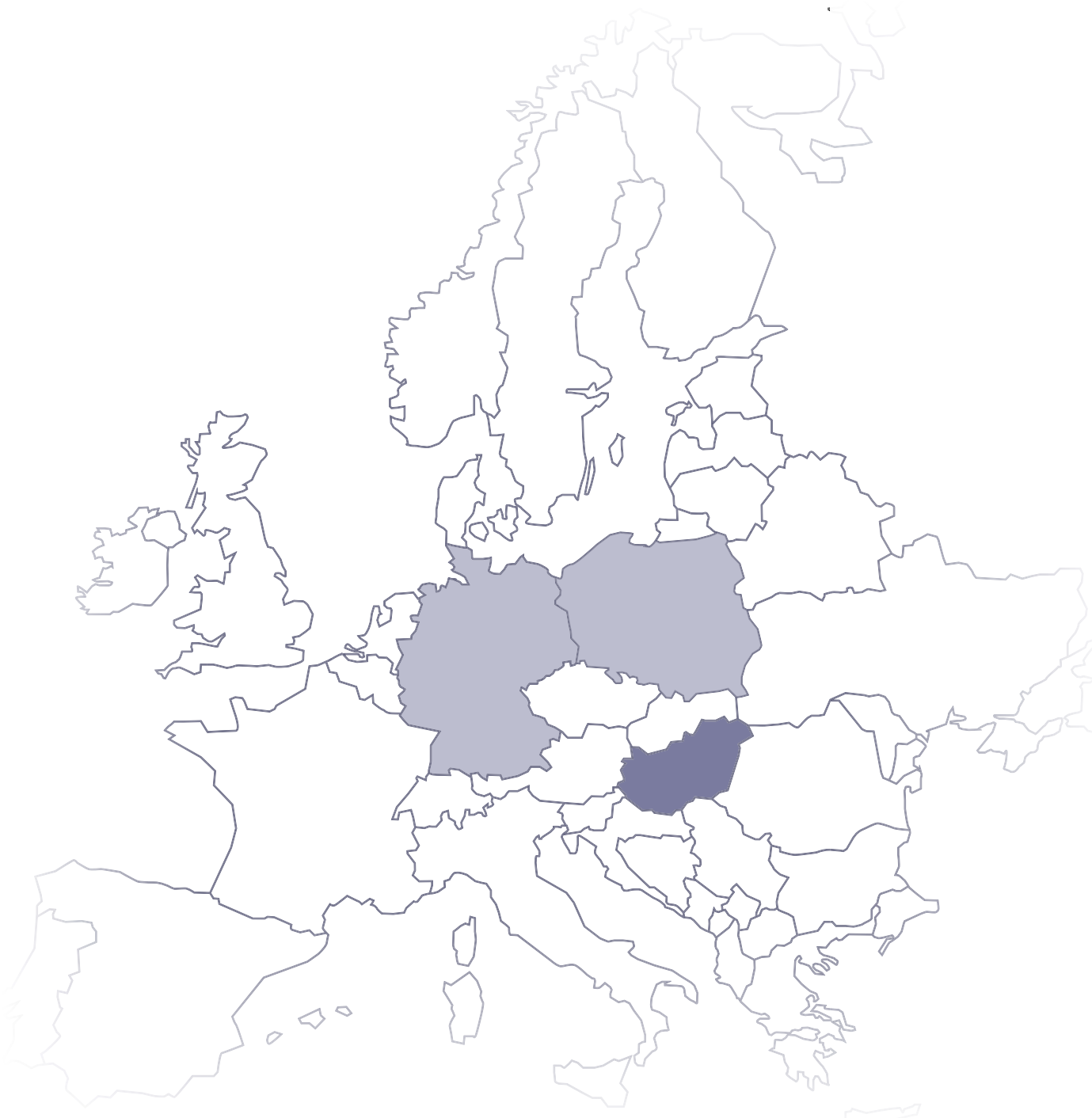
GRI 2-1

Our dynamic growth objectives include seizing opportunities in both the domestic and international real estate markets. Our countries of operation in 2023 included **Hungary** (Budapest and its agglomeration, Eger, Székesfehérvár, Győr), **Poland** (Warsaw, Wrocław, Poznań, Łódź, Kraków) and **Germany** (mainly Berlin and its agglomeration).

In addition to our activities in the domestic, Polish and German markets, our Company also has active relations with foreign real estate investment and financing players on several continents.

WING's regional, international expansion was realised in 2023 through the **completed transaction in Germany**. Our Company, through our indirectly owned Wingwert-GCP GmbH, acquired a 60% stake in the Berlin-based real estate development company Bauwert AG. With one of Germany's leading real estate development companies, we have taken another step forward in becoming a key player in the Central European real estate market, strengthening our residential and retail real estate development divisions.

Our previous expansion in Poland was also through an acquisition, making us a major player in the Central European region. For 5 years now, our Group has been the majority owner of ECHO Investment, a leading **Polish** real estate developer. ECHO Investment is the largest residential property developer in Poland with significant experience in both the office and retail markets. As a responsible real estate company, it also develops people-oriented "destination projects" that shape the city and combine multiple functions. In its history, it has developed over 2 million square metres of real estate in more than 200 projects so far. Its shares have been listed on the Warsaw Stock Exchange since 1996. ECHO Investment has published independent sustainability reports in recent years, which are available on their website ([Sustainability reports - ECHO Investment](#)).



2.2.3 Our values, vision and mission

Our core values are ethical behaviour, serving the owners’ interests, fair and mutually beneficial cooperation with our partners, and ensuring high quality of properties and services.

We represent reliability, integrity and expertise in all the market segments we serve. Our aim is to create and operate world-class, iconic buildings that can be home to companies that are pioneers in their field. In addition, stability, modernity and inspiration are the three areas that have guided our development as pillars of our Company's ethos. These have also helped us to become one of the most successful and professional players in the Hungarian real estate market. We are committed to maintaining high professional and ethical standards in all our activities.



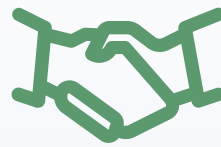
Ethical behaviou

Representing our ethical standards in day-to-day operations. Ensuring that our employees and partners adhere to the principles and expectations set out in our Code of Ethics and policies.



Serving the owners’ interests

Contributing to the most efficient operation and effective competition in the market is a fundamental obligation of our members.



Cooperation with partners

We strive for fair, mutually beneficial and stable cooperation with our partners. Providing our products and related services to a high and reliable standard.



Focus on quality

Ensuring the high quality of our properties and services by using the best available technical and technological solutions.

2.2.4 Collaborations, participation in initiatives and memberships in professional organisations

Our Group is a member of the following key national and international professional organisations, including industry associations:



Hungarian Chamber of Engineers

www.mmk.hu

The main task of the Chamber, founded in 1989, is to represent the interests of the engineering profession (knowledge, remuneration and work-related dimensions). It plays an important role in raising the professional and ethical standards of engineering, developing technical regulation, standardisation and quality assurance systems, and organising training.

In addition, it assesses, authorises and registers the professional qualifications of members of the Chamber. Our group has the professional qualification of Responsible Technical Manager (RTM)



Real Estate Developers Round Table Association (IFK)

<http://www.ifk-egyesulet.hu/>

The Real Estate Developers Round Table Association is Hungary's leading, internationally recognised, joint representative body of 19 real estate development

companies, of which our Company is a founding member. The current president of IFK is a senior executive at WING.

Through its activities, the association contributes to the implementation of a clear set of building regulations and encourages its members to go beyond functionality. The extension of good practices in social responsibility is a priority, so that property developers consider both environmental and social values in addition to the built environment



Hungarian Green Building Council (HuGBC)

www.hugbc.hu

Founded in 2009, the Hungary Green Building Council (HuGBC) is a professional platform and community covering all areas of the building industry. It provides professional advocacy to achieve a sustainable built environment, focusing on current and future-shaping issues. The association places particular emphasis on the promotion of environmental awareness and is therefore involved in the professional development of architectural regulations that promote sustainable construction. The HuGBC also contributes to the promotion and dissemination of green certification schemes (LEED, BREEAM, DGNB, WELL) and supports its members through professional training. One of our colleagues is also involved in the work of the association's board.



Royal Institution of Chartered Surveyors (RICS)

www.rics.org

Since 1868, the London-based International Association of Real Estate Professionals has been responsible for promoting and enforcing ethical and professional standards, in addition to offering the most recognised qualification in the world. The main objective of the internationally recognised professional body is to achieve positive change in the built and natural environment. As such, RICS is committed to setting and enforcing the highest standards of excellence and integrity. Its Hungarian member organisation was founded in 1997 and promotes the practical application of the standards in five areas: professional ethics, property surveying, the system of building metrics, land surveying and valuation.



The Association of Chartered Certified Accountants

www.accaglobal.com

As one of the world's largest professional accountancy bodies, ACCA works to improve the profession and make society fairer and more transparent. Headquartered in London, its main activities include day-to-day contact with large and small businesses, governments, educational institutions and opinion formers. The organisation focuses on keeping up-to-date with current and emerging trends, legislation and legal requirements. As a result, it also plays a major role in shaping them.



03







ON THE ROAD TO
SUSTAINABILITY

3.1 OUR ESG APPROACH

A growing proportion of our clients are now setting a firm expectation that the properties meet BREEAM and LEED requirements. There is also a market trend to upgrade and modernise existing buildings not only to meet ESG requirements in terms of energy efficiency, e.g. greening, green environment, green roofs, gardens, rainwater recycling, etc. (see HOP technology Office Park and Liberty investment), but also to meet the increasing needs of tenants.



We operate in line with the UN's Sustainable Development Goals (SDGs), which cover topics such as sustainable cities and communities and tackling climate change. In its operations, the Group focuses on the following UN Sustainable Development Goals (SDGs).

Project category	Sustainable Development Goals and sub-targets to which it has contributed	
Green buildings		7.3 By 2030, double the global rate of improvement in energy efficiency
Energy efficiency		7.3 By 2030, double the global rate of improvement in energy efficiency
Renewable energy		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Promoting ecological values, biodiversity and organic farming		12.2 By 2030, achieve sustainable management and efficient use of natural resources

While GHG emissions in other sectors have stagnated or decreased in recent years, those of the construction sector started to gradually increase again from 2012, and according to the statistical analysis of the Hungarian Central Statistical Office (HCSO), the construction sector has the largest carbon footprint in Hungary. However, we spend nearly 90% of our lives in buildings, so it is important to understand how the creation and use of the built environment around us affects our well-being and the immediate and global natural environment. In order to minimise the negative impacts of real estate developments, it is essential to act in line with the

Sustainable Development Goals (SDGs), i.e. to strive for the sustainable use and conservation of raw material resources throughout the entire life cycle (construction, operation and demolition).

In 2023, WINGHOLDING has set up a Sustainability/ Energy Efficiency Group, which will, in addition to the related reporting tasks, also deal with the energy efficiency of our buildings and the current and expected impacts and risks of climate change on the Group.

3.2 GREEN BOND ISSUE

In 2021, our Company developed its first Green Financing Framework, which sets out the Company's green investment policies and commitments, in line with climate change objectives. We have contracted with CICERO Shades of Green, a Norwegian independent rating agency, to obtain a green bond and credit rating that is in line with international standards and accepted by the Hungarian Financial Supervisory Authority. Our framework is based on the International Capital Market Association - Green Bond Principles (GBP) 2021, adopted by the Magyar Nemzeti Bank (the Central Bank of Hungary).

Under the Growth Bond Programme of Magyar Nemzeti Bank, WINGHOLDING issued green bonds with a nominal value of HUF 25.3 billion during 2021. The funds raised have been used exclusively to finance projects and instruments supporting sustainability efforts. For the new properties developed, this meant a minimum rating of BREEAM "Very good" or LEED "Gold", or EPC "BB" and "AA" energy efficiency. Our green bond issuance continued in the reporting year to finance the Liberty office building and hotel, commenced in 2021, and the upcoming warehouse for the East Gate Pro Business Park logistics base.

Our Company will continue to review the framework, with the aim of making green financing for residential property and green borrowing applicable in the future.

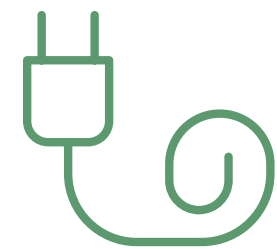
Under the current Green Bond Framework, WING has defined what it considers to be green investments in the following areas:



Green buildings

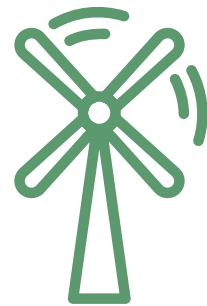
New real estate development, purchase, renovation of real estate, where compliance with the following standards is expected:

- H-Minimum "BB" Hungarian EPC rating (properties meeting near-zero energy requirements and using at least 25% locally or nearby generated renewable energy)
- Minimum "Very Good" BREEAM rating (the third highest of the six different BREEAM certification levels)
- Minimum "Gold" LEED rating (second best rating, score between 60 and 79 out of 100 required)



Energy efficiency

Renovation or retrofitting of existing buildings, resulting in 30% lower greenhouse gas emissions or two-step energy performance class (EPC) improvement.



Renewable energy

Use of air-to-air or air-to-water heat pump systems using renewable energy for new investments or retrofitting of existing buildings where a technical solution is available that allows this in a cost-effective way.



Clean transport

Availability of public transport, installation of as many electric charging points as possible and an adequate number of bicycle storage facilities in new developments.



Environmentally sustainable use of living natural resources

Promoting ecological value and biodiversity, for example through green roofs, green facades and roof gardens.



To ensure compliance with the framework, it was necessary to clearly set out our internal procedures and practices in writing. A system of project pre-qualification and selection criteria to ensure the positive green impact of our future investments, and the development of an internal organisational functioning in line with this, was also an expectation. As a result, we set up our Green Committee. Its operation plays a key role in the preparation, coordination, management and follow-up of our Group's green strategy and initiatives.

Our commitment to environmental sustainability is reflected in our efforts to develop our contribution to

climate change mitigation and adaptation. In line with national legislation based on EU regulations, we consider the resilience of buildings to extreme weather conditions, including floods and earthquakes, as an important aspect of building design. In addition to the newly constructed certified buildings, there is also a continuous focus on improving the energy efficiency of older buildings managed by WING to meet higher energy efficiency standards and tenant expectations.

The Company is also active in the development of e-transport infrastructure, installing charging stations for electric vehicles in both new and existing properties

to meet tenants' needs. In our newest office and residential properties, we are installing far more electric car charging stations than is required by legislation or the rating of the building. At least 2% of parking spaces in our commercial buildings are equipped with an electric charger. The proximity and availability of public transport is also a key factor in our investment and development decisions, as it is also important for the BREEAM/LEED rating of buildings.

We are also in the process of assessing compliance with the EU Taxonomy Regulation for the Company's properties and future developments.

When selecting partners, we give preference to companies that are ISO 50001 or ISO 14001 certified. Our Company is committed to ensuring that the energy purchased for new property developments and future renovations comes from certified green sources.

3.3 ESG STRATEGY DEVELOPMENT

The aim of WING's ESG strategy is to demonstrate our Company's commitment to sustainability, to further develop our corporate operations along the ESG dimensions, and to communicate our future goals and related commitments. In addition to economic growth, our Group attaches great importance to representing human values and environmental awareness, as well as to ethical business conduct and social responsibility. Our mission is to deliver projects that have long-term value and high architectural quality, contributing to the sustainable development of the built environment, enriching communities with liveable and inspiring spaces. We intend to continuously adapt our strategy in place to market conditions and regulatory requirements in the future to ensure that it is always up to date.

We believe that the directions set by the [ESG strategy](#) will help us improve our business performance and increase customer and partner satisfaction.



04



ENVIRONMENTAL
SUSTAINABILITY

4.1 SUSTAINABLE BUILDINGS:
PROPERTY DESIGN, DEVELOPMENT
AND CERTIFICATION FOR
ENVIRONMENTAL COMPLIANCE AND
SUSTAINABILITY

Both market expectations and tightening regulations are pushing the real estate development sector towards a greater commitment to environmental protection and sustainability. Today, buildings are being built with lower energy consumption, use fewer natural resources and produce lower emissions, are constructed using a high proportion of environmentally friendly materials, exploit the potential of modern technologies, traditional construction methods and local materials, and focus on the increasing recycling of waste.

4.1.1 Compliance and certification in the
construction and real estate sectors

GRI 2-27

Our Group attaches great importance to environmental protection and environmental awareness, while at the same time complying with the ever-stricter European Union and Hungarian legislation, and striving to exceed expectations in the field of environmental awareness. In recent years, there have been no examples of sanctions arising from environmental non-compliance in the Company's activities or related complaints received through other dispute resolution mechanisms.

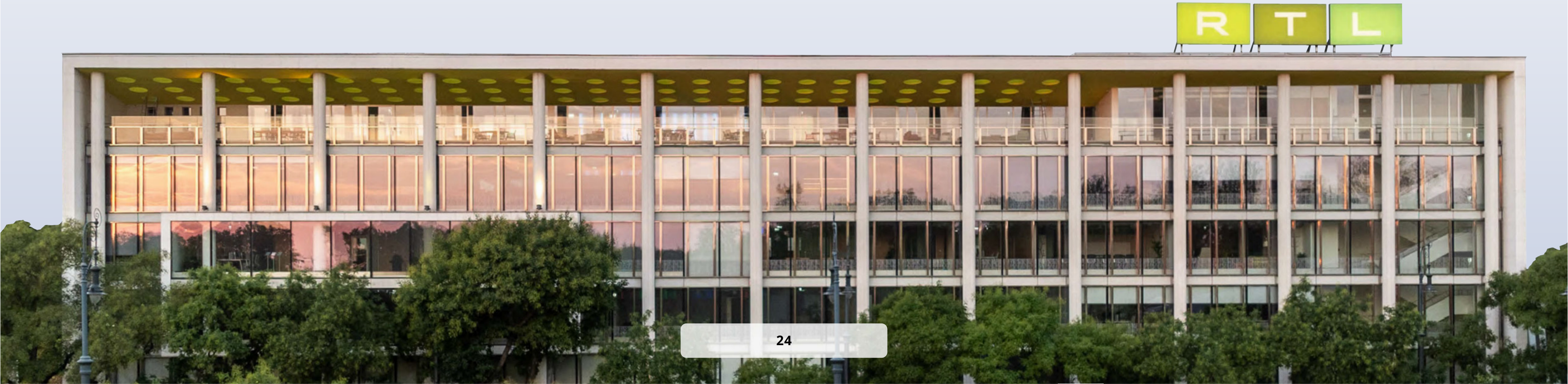
Reducing environmental damage from construction works, managing and recycling waste, controlling erosion and sedimentation, and preventing pollution are of paramount importance to us. The priority is to source materials from relatively short distances.

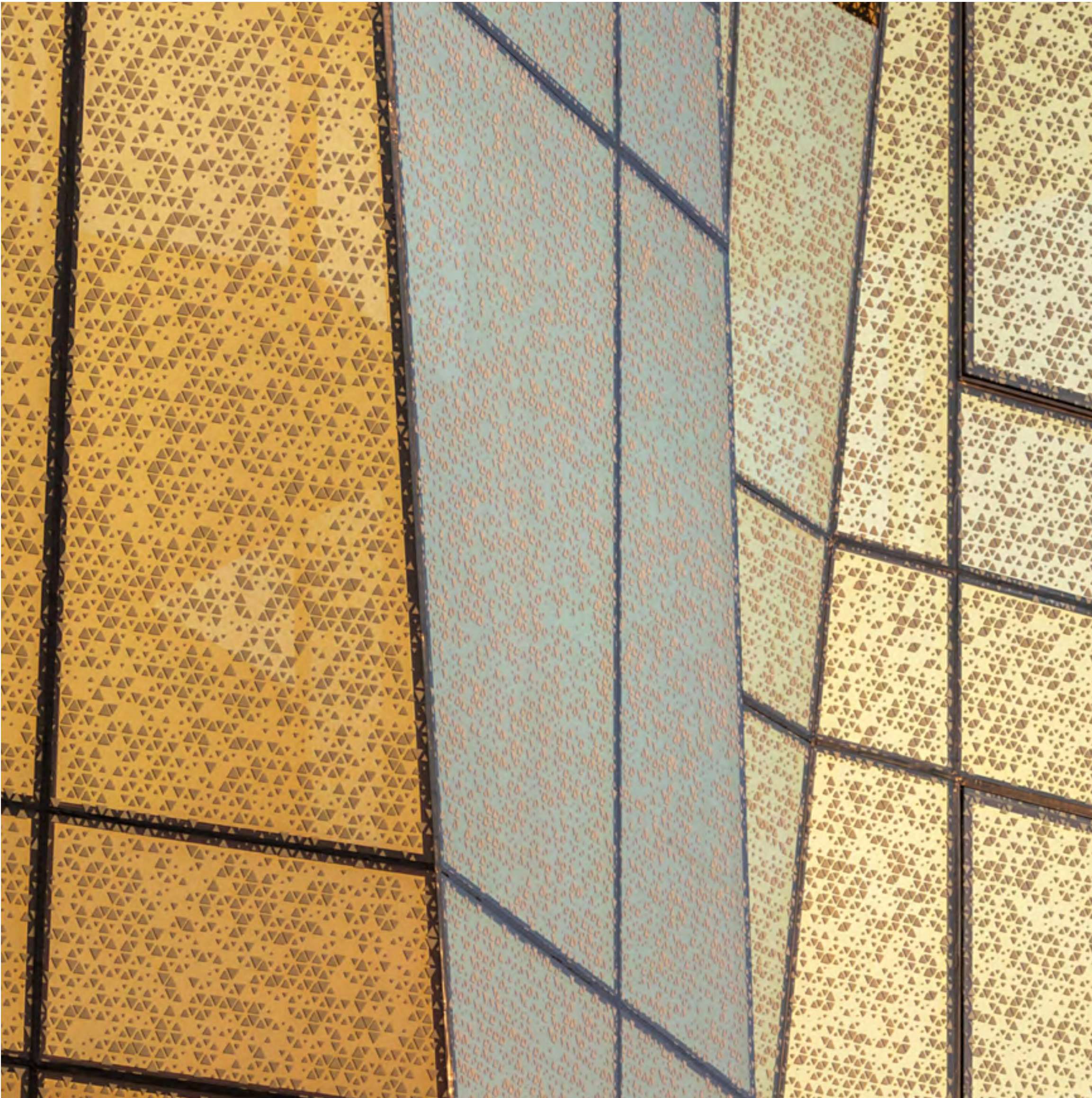
In the use of materials, we strive to avoid the use of chemical products that are harmful to humans and the environment or whose effects are unknown. For the renovation of existing buildings, we professionally remove asbestos, lead and PCB containing materials. In new buildings we avoid the use of hazardous materials (e.g. mercury, lead). And, in terms of the recyclability of the materials incorporated, we comply with the regulations.

Biodiversity conservation is a key priority for sustainability, with a preference for planting native, low-water-demanding plant species over invasive or exotic species, sometimes with higher water requirements. Where we are forced to interfere with the existing ecosystem, we compensate for the trees felled after the project is completed, and we pay particular attention to ensuring that as much green space and wood is planted as possible, even if it is not to replace the previous ecosystem.

From an environmental point of view, it is now a criterion that buildings meet the highest energy standards, that buildings are surrounded by green space, and that electric car charging stations, bicycle storage and selective waste collection infrastructure are available. Building rating systems combine these customer and tenant needs with a systems approach to environmental sustainability.

In Hungary, the most popular and widely used sustainable building rating system is BREEAM, which was developed by the UK's Building Research Establishment (BRE) and made available to international markets from 2008. The LEED rating system, developed by the U.S. Green Building Council and more widely used outside Europe, is very similar to BREEAM.





For our new real estate development projects, we have set BREEAM Good and/or LEED Silver certification as our own minimum requirements, and plan to incorporate compliance with the EU Taxonomy Regulation criteria in our future development activities.

Since 2017, all the Company’s new office buildings have been BREEAM and/or LEED certified. And in 2021, with the Le Jardin residential complex, we have launched one of the country’s first BREEAM-certified environmentally sustainable residential developments. In the investment, we attach particular importance to renewable energy-based engineering solutions, environmentally friendly use of materials, selective waste management, water saving, rainwater harvesting and wall surface cooling and heating. By using triple-glazed plastic windows, more efficient thermal and acoustic insulation can be achieved and the annual cooling and heating costs will be much lower.

In addition to residential properties, East Gate PRO’s BREEAM-certified halls, which are suitable for manufacturing, assembly and warehousing, also offer green and health-conscious solutions and smart services, including smart meters and number plate recognition.

In addition to new construction residential buildings and commercial properties (BREEAM International New Construction), BREEAM also offers the possibility to certify existing commercial properties (BREEAM In-Use International). BREEAM-In-Use is a sustainability-focused rating system for existing buildings, which assesses buildings against eight criteria.

Previously, the Infopark B, C and I buildings, which are majority-owned by WING, and the WING-developed Honvéd Center building also received BREEAM-In-Use green building certification. The office buildings have been rated “Very Good” under this sustainability framework. Among our ongoing projects in 2023, efficiency and greening developments have been implemented. For Liberty, a heat pump and district heating connection has been installed, contributing to the complex’s targeted BREEAM Excellent rating, and heat pump and solar panel installation plans have been prepared for the Liget Center. For existing buildings, there are ongoing calculations and discussions with tenants to improve energy efficiency, renewable energy use and electromobility.

When designing a property, it is important to ensure the best possible public transport connections and accessibility by alternative means of transport, as well as the availability of as many services as possible in the area. The protection of sensitive areas, brownfield development, is also an important consideration in the BREEAM/LEED rating of buildings. Our BREEAM and LEED certified developments are summarised in the table below.

BREEAM®

Telekom Campus
58 800 m²
BREEAM Excellent

Allianz
18 000 m²
BREEAM Very Good

E.ON
12 600 m²
BREEAM Very Good

East Gate PRO
60 000 m²
BREEAM Very Good

LIBERTY Irodaház és hotel
42 000 m²
BREEAM Excellent design

Honvéd Center és NEW
6 620 m²
BREEAM In-USE Very Good

HOP Passage
13 500 m²
BREEAM Excellent design

Le Jardin - Lakások
20 600 m²
BREEAM Very Good design

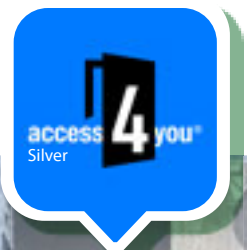
Total: 232 120 m² BREEAM Excellent (3) BREEAM Very Good (4) BREEAM In-Use Very Good (1)



Siemens-Evosoft
22 000 m²
LEED Gold

Ericsson Ház
21 200 m²
LEED Gold

Total: 43 200 m² LEED Gold (2)



GOBUDA Mall
25 000 m²
ACCESS4YOU Silver

LIBERTY irodaház és hotel
38 000 m²
ACCESS4YOU Silver (tervezett)

Total: 63 000 m² ACCESS4YOU Silver

In the future, sustainability and environmental expectations are predicted to continue to grow in the real estate market. In recent years, there has been a growing demand from domestic and international clients for buildings to achieve net zero carbon in a few years (2030 is the general target date) and for the electricity supply of the property to come from renewable energy sources. An increase in outdoor and indoor spaces for community recreation and work, which also supports the “S” dimension, is typical. In addition, there are significant technological changes in the design and construction processes: 3D and BIM (Building Information Modeling – software for linking workflows, teams and data) models are enabling more energy efficiency improvements to be made at the ‘drawing board’, resulting in increased design accuracy, reduced waste and construction time, which is then concentrated on prefabrication. These modelling exercises help to parameterise the optimal energy use and energy efficiency of buildings and to run possible development options.

4.2 CLIMATE PROTECTION AND ENERGY MANAGEMENT

GRI | 302, | 302-1, | 302-3

We also contribute to emissions through our property development and operation contracts and through the activities of our own employees, as the energy we use for our buildings, natural gas and a significant part of the electricity mix and district heating mix, and the fuels for our vehicles, machinery and subcontractors' equipment are fossil-based.

Despite the fact that a significant share of emissions and their mitigation, mainly from operational energy use due to the leasing of real estate, is not the Company's competence and responsibility, at WING we collect at least monthly and regularly assess energy use data in the buildings we occupy and manage, and, in accordance with the legislation, the annual sets of data are also reviewed by an external auditor in the energy audits due every four years. Our last such audit was recently, in 2023.

Our work is supported by the simulation and optimisation of building design and construction processes using comprehensive digital models (BIM). These are technologies and solutions that can make a big difference to the energy efficiency of a building and help to reduce emissions.

Building Management Systems (BMS) are used to connect and to support smart operation of mechanical equipment in an office building (heating, ventilation and air conditioning, lighting, presence monitoring, CCTV, intrusion detection and fire alarms), often using artificial intelligence. Our aim remains to ensure that they are incorporated as widely as possible in future projects.

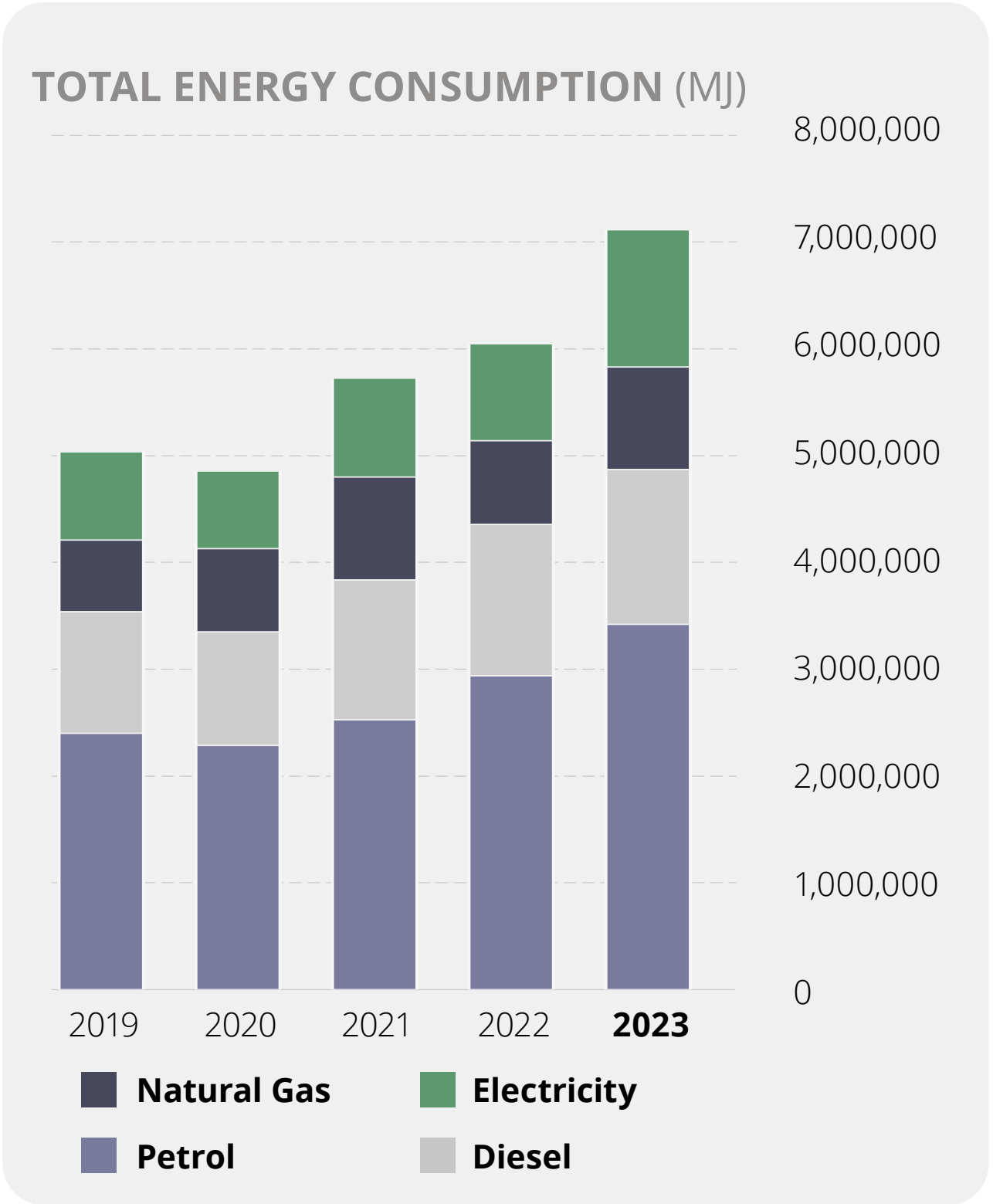


In the case of the buildings developed by WING, in particular for certified projects (BREEAM, LEED), energy efficiency aspects are already specifically integrated. All new developments financed by green bond issuance will achieve an energy rating of BB, or AA and AA+ for some residential developments, according to the old rating. Improving energy efficiency is reflected in all projects (e.g. wider use of heat pumps), and the aim is to increase the share of renewable energy in total consumption (e.g. consideration of the installation of solar panels).

Further energy efficiency improvements are planned, such as smart meeting booking systems, parking apps and, with the development of electrification of transport and the supply of electric devices with renewable resources, the wider use of smart car chargers in new investments.

Energy use resulting from WING's operational activities, i.e. the use of own properties and vehicles, was as follows over the last four financial years:





	ELECTRICITY (MJ)	PETROL (MJ)	DIESEL (MJ)	NATURAL GAS (MJ)	TOTAL (MJ)
2020	728,294	2,286,127	1,062,986	778,678	4,856,085
2021	923,608	2,529,824	1,308,668	964,078	5,726,178
2022	906,021	2,939,591	1,414,692	786,315	6,046,619
2023	1,285,927	3,421,417	1,448,902	959,773	7,116,019



The electricity used in owner-occupied properties is currently not from purely renewable energy, only that part of it which is included in the electricity supplier's energy mix.

In the reporting year, we supplied green electricity for our entire industrial portfolio and will introduce the same to some of our office buildings. The increase in fuel and electricity consumption is mainly due to an increase in the number of employees and the corollary use of more office space. In the last year, natural gas consumption decreased mainly due to weather conditions, while the optimisation of operational settings helped to reduce heating energy consumption. In 2023, the energy intensity per square metre of space used by WING was 771 MJ/sqm.

Our energy consumption data for the non-owner-occupied properties in the portfolio were aggregated by building type (logistics, office and commercial property), depending on the data available. The figures in the table below refer to 2023:

CATEGORY	NET (RENTABLE) AREA (m²)	CONSUMPTION EQUIVALENT (MJ)	ENERGY INTENSITY (MJ/m²)
 LOGISTICS, INDUSTRIAL	295631.09	20796754,023696	42
 RETAIL	42552	14244591,7337424	249
 OFFICE	183379.85	29248288,3192373	240
 HOTEL	21894.65	1,138,404	219

We can also track the data needed for monitoring through remote reading and visual inspection by service providers and through billing of the properties. We already have and use a system to manage and analyze this data.

The introduction of this system started in 2021 with the gradual and continuous deployment of online, individual measurement devices at the measurement points. The readings of the main electricity PODs are already 100% promptly visible in the system, while the main gas PODs are partially integrated in the system depending on the supplier. Our plan is to be able to process the missing gas and district heating PODs as soon as possible, and to have additional sub-meters in the buildings with online data readings available and processed for us. This new platform enables the aggregated processing of

energy consumption data for all our buildings and sites, as well as the automation of the most important energy management processes such as consumption tracking, demand planning and optimisation, cost control, preparation of legally mandated reports and monitoring of carbon emissions. The introduction of the system results in more transparent energy management, real-time monitoring of consumption, identification of savings potentials and locations, avoidance of under- and over-consumption, and up-to-date collection of carbon dioxide and other greenhouse gas emissions.

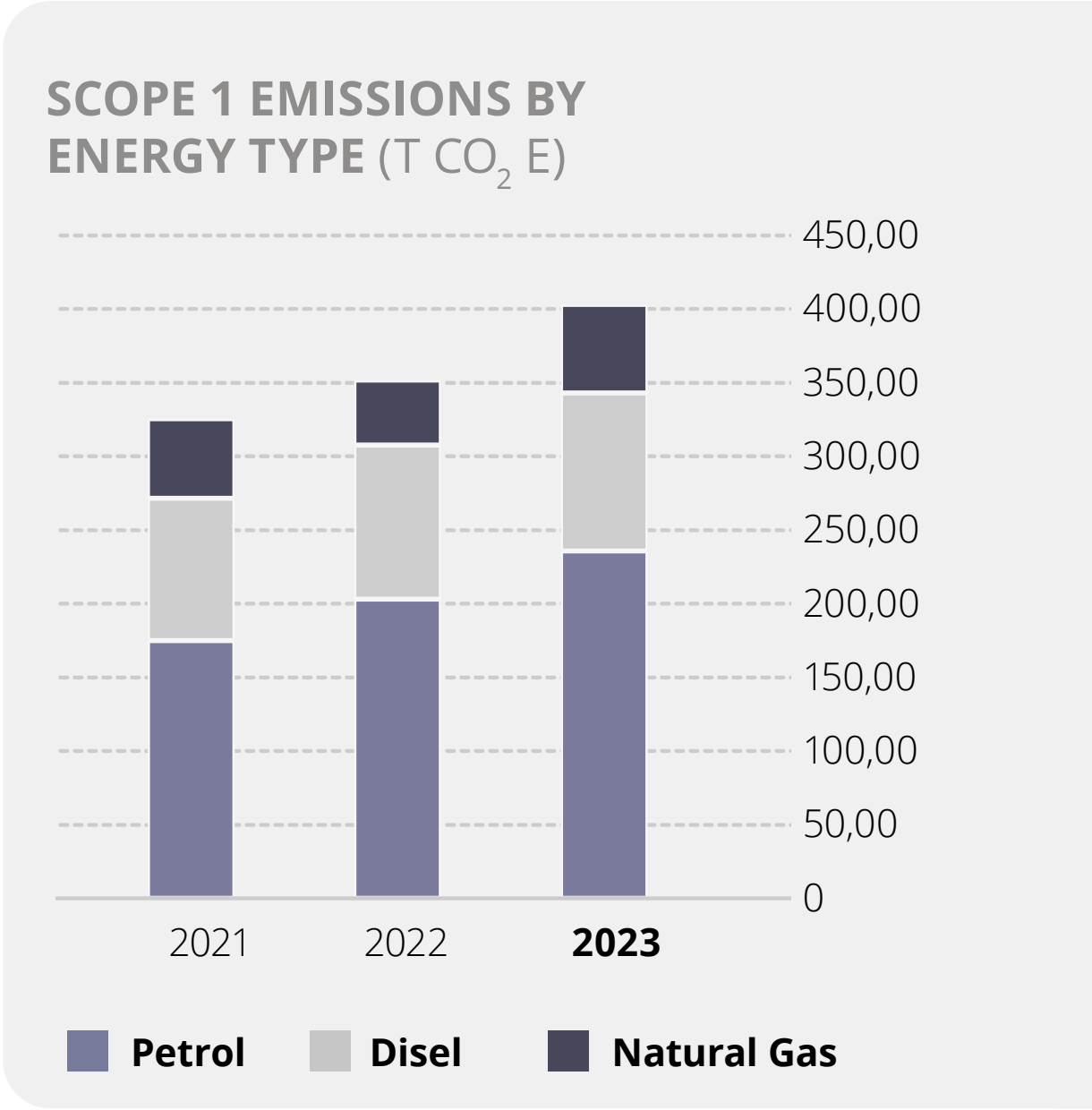
We also aim to green our vehicle fleet (procurement of hybrid and/or electric vehicles) and install the related charging infrastructure in both our existing and project-developed properties.

4.2.1 Emission reduction

GRI 305 | 305-1 | 305-2 | 305-3

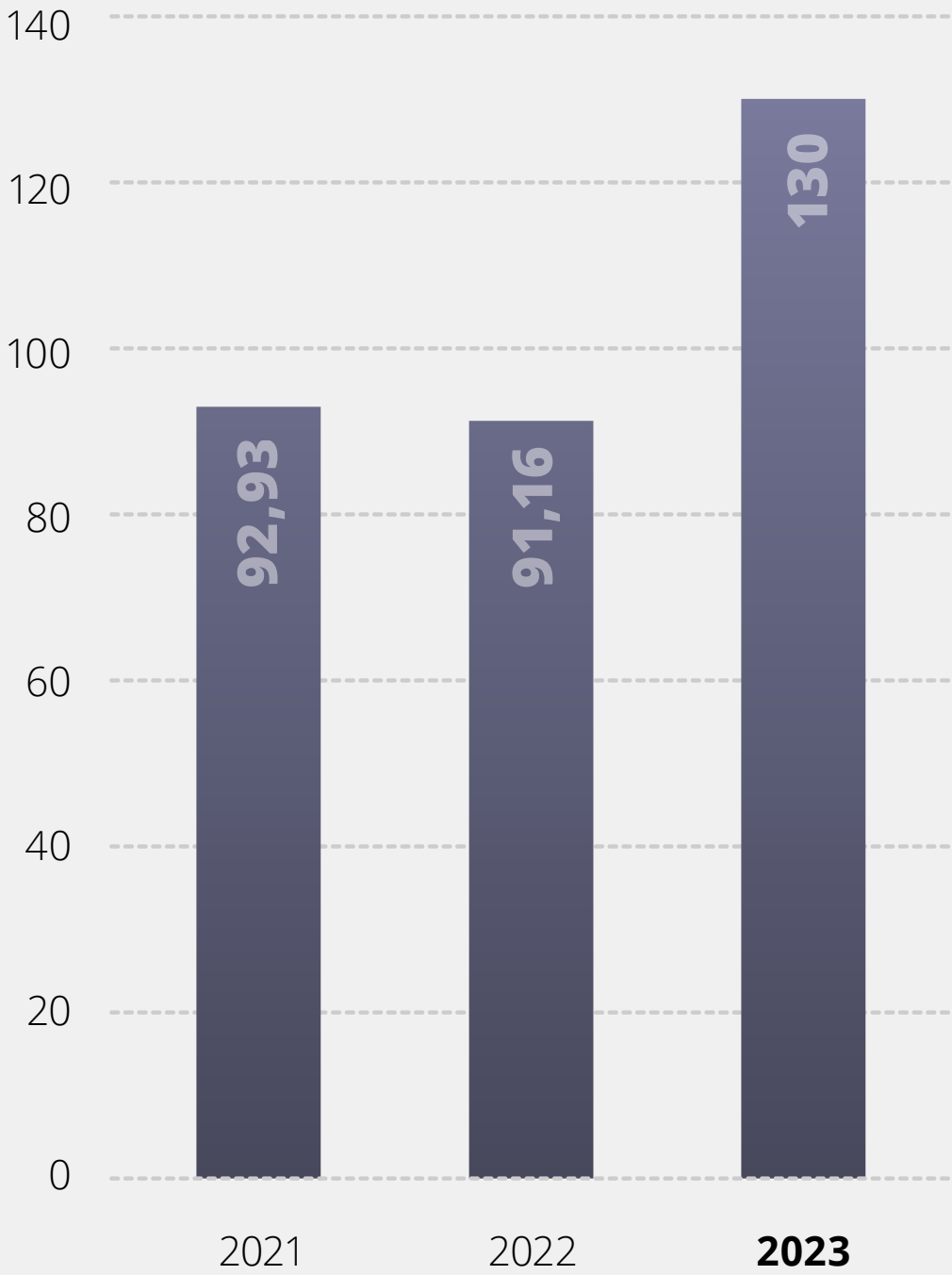
Reducing emissions is an important goal for our Company. Our greenhouse gas emissions come mainly from the construction of buildings and the energy use of completed buildings. We can and should prepare for measuring and calculating these emissions in different ways, so that we can develop more accurate indicators and back-test the commitments we make on them. The energy management platform introduced by the Group in the reporting year is also suitable for calculating Scope 1, 2 and 3 emissions for completed and operational buildings.

The energy consumption data we currently measure include direct Scope 1 emissions, which are released into the atmosphere through direct combustion. Such emissions may occur from the use of fuels, from the use of fuel in vehicles owned or used by our Company, and from the use of construction materials and technologies, as a result of design, construction and operation processes. This provides historical data on Scope 1 emissions from natural gas and fuel consumption in buildings, as shown in the figure below.



All Scope 2 emissions, which encompass the indirect GHG emissions from the consumption of electricity, steam and heat generation and cooling purchased from a utility supplier, are also tracked in the energy management system. Of these emissions only occurred from purchased electricity in the previous years as shown in the figure below. In Scope 1 and 2 the increase is due to the use of larger office floor space.

PURCHASED ELECTRICITY
(T CO₂ E)



Scope 3 emissions include all indirect emissions that occur in the value chain of our Company. These emissions are therefore indirectly linked to the operation of our Company and can often be challenging to measure.

Scope 3 GHG emissions are classified into 15 categories (8 upstream and 6 downstream) based on the source of their generation. The aim of the categories is to provide companies with a structured framework for measuring, managing and reducing emissions across the corporate value chain. The categories are designed to be mutually exclusive, so that the Company avoids double-counting parts of its emissions between categories.

In the reporting year 2023, we have already started to calculate some relevant and measurable Scope 3 emission categories. Based on its operations and activities, WING has identified the relevant Scope 3 emission categories (1. Purchased goods and services, 2. Capital goods, 6. Business travel, 7. Employee commuting, 11. Use of sold products, 12. End-of-life treatment of sold products, 13. Downstream leased assets) to be assessed taking into account industry specificities. For the reporting year the estimated emissions for categories 6, 7 and 13 are presented below:

6. Business travel [t CO ₂ e]	18
7. Business travel [t CO ₂ e]	82
13. Downstream leased assets [t CO ₂ e]	10,543
Total Scope 3 emissions [t CO ₂ e]	10,643

The calculations for the other relevant categories will be published next year, as they require further preparation by the Group.

In the financial year 2023, we have set up an Energy Efficiency and Sustainability Group within our organisation. One of the tasks of our experts is to measure the energy efficiency of our buildings, make recommendations for improvements and provide professional support for emission reductions.

We consciously seek and apply energy-efficient, sustainable, innovative technologies for property design and renovation. It has been a strategic decision of our Company for a decade to avoid the installation of gas boilers where possible, and to connect our newly constructed office buildings mainly to the district heating network. Emissions can also be reduced by using rotary regenerative heat exchangers to pre-heat or pre-cool fresh air drawn in from the outside, and by using free cooling to cool internal heat-generating rooms, mainly process and computing rooms, using outside air. The integrated LED light sources consume much less energy than conventional light sources resulting in energy savings of up to 80-90% in lighting energy consumption.

As regards energy efficiency regulations, the Group aims to go well beyond the standards in the buildings it develops. We currently continue to install more electric car chargers than required in our new buildings – as different standards apply to different types of buildings, the extent of this varies from development to development –, and in renovations we generally provide 50 parking spaces with electric charging points instead of the required 20.

A further objective is to regulate the calculation of emissions and to develop and implement related sub-objectives and action plans for each (Scope 1–2–3) emission area. The practice of producing management reports and decision support tools on consumption, energy costs and emissions is also being introduced:

Monitoring CO2 emissions linked to energy use

Detailed periodic, monthly evaluation, at site and company level

Setting and monitoring annual targets

We need to broaden the perspective of our data collection and monitoring activities to assess and monitor emission sources..

4.3 WASTE MANAGEMENT

GRI 306

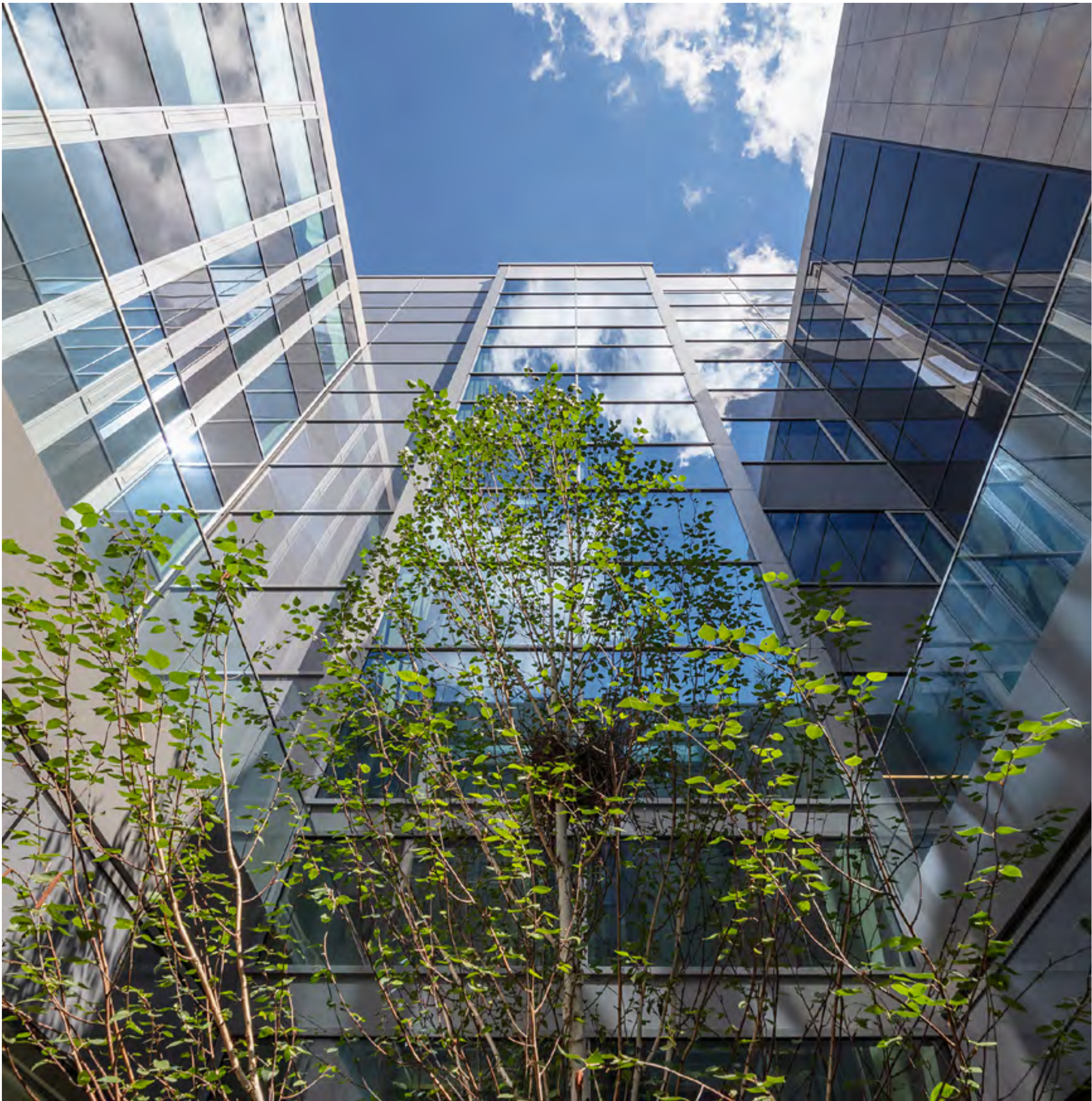
Reducing waste generation and properly managing the waste generated is an important goal for our Company. To achieve this, we pay particular attention to preventing as much as possible the generation of waste from our activities.

Our projects aiming for BREEAM and LEED certification specifically incorporate waste management aspects of construction and operation. For construction, we focus on promoting resource efficiency, efficient management, reduction and recyclability of construction waste, while for operation, we focus on encouraging waste recycling, supported by the provision of dedicated storage facilities and premises. Internal initiatives to reduce and manage

waste include the selective collection of office waste in owner-occupied properties, the provision of filtered water instead of bottled mineral water, the use of recycled paper and the use of biodegradable cutlery at events.

At offices, sludge from oil traps, which is considered hazardous waste, and paper and cardboard packaging are collected separately. The data on the amount of waste generated and treated are presented on a pro-rata basis due to the shared use of the office building. On this basis, the amount of waste material collected and treated up to 2023 was as follows:

WASTE GENERATED (T)	2022	2023	DIFFERENCE
Hazardous waste (t)	0.034	0.01	-242 %
130508* Mixture of waste from grit chambers and oil/water separators	0.018	0.01	-80 %
200121* Fluorescent tubes and other mercury-containing waste	0.016	-	
Non-hazardous waste (t)	0.515	0.476	-8.2 %
150101 Paper and cardboard packaging waste	0.433	0.418	-3.7 %
150106 Mixed packaging waste	0.082	0.015	-4.5 %
150102 Plastic packaging waste	-	0.043	
Other waste (t)	-	0.23	
200136 Electronic waste	-	0.049	
190805 Sludges from treatment of urban waste water	-	0.181	
Total waste generated (t)	0.549	0.716	23.3 %



A quantitative comparison of the waste generated and recovered by our own employees' activities is shown below:

RECOVERED WASTE BY WASTE COMPOSITION (T)	2022	2023	DIFFERENCE
Recovered hazardous waste (t)	-	0.01	
130508* Mixture of waste from grit chambers and oil/water separators	-	0.01	
Recovered non-hazardous waste (t)	0.433	0.476	8.9 %
150101 Paper and cardboard packaging waste	0.433	0.418	-3.7 %
150102 Plastic packaging waste	-	0.043	
150106 Mixed packaging waste	-	0.230	8.9 %
Other recovered waste (t)	-	0.230	8.9 %
200136 Electronic waste	-	0.049	
190805 TSludges from treatment of urban waste water	-	0.181	
Total weight of recovered waste by waste composition (t)	0.433	0.716	39.4 %

In our investment projects, we avoid the use of banned substances and, as far as possible, avoid the use of VOC-containing materials. We manage the hazardous waste generated in compliance with the regulations.

We stipulate in our construction and subcontracting contracts that at least 75% of the weight or 65% of the volume of construction waste generated must be recycled in a verifiable manner. The incorporation of these expectations into contracts occurred for

the first time in the case of the Liberty property development project, where they have already been put into practice.

Municipal waste is also transported under contract by a public service provider. We do not yet have data on the total weight of waste transported for disposal and its breakdown by waste composition, but our waste management objectives include the development of data collection and monitoring activities in this regard.

4.4 WATER AND WASTEWATER TREATMENT

GRI 303 | 303-5

While striving to reduce emissions, improve energy efficiency and manage waste properly, it is also important to use water sparingly and apply appropriate technologies in our investments and our daily operations. In terms of water use, our Company's operations are negatively impacted by wasteful outdoor and indoor water use through inefficient

equipment and aging pipes, as well as by the load on the wastewater system from runoff. In some of our projects, a grey water recovery system has been developed. As a result of the leasing of property, the level of use and the extent to which it is reduced is not within the Company's control, as water use is significantly influenced by the needs of customers and the nature of their activities.

In previous years, the Group's own water use was as follows:



Our Group is actively seeking means to reduce the use of mains water, both in the management of green spaces inside and outside buildings. BREEAM and LEED certified projects already specifically incorporate considerations of water use efficiency. The use and integration of water-efficient equipment (water-saving taps, fittings), rainwater harvesting and the measurement and analysis of water consumption also contribute to sustainable property development. Low-irrigation green roofs and gardens, solutions

to retain rainwater for irrigation or firewater, and initiatives to reuse 'grey water' all serve this purpose.

Due to the nature of the Company's activities, it discharges only municipal wastewater and does not discharge any process wastewater. The amount of water used can be monitored through water meters.

4.5 BIODIVERSITY

GRI 304

Maintaining species diversity and protecting native species is an important element of our sustainable operating strategy. Our projects are often greenfield investments, requiring significant intervention in the existing environment. As a result, we also seek to mitigate our impact on biodiversity by reducing our greenfield investments, and consequently nearly two thirds of our residential projects have already been developed on brownfield sites. Customer needs are the driving force behind development, so we can implement our biodiversity conservation activities in line with them, and in accordance with local regulations.

The environmental impacts of our activities include interference with the habitat of native and endangered species in the area to be developed, and the obstruction or elimination of habitats and migration and transport routes for wildlife in the area. To compensate for this, we create green environment around our buildings in line with the BREEAM In-Use requirements, and seek to replace lost green space where possible by creating green roofs, green facades and roof gardens, creating or renewing green areas, and planting native, low-water-use plant species.

In 2023, the **Park West 2 residential building** was handed over. Here, 1,180 m² of green space has been created on the ground floor and 632 m² of extensive green roof on the 8th floor. In the inner garden of the residential building 7 trees were planted.



In **Phase I of the Liberty office/hotel development**, which was handed over in 2023, we can present the following biodiversity-related developments: green spaces on the ground level: 1,719 m²; green roofs: 1,124 m²; new trees: 24 pieces; water play (pond and fountain): 15 m²



And in the reporting year, for the **HOP Technology Office Park (Lightware headquarters) project**, a roof terrace of 192 m² was created.



05



SOCIAL
SUSTAINABILITY



Sustainability is important in the social issues that affect our employees and our wider community, and is a key focus for our Company. In addition to ensuring good working conditions, health and safety, education and training, diversity and equal opportunities, we also care about the wellbeing of our tenants and residents, and our corporate philanthropy goes back more than two decades, with a particular focus on supporting young people and local communities.

5.1 OUR EMPLOYEES

GRI 2-7 | GRI 2-8 | GRI 401-1 | GRI | 401-3

In 2023, our Company employed an average of 296 people. WING's human resources strategy focuses on developing the skills and talents of our employees. Our philosophy is that diversity enhances creativity, and flexibility and openness help us make better decisions. Our Code of Ethics and Conduct, finalised in 2022, summarises our Company's values and the standards of behaviour expected of our employees, both in their internal and external relationships. It also, of course, addresses diversity and equal rights for all employees.

The number of our staff has nearly tripled in the last 5 years. The number of employees is determined on the basis of the average statistical number of employees during the reporting period.

Number of employees at WING by location and gender (2021–2023).

Number of employees (headcount / FTE)

Regions and locations	2021	2022	2023
WING Zrt.	136	153	164
male	56	63	66
female	80	90	98
WPR Port Kft.	41	50	55
male	18	19	22
female	23	31	33
Buildwing Kft.	-	-	8
male	-	-	5
female	-	-	3
Aspectus Architect Zrt.	12	16	16
male	7	7	8
female	5	9	8
Gladiátor Alapkezelő Zrt.	7	7	7
male	2	2	2
female	5	5	5
Living Service Kft.	3	9	4
male	2	6	3
female	1	3	1
WING IHC Zrt.	1	1	0
male	1	1	0
female	-	-	-
WING International Zrt.	-	-	2
male	-	-	2
female	-	-	-
Medius Tours Kft.	29	33	40
male	14	16	19
female	15	17	21
Total:	229	269	296

Our total number of employees by type of employment (full-time and part-time) and by gender (2021–2023) was as follows:

Number of full-time employees

Regions and locations of operation	2021	2022	2023
WING Zrt.	126	143	150
male	54	60	61
female	72	83	89
WPR Port Kft.	38	48	51
male	18	19	20
female	21	29	31
Buildwing Kft.	-	-	8
male	-	-	5
female	-	-	3
Aspectus Architect Zrt.	12	14	13
male	7	6	7
female	5	8	6
Gladiátor Alapkezelő	5	4	4
male	-	-	-
female	5	4	4
Living Service Kft.	-	6	4
male	-	4	3
female	-	2	1
WING IHC Zrt.	-	-	-
male	-	-	-
female	-	-	-
WING International Zrt.	-	-	-
male	-	-	-
female	-	-	-
Medius Tours Kft.	26	31	37
male	12	15	18
female	14	16	19
Total:	207	246	267

Number of part-time employees

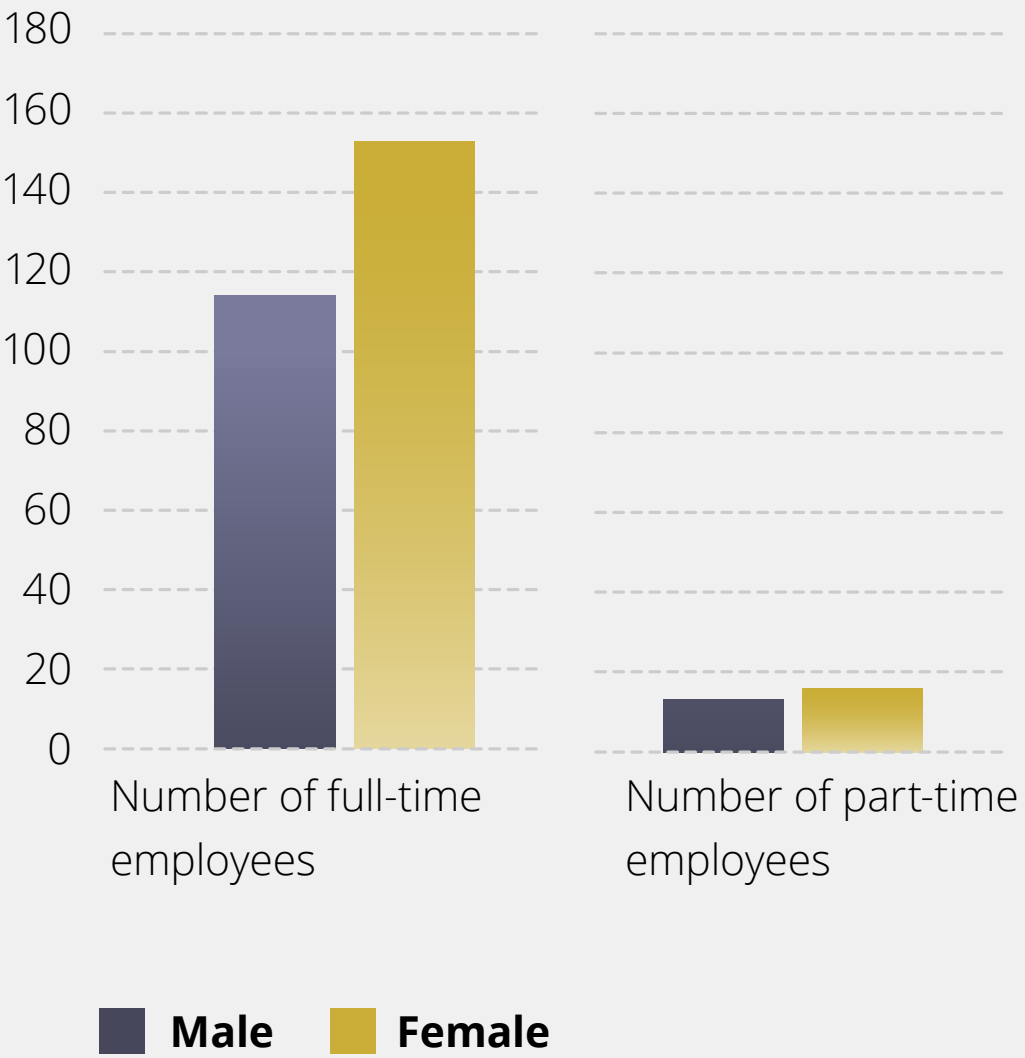
Regions and locations of operation	2021	2022	2023
WING Zrt.	10	10	14
male	2	3	5
female	8	7	9
WPR Port Kft.	2	2	5
male	-	-	2
female	2	2	3
Buildwing Kft.	-	-	-
male	-	-	-
female	-	-	-
Aspectus Architect Zrt.	-	2	3
male	-	1	1
female	-	1	2
Gladiátor Alapkezelő	2	3	3
male	2	2	2
female	-	1	1
Living Service Kft.	3	3	-
male	2	2	-
female	1	1	-
WING IHC Zrt.	1	1	-
male	1	1	-
female	-	-	-
WING International Zrt.	-	-	2
male	-	-	2
female	-	-	-
Medius Tours Kft.	3	2	2
male	2	1	1
female	1	1	1
Total:	21	23	29

In the past year, the number of part-time employees increased minimally, while the number of full-time employees increased by 9%. The current number of part-time employees is about a tenth of the number of full-time employees. In 2023, the total number of employees was 127 male and 169 female, of which 114 male and 153 female were full-time employees and 13 male and 16 female were part-time employees. In 2023, the number of our non-guaranteed hours colleagues was 10.

We are proud of the fact that the proportion of our female employees is steadily increasing and that they represent our Company also on director and senior management level.

On director level, the proportion of women is 37.5%, and since 2021 there has been also a woman on the senior management level. We have a high proportion of women in our total staff and our female employees feel valued, despite the predominantly male nature of the real estate sector.

NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER IN 2023





Our total number of employees by employment contract (fixed-term and permanent) and by gender (2021–2023) was as follows:

Full-time and part-time permanent contract employees

Regions and locations of operation	2021	2022	2023
WING Zrt.	136	153	164
male	56	63	66
female	80	90	98
WPR Port Kft.	39	47	53
male	17	18	22
female	22	29	31
Buildwing Kft.	-	-	8
male	-	-	5
female	-	-	3
Aspectus Architect Zrt.	12	16	16
male	7	7	8
female	5	9	8
Gladiátor Alapkezelő	7	7	7
male	2	2	2
female	5	5	5
Living Service Kft.	3	9	4
male	2	6	3
female	1	3	1
WING IHC Zrt.	1	1	0
male	1	1	0
female	-	-	-
WING International Zrt.	-	-	2
male	-	-	2
female	-	-	-
Medius Tours Kft.	29	33	39
male	14	16	19
female	15	17	20
Total:	227	266	293

Full-time and part-time fixed-term contract employees

Regions and locations of operation	2021	2022	2023
WING Zrt.	-	-	1
male	-	-	1
female	-	-	-
WPR Port Kft.	2	3	2
male	1	1	-
female	1	2	2
Buildwing Kft.	-	-	-
male	-	-	-
female	-	-	-
Aspectus Architect Zrt.	-	-	-
male	-	-	-
female	-	-	-
Gladiátor Alapkezelő	-	-	-
male	-	-	-
female	-	-	-
Living Service Kft.	-	-	-
male	-	-	-
female	-	-	-
WING IHC Zrt.	-	-	-
male	-	-	-
female	-	-	-
WING International Zrt.	-	-	-
male	-	-	-
female	-	-	-
Medius Tours Kft.	-	-	-
férfi	-	-	-
nő	-	-	-
Total:	2	3	3

The number of male and female employees with permanent contracts was 127 and 166 respectively, while the number of employees with fixed-term contracts was 1 (male) and 2 (female) in 2023, which only concerned WING Zrt. and WPR Port Kft.

Number of non-guaranteed hours employees of WING (2021–2023)

Regions and locations of operation	2021	2022	2023
WING Zrt.	15	14	10
male	6	4	5
female	9	10	5

The number of non-guaranteed hours employees is low in relation to the total number of employees in our Company; currently we employ 10 graduate trainees on contract at WING Zrt.

Number of non-employee workers at WING

Regions and locations of operation	2021	2022	2023
Wing Zrt.	15	14	10
WPRPort Kft.	42	56	69
Buildwing Kft.	-	-	1
Aspectus Architect Zrt.	-	-	-
Gladiátor Alapkezelő	-	-	-
Living Service Kft.	-	-	-
Wing IHC Zrt.	-	-	-
Medius Tours Kft.	49	67	111
Total:	106	137	191

Our Company also employs non-employee workers at its sites in WING Zrt., WPR Port Kft. and Medius Tours Kft. This includes those employed on a contract basis, those in a simplified employment relationship (EFO) and those with an apprenticeship contract. In 2023, their number increased by around 39%.

The challenges of the labour market in the construction and real estate sector, such as the shortage of skilled and qualified professionals, are also a challenge for our Company. We believe it is important to recruit, train and retain a motivated and highly skilled staff, thereby reducing staff turnover. Our aim is to ensure that our employees achieve excellence through continuous improvement, thereby increasing their satisfaction and engagement. Nevertheless our Company faces a certain degree of staff turnover given the specificities of the industry.

The share of staff leaving the Company has decreased compared to the previous year, reaching 25% in 2023. In line with the trend of previous years, the share of entrants has increased from 45% to 54%, the details of which are shown in the table below:

Staff turnover	2021	2022	2023
Number of staff leaving	46	88	74
Total staff	229	269	296
Staff turnover	19.9%	32.7%	25.0%

Share of new staff	2021	2022	2023
Number of new staff	62	121	161
Total staff	229	269	296
Staff turnover	27.1%	45.0%	54.4%



Trends in the number of employees entering the Company by age group, gender and region/location (2021-2023):

Total number of new staff:

2021

Total

62



2022

Total

121



2023

Total

161



Number of new staff	2021	2022	2023
Wing Zrt.			
Male	6	19	11
<30	4	5	-
30-50	2	10	9
50<	-	4	2
Female	17	31	25
<30	11	12	8
30-50	6	16	16
50<	-	3	1
Total:	23	50	36

WPR Port			
Male	11	14	19
<30	6	6	11
30-50	4	6	6
50<	1	2	2
Female	15	37	26
<30	10	18	11
30-50	4	16	13
50<	1	3	2
Total:	26	51	45

Buildwing Kft.			
Male	-	-	32
<30	-	-	8
30-50	-	-	20
50<	-	-	4
Female	-	-	34
<30	-	-	13
30-50	-	-	18
50<	-	-	3
Total:	-	-	66

Number of new staff	2021	2022	2023
Gladiátor Zrt.			
Male	-	-	-
<30	-	-	-
30-50	-	-	-
50<	-	-	-
Female	2	-	1
<30	-	-	-
30-50	1	-	1
50<	1	-	-
Total:	2	-	1

Living-Service Kft.			
Male	-	4	-
<30	-	1	-
30-50	-	3	-
50<	-	-	-
Female	-	2	-
<30	-	-	-
30-50	-	1	-
50<	-	1	-
Total:	-	6	-

Aspectus Zrt.			
Male	1	1	2
<30	-	1	1
30-50	1	-	1
50<	-	-	-
Female	1	4	1
<30	1	3	-
30-50	-	1	-
50<	-	-	1
Total:	2	5	3

Number of new staff	2021	2022	2023
Wing IHC Zrt.			
Male	-	-	-
<31	-	-	-
30-51	-	-	-
50<	-	-	-
Female	-	-	-
<31	-	-	-
30-51	-	-	-
50<	-	-	-
Total:	-	-	-

Wing International Zrt.			
Male	-	-	4
<31	-	-	-
30-51	-	-	2
50<	-	-	2
Female	-	-	-
<31	-	-	-
30-51	-	-	-
50<	-	-	-
Total:	-	-	4

MediusToursKft.			
Male	6	5	1
<31	4	3	1
30-51	2	1	-
50<	-	1	-
Female	3	4	5
<31	1	2	1
30-51	2	1	4
50<	-	1	-
Total:	9	9	6

Trends in the number of employees leaving the Company by age group, gender and region/location (2021-2023):

Total number of staff leaving:

2021

Total

46



2022

Total

88



2023

Total

74



Number of staff leaving	2021	2022	2023
Wing Zrt.			
Male	9	13	4
<30	3	5	-
30-50	5	4	2
50<	1	4	2
Female	10	18	20
<30	3	8	4
30-50	6	9	15
50<	1	1	1
Total:	19	31	24

WPR Port			
Male	8	15	18
<30	3	4	10
30-50	5	8	8
50<	-	3	-
Female	9	32	18
<30	3	17	7
30-50	4	12	9
50<	2	3	2
Total:	17	47	36

Buildwing Kft.			
Male	-	-	2
<30	-	-	-
30-50	-	-	2
50<	-	-	-
Female	-	-	3
<30	-	-	-
30-50	-	-	3
50<	-	-	-
Total:	-	-	5

Number of staff leaving	2021	2022	2023
Gladiátor Zrt.			
Male	-	-	-
<30	-	-	-
30-50	-	-	-
50<	-	-	-
Female	-	-	-
<30	-	-	-
30-50	-	-	-
50<	-	-	-
Total:	-	-	-

Living-Service Kft.			
Male	-	3	-
<30	-	-	-
30-50	-	1	-
50<	-	2	-
Female	-	2	-
<30	-	-	-
30-50	-	1	-
50<	-	1	-
Total:	-	5	-

Aspectus Zrt.			
Male	2	1	-
<30	1	-	-
30-50	1	1	-
50<	-	-	-
Female	3	-	2
<30	1	-	1
30-50	2	-	1
50<	-	-	-
Total:	5	1	2

Number of staff leaving	2021	2022	2023
Wing IHC Zrt.			
Male	-	-	1
<31	-	-	-
30-51	-	-	-
50<	-	-	1
Female	-	-	-
<31	-	-	-
30-51	-	-	-
50<	-	-	-
Total:	-	-	1

Wing International Zrt.			
Male	-	-	-
<31	-	-	-
30-51	-	-	-
50<	-	-	-
Female	-	-	-
<31	-	-	-
30-51	-	-	-
50<	-	-	-
Total:	-	-	-

Medius Tours Kft.			
Male	4	4	-
<31	1	1	-
30-51	2	3	-
50<	1	-	-
Female	1	-	6
<31	-	-	1
30-51	-	-	5
50<	1	-	-
Total:	5	4	6

Both male and female employees are entitled to parental leave, but it is mainly female employees who take it, and in increasing numbers. This year, 13 of our female employees took advantage of this opportunity, which we see as a positive trend. In 2023, there were no employees returning to work after the end of parental leave during the reporting period.



The take-up of parental leave (2021–2023) in our Company was as follows in the past period:














Total number of employees entitled to parental leave	2021	2022	2023
Male	2	1	1
Female	8	12	16
Total	10	13	17

Total number of employees taking parental leave	2021	2022	2023
Male	-	-	-
Female	7	10	13
Total	7	10	13

Total number of employees returning to work after the end of parental leave in the reporting period	2021	2022	2023
Male	-	-	-
Female	1	4	0
Total	1	4	-

Total number of employees returning to work after the end of parental leave and still employed 12 months after returning to work	2021	2022	2023
Male	-	-	-
Female	1	2	0
Total	1	2	-

The human resource management tasks of the Group are performed by WING Zrt. as the employer. In addition to a competitive salary, we offer our employees the following fringe benefits, according to their responsibilities and employment contract:

- **On-demand administrative and professional training courses, events and conferences**
- **Health insurance**
- **Commuting allowance**
- **Discounted purchase of products and services from contracted partners**
- **Free fruit and hot drinks**
- **Glasses allowance**
- **Car for eligible staff also for private use**
- **Mobile phone, notebook also for private use**
- **Premium**
- **Team building events**
- **Sports day for certain functions**
- **“Father’s day” as part of parental leave**
- **Funeral grant**

As a result of the successful operation of the past 25 years, WING has become a large regional company with a wide range of complex activities, where the HR area also needs to be developed as a priority. We continuously adapt our operational business systems to changing business needs and the market environment. This approach is the basis for the annual HR Strategy and the HRmaster system, which was launched in September 2022 and facilitates the collection, management and communication of data related to the area. The standards and principles of responsible business conduct are also set out in this policy and in the Code of Ethics.

The performance management system is implemented on a rolling basis as a result of setting the HR target for 2021, and we intend to extend it to all our employees in the future. The job evaluation and job classification system has been implemented by the end of 2022, and the performance appraisal system is being finalised.

5.1.1 Health and safety of our employees

GRI 403-2 | GRI 403-3 | GRI 403-5 | GRI 403-9 | GRI 403-10

The health and safety of our employees is a priority for us. The majority of our employees work in an office environment, so work-related accidents and occupational diseases are not common due the nature of the work. All our staff are covered by occupational health standards and benefits, as determined by the applicable legal provisions. Our company has a workplace risk assessment, and health and safety and fire training is carried out in accordance with the regulations.

We also feel responsible for all our employees working on the construction sites. As the risk of injury or accident on construction sites is much higher than for office workers, it is essential to ensure proper safety at work, and we provide our employees with personal protective equipment, safety vests, helmets, jackets and shoes. Enforcement of health and safety regulations and training is carried out through our contracted partners on construction sites. Contracts set out the rules on health and safety

and their enforcement, monitoring and sanctions. We continuously assess the health and safety impacts and risks of buildings and related services, and investigate any non-compliances detected. The number of accidents at work in our Group is generally very low, with no accidents at work in the reporting year. There were also no serious or fatal accidents at work or fatal or reportable occupational diseases at our Company during the reporting period.

Our staff underwent annual occupational health checks in accordance with the legislation in force.

5.1.2 Well-being of occupiers, our buildings' users

GRI 416 (Governance Guidelines)

WING is highly committed to the health, safety and well-being of its tenants, visitors to its hotels and users of its residential developments. A good example of this is our Group's recent development, Liberty. With this building, we have brought unique solutions to the Hungarian office market. The Liberty office and hotel complex, which is currently under construction, will have a strong focus on health and a design that

promotes the well-being of employees and visitors. For such large facilities serving large numbers of people it is important to provide good quality fresh air, which is even more important these days during epidemic periods, so the design of ventilation systems that guarantee user safety is now essential. We applied antibacterial filters, a fresh air supply disinfected with UV light, and regular preventive disinfection of air ducts to protect health.

In Liberty, in addition to modern air ventilation systems, access routes and elevator use have been also optimised, together with the use of solutions for enhanced building decontamination and a range of contact-free features.

At WING, we also apply social criteria to certified buildings based on international standards (e.g. BREEAM, LEED), and we place particular emphasis on ensuring that these standards are maintained by the operating companies in the future. Our Company has also used ACCESS4YOU to carry

out the screening of accessibility plans for people with special needs for a number of developments, achieving Gold level certification.

No cases of non-compliance with legislation and/or voluntary codes were identified in 2023 for the health and safety impacts of products and services.

Our Company has also had to adapt to the COVID-19 pandemic in recent years. In addition, the safety measures introduced for our employees in the context of the coronavirus epidemic have been implemented across all occupied properties, some of which continue to prove useful as the pandemic subsides (e.g. enhanced disinfection solutions, hand disinfection stations).

5.1.3 Education and training, attracting and retaining talent

GRI 404-1, | GRI 404-2

We attach great importance to the continuous professional development of our staff, which we try to ensure through various training courses. The employees of WING Zrt. have attended courses in IT, accounting, MS Office, marketing, time management, corporate internal communication and culture development, sustainability, among others. Thus in 2023 a total of 1,229 training hours (767 training hours for female employees and 462 training hours for male employees) were recorded compared to 1,078 hours in 2022.

We place a strong emphasis on the professional development of our employees, and we also provide opportunities for them to gain professional experience. We contribute to this not only through external training, but also through our own training and education. Our employees can also communicate their training needs to their managers and forward them to the human resources department responsible for education. In addition, centrally supported opportunities are also available, such as Microsoft Office (Excel, Word) training, training courses at the Chamber of Engineers, mandatory training for accountants and tax advisors, and participation in industry trade events, conferences and exhibitions.

5.1.4 Diversity, equal opportunities and non-discrimination, respect for human rights

From 2022, our Company formally regulates diversity, equal opportunities and non-discrimination, as well as respect for human rights, in its Code of Ethics and Conduct.

Currently, WING already has a formal complaints handling policy and platform, and we encourage our employees to report any concerns or complaints they may have in the course of their work. We are committed to conducting a prompt, thorough and objective investigation into the problems identified and to taking the necessary and appropriate actions.

To this end, our Company has established an internal whistleblowing system to support legal compliance and ethical business practices. By establishing the internal whistleblowing system, WING aims to provide an accessible and secure platform for anyone to report and investigate complaints of any kind (discrimination, human rights violations, unfair business practices).

When it comes to accessibility, our Group takes into account standards, regulations and recommendations that are designed to create an accessible environment. In the final design phase of the GOBUDA Mall Shopping Centre and Liberty Office Building and Hotel developments, WING asked ACCESS4YOU, a national expert in the field, to review the accessibility plan and to have it certified to ACCESS4YOU Silver level. In addition, all our buildings comply with relevant EU and national regulations on accessibility, and we have taken steps to employ disabled employees in the future.



5.2 SOCIAL RESPONSIBILITY AND CHARITY, SUPPORTING LOCAL COMMUNITIES

GRI 413 (Governance Guidelines)

We believe it is essential to create a liveable and sustainable social and built environment for future generations. Internally, we also place a strong emphasis on the well-being and professional support of talented young employees, and actively participate in initiatives to support the future of younger generations.

As a domestic business, we feel it is our duty to actively contribute to the environment and society in which we operate. Supporting children and young people to catch up and develop their talents remains an important pillar of our work.

Over the past two decades, we have donated funds and equipment to the Madarász Street Children's Hospital, which has enabled the recovery of many sick children. We supported the Millenáris Children's Programmes and renovated the Peter Green playground there. In addition, for 10 years we were the main sponsor of the Jövőbarát Foundation, which was the first in Hungary to launch a scholarship programme for talented but disadvantaged children from rundown housing estates to help them pursue further education and find a career. In the wake

of the COVID-19 outbreak, we have paid special attention to measures to help patients recover, and our Company has made a direct donation to the South Pest Central Hospital, which was facing a number of challenges.

As part of our strategy, WING is a major supporter of the SOS Children's Villages Hungary Foundation for the fifth year in a row in 2023. The aim of SOS Children's Villages is for the young people in their care to grow up in love and respect, and to become well-adjusted and happy adults. As a responsible company, we want to ensure that no child is at a disadvantage compared to their peers and that they have all the support and help they need to succeed in life. Alongside SOS Children's Villages, WING was a sponsor for the umpteenth time at the country's most important scientific student forum, the National Scientific Students' Association Conference (OTDK).

Also in the ESG context, in addition to environmental protection and sustainability activities, WING has invested around HUF 15 million for social responsibility programmes and charity initiatives in 2023, as in previous years, and we have similar plans for 2024.

In addition to supporting young people, another large and important pillar of CSR activity that we consider important is supporting contemporary arts. Together with Hungary's leading real estate market players, we are a founding member of the Building on Art programme,

which aims to develop, promote and set an example in linking Hungarian real estate investments with artistic content, while at the same time making the properties more unique and showcasing the artists and their visions.

Our aim is to make it common practice to support and showcase art in some form in real estate investments in Hungary. The intention to involve and showcase artworks and artists when designing, converting or renovating properties and related spaces with different functions is important to us.

We also try to keep environmentally friendly aspects in mind in our events, we take part in the annual Green Walk organised by HuGBC (Hungarian Green Building Council), and we try to ensure that our gifts and events are sustainable and we aim to measure the ecological footprint of our website. As for our business gifting, we strive to ensure that the gifts are made from eco-friendly, sustainable, yet premium materials, and in 2023, we continued to prioritize Hungarian, locally-produced handcrafted products. We aim to minimise the printing of our marketing materials and only resort to it when necessary. When production is required, we mostly use FSC-certified paper and consciously avoid surface treatments. At our partner meetings, we paid special attention to reducing our environmental impact: we calculated the carbon footprint of our events, and any remaining CO2 emissions despite optimization efforts

were neutralised through the WWF and HighVibes Tiszaug habitat restoration project. Additionally, we provided a menu validated by Heroes of Responsible Dining during the event.

We work with local communities to deliver our projects. In preparation for our current developments, we prepare an environmental impact assessment by an external partner in compliance with the regulations and carry out planning consultations with local or higher level architectural authorities, mainly municipalities.

Real estate developments can have significant actual and potential negative impacts on local communities, especially the negative impacts associated with construction (noise, dust, land occupation, temporary conversion of green spaces). The Group duly complies with the relevant legal requirements and seeks to find a mutually acceptable solution with the parties concerned.

We also take steps to promote corporate social responsibility in the communication of real estate projects. Special initiatives have also been launched at Agria Park, such as running a gallery, organising shoebox drives, collections and hosting Rotary Club events. The ibis Styles Budapest Hotel provides free meals for children in cooperation with the Csodalámpa Foundation.

06



CORPORATE
GOVERNANCE

6.1 CORPORATE GOVERNANCE PRACTICES

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-14 | GRI 2-15 | GRI 2-17

Corporate governance is an important principle in representing and aligning the interests of our employees, investors and stakeholders, supporting transparent and efficient market operations and regulatory compliance.

As in previous years, we have published our Corporate Governance Report for the financial year 2023, which summarises our corporate governance practices and transparent operating principles to our shareholders, investors and external market participants. Our Company extends the principles of Corporate Responsibility to our subsidiaries.

The structure and operation of our Group follows a matrix structure, organised by divisions and business functions, which has been developed by taking into account both external and internal factors. The structure consists of project companies and the companies that operate the holding.

Responsibilities

The executive body of our Company is the **Board of Directors**, which consists of five natural persons. The members of the Board are elected by the General Meeting for an indefinite term on the basis of their professional experience and qualifications. The Chairman of the Board of Directors is appointed by the General Meeting, and the details of the currently elected Chairman and members of the Board of Directors

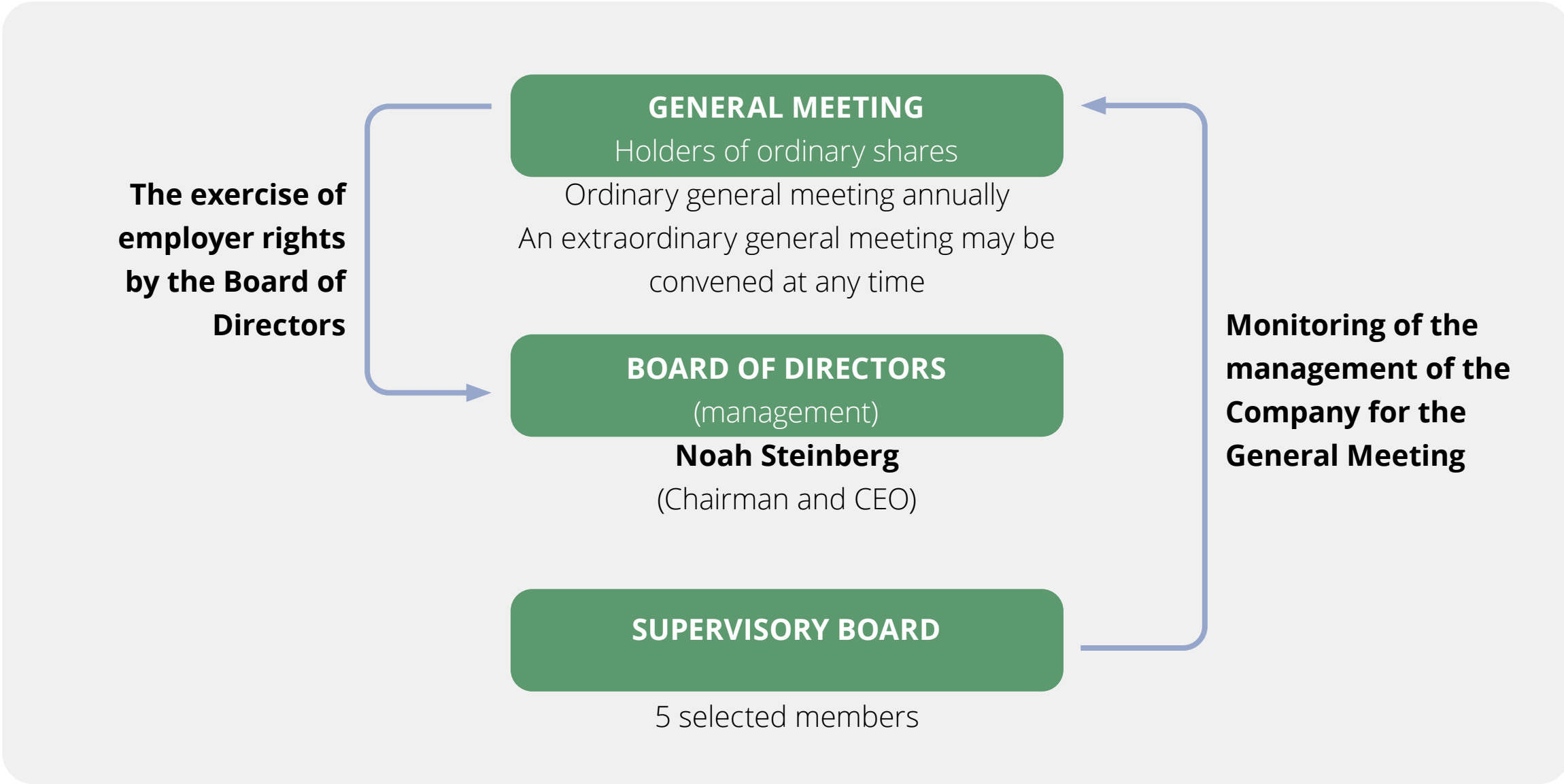
are publicly available in [WING's Corporate Governance Report 2023](#). Current members are: Noah M. Steinberg (Chairman of the Board, CEO of WING), Dr. Tivadar Fütty (Deputy Chief Legal Officer), Tibor Veres (owner), Ferenc Karvalits and Bence Buday (owner's representatives of Wallis Asset Management Zrt.). The members of the Board of Directors must act with due care and are liable for any breach of their duties under the rules of civil law. In the event of a conflict of interest against a member of the Board of Directors as a senior executive officer, the senior executive officer shall immediately notify the General Meeting of the existence of such conflict of interest. The Board of Directors shall meet as often as necessary, but at least four times a year, and shall be convened by the Chairman of the Board of Directors or, if the Chairman is prevented from attending, jointly by two members of the Board of Directors. The quorum for a meeting of the Board of Directors shall be at least two thirds of its members, provided that the presence of the Chairman of the Board of Directors shall be necessary to constitute a quorum. The lawyer who assists the Company in its work usually attends the meetings of the Board of Directors in a consultative capacity, as a guarantee of lawful operation.

The responsibilities of the Board of Directors, which include the administration of the Company and the performance of business activities that are not the exclusive responsibility of the General Meeting, are set out in detail in the Company's Articles of Association. The Company does not currently have a **Nomination Committee** and a **Remuneration Committee**. The relevant functions are carried out by the members of the Board of Directors without forming a formal body. The Company currently works on the implementation of a formal performance appraisal system, which will form the basis for formalising the remuneration policy.

The **General Meeting** is the supreme body of our Company, consisting of all shareholders. The General Meeting exercises the employer's rights over the members of the Board of Directors. A regular annual General Meeting must be held every year, and an extraordinary General Meeting may be called at any time. At the General Meeting, the holders of registered ordinary shares exercise their voting rights according to their entry in the share register and to the extent indicated therein. Decisions at the General Meeting are taken by open ballot.

Our Company has a **Supervisory Board** consisting of five members, whose term of office is indefinite. The members elect a chairman from their number, and their duties include monitoring the management of the Company for the General Meeting. The Company

does not have a separate Audit Committee, but the Supervisory Board is legally empowered to perform the functions of an Audit Committee, as part of which it assists the Board of Directors in auditing the financial reporting system, selecting the auditor and working with the auditor. The Supervisory Board's classic control functions cover strategic and operational decisions. If the Supervisory Board considers that the activities of the Board of Directors are in conflict with the law, the provisions of the Company's founding documents or the resolutions of the General Meeting, or otherwise harm the interests of our Company or our shareholders, it shall convene an extraordinary meeting of the General Meeting and propose its agenda. The members of the Supervisory Board may participate in the meeting of the General Meeting in consultative capacity.



Decision-making powers

The decision-making powers of the General Meeting, the Board of Directors and the Supervisory Board are set out in the Articles of Association of our Company and the rules of procedure of the Board of Directors and the Supervisory Board, within the framework of the legal provisions in force. The decision-making powers of our employees are set out in their job descriptions.

Instruction system

The Chairman of the Board of Directors, who is entitled to use the title of Chief Executive Officer, as part of his management activities, gives instructions on matters concerning the activities, operations, organisation and all or a significant part of the employees of our Company. This includes instructions setting out business, accounting and financial, IT, statistical and data reporting measures.

Appointment and employment

The Chairman of the Board of Directors exercises the employer's right over the employees of our Company, and the General Meeting exercises the employer's right over the members of the Board of Directors.

Representation

As part of the process of signing for our Company, the person authorised to represent us signs his or her name on the documents under our Company's pre-written, printed or pre-stamped company name. The following are authorised to sign for our Company: the Chairman of the Board of Directors individually, and any two of the members of the Board of Directors, other than the Chairman, jointly.

Conflict of interest

Conflict of interest management is currently addressed at policy level only at Gladiátor Befektetési Alapkezelő Zrt. The basic guidelines for the governing bodies are set out in our Articles of Association. The basic conflict of interest principles for our employees are set out in our Code of Ethics and employment contracts.

Sustainability

The members of the Company's management, including the members of the Board of Directors, participated in the materiality survey for the Sustainability Report, during which the material topics were identified. They also play an important role in the validation of the Sustainability Report. Members of the management are also involved in the ESG strategy development. They participated in a thematic orientation workshop, on the basis of which the ESG directions and objectives for the next period for WINGHOLDING and its subsidiaries were developed.



6.2 ETHICAL BUSINESS CONDUCT

Anti-corruption and anti-bribery, fair and ethical business conduct, internal whistleblowing system

GRI 205-1 | GRI 205-2 | GRI 205-3 | GRI 206-1

Our Company is committed to fair and ethical business conduct, the principles and guidelines of which are set out in our corporate Code of Ethics. The Code of Ethics sets out our standards of conduct and behaviour towards our employees and partners, and the information and procedures for reporting ethical issues. We conduct our business in compliance with all applicable legal regulations and ethical standards in all areas. Compliance with the ethical standards and rules set out is also expected of our business partners who contract with our Company.

Our Code of Ethics states that it is prohibited to offer, promise, give, solicit or accept, directly or indirectly, any unfair advantage or benefit for business purposes. Anti-corruption regulation is a cornerstone of the Company's corporate governance activities.

In its Code of Ethics, the Company declares that it will act in accordance with the principles of fair competition and the application of the competition rules in force in its dealings with competitors, and will not use unlawful means. The Company commits not to collect information about its competitors (and partners) beyond what is generally acceptable for business purposes, and not to use illegal means to collect information. The Company does not tolerate practices violating fair competition in tendering procedures and tenders and is committed to comply with all applicable trade regulations, restrictions, sanctions and import-export embargoes.

No legal proceedings were brought against our Company for anticompetitive behaviour, antitrust and anti-monopoly practices in 2023. In addition, there were no proven cases of corruption or anti-corruption legal proceedings involving WING.

In order to support these objectives, our Company started operating an internal whistleblowing system in the reporting year to ensure compliance with the law, its own policies and ethical values.

By establishing an internal whistleblowing system, the Company aims to provide a secure and accessible platform for anyone to report such abuse:



all forms of corruption



breaches of confidentiality



(sexual) harassment or any form of abuse of colleagues



distortion of competition; fraud or money laundering

6.3 RISK FACTORS AND THEIR MANAGEMENT

We constantly assess the risk factors affecting our activities, which fall into the following risk groups:

1 Tenant risk

A significant portion of the WING Group's revenue is generated from leasing in Hungary, with the real estate portfolio being leased to a large number of tenants of varying value. The largest tenants may individually have a significant impact on the future revenue and profitability of our Company due to their volume. As a result, our Company is exposed to the risk of non-payment by customers. We have long-term fixed-term contracts with our main customers for the majority of the leases in force, but there is no guarantee of renewal after the expiry of the contracts. In the case of our long-term leases, Tenants must give us one to one and a half years' notice of their wish to extend the lease term or of the expiry of the lease before the expiry date, thus giving us sufficient time for proper preparation and possible re-lease.



2 Leasing/ Re-leasing risk

The asset management and sales divisions monitor the lease contracts within the property portfolio, their tasks include the renewal of expiring contracts and the leasing of buildings without tenants. In our experience, more than three quarters of our tenants renew their lease, so on an annual basis, a small proportion of contracts entail a re-leasing risk.

The market is slowing down for new leases, with tenants looking for new space typically having less demand for space than in the past



3 Construction risk

The situation of the construction market is a constant risk factor in real estate development. The trends in real estate development and construction that were typical of previous years have started to change, with an improvement in the availability of construction capacity. The rate of increase in construction costs, which had been rising strongly, has slowed due to the fall in demand.



4 Exchange rate risk

The expenditure side of running our property portfolio, such as operating and utility costs, is covered by the operating fees paid by tenants. Recently, the share of euro-based operating fee income has decreased significantly and, with the modification of lease contracts, our Company has gradually switched to invoicing in HUF for the majority of tenants.

Some of the investment and construction costs incurred in real estate development (e.g. material costs) are also affected by changes in the EUR/HUF exchange rate. Exchange rate risk in development projects is managed through fixed price contracts with the contractor for a fixed period and hedging. Both the residential development activities in Hungary and Poland are financed in local currency, which is also justified by the fact that the finished product is also sold in local currency.



5 Transaction (liquidity) risk

Due to the length of real estate investment transactions and the high cost of due diligence, real estate as an asset class is considered one of the least liquid assets. Liquidity risks tend to move in the same direction as macroeconomic risks (e.g. recession or other economic shocks), i.e. if liquidity deteriorates, the chances of raising funds are also worse. This type of risk is also significantly affected by changes in the regulatory environment.



6 Risk associated with residential development

WING Group's residential property development activities have performed exceptionally well in the past. At the same time, the rise in yields and interest rates in recent years and the inflationary environment are also having an impact on housing sales. On the one hand, the uncertainty caused by the increase in raw material prices and wages, as well as the possible deterioration in unemployment and the value of real wages, could have an impact on the future development of sales and their results.



7 Risks related to the WING Group's operations and markets

The internal resources for the Group's operations (capital, staff) are in place, and the external environment is stable and positive. WING's sales markets for both tenants and investors are stable, so the leasing and possible sale of existing real estate projects and those under development are expected to proceed as planned.

Another risk factor for the Group's operations is the increase in construction prices. For projects currently underway or in preparation, we are paying close attention to managing these risks properly and looking at ways to manage and mitigate them in the medium term (3–5 years). The Board of Directors is responsible for overseeing and managing the overall risk management of the Company.





Climate change risks and uncertainties

The impact of climate change on financial statements

In 2023, WINGHOLDING has set up a Sustainability Group, which, in addition to other related tasks, has to address the impacts and risks of climate change on the Group. In 2023 we started to develop a Group-level ESG Strategy for the Hungarian operations. The strategy will be continuously reviewed and refined. This does not yet include a commitment to reduce CO2 emissions, but the Group is preparing its commitments for the near future by issuing measurement points and monitoring in the reporting year and by introducing the measurement methodology for Scope 1, 2 and 3 categories.

The strategy is to be updated, with a strong focus on sustainability and climate change, and will provide effective governance to address environmental issues and climate change risks.

The Group prepared the following summary of the related risks and opportunities identified by WINGHOLDING and the measures taken to address them. It should be noted that the summary of risks identified is not exhaustive.

Climate change risks are also an integral part of WINGHOLDING's project-level risk management approach, as project teams are required to identify, assess and mitigate relevant risks as part of the investment and tender processes



Risks and opportunities related to climate change and the transition to a low-carbon economy:

Political and legal

Examples of risks and opportunities:

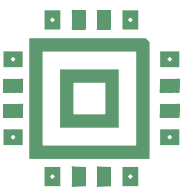
- Increased reporting and disclosure requirements, e.g. CSRD (reporting under ESRS), ESG Act (Act CVIII of 2023), EU taxonomy.
- Energy performance standards (energy performance of buildings).
- Costs of measuring, reporting and reducing carbon emissions.
- WINGHOLDING strives to be a leader in the green and low-carbon transition and to provide transparent, third-party verified disclosures and ESG data.



Financing

Examples of risks and opportunities:

- The tightening of financing conditions is already being felt in some of our projects and is expected to continue. We can expect to see an increase in lenders' demands and the related monitoring and data reporting requirements
- WINGHOLDING's green bond framework and related commitments take into account green financing solutions from 2021 onwards. The framework is kept under constant review in line with lenders' expectations, climate change mitigation expectations and market needs.



Technology

Examples of risks and opportunities:

- Meeting climate targets will require considering new technologies and innovations. A successful transition to a low-carbon economy will require exploring and deploying new technologies and innovations that can create both risks and opportunities in a competitive market. Increased demand for certain products and materials may cause difficulties in the supply chain and some materials may become bottlenecks, increasing the risks of project implementation.
- New regulatory frameworks related to new products and services may be introduced, which can have both positive and negative impacts (on company reputation, customer expectations, innovation and R&D activities, and the supply chain).
- Wingholding is constantly monitoring innovations in real estate development that can contribute to the low-carbon transition and the development of more resilient, efficient and energy-saving buildings.



Market

Examples of risks and opportunities:

- Changing consumer expectations
- Changing competitors
- New markets and opportunities
- Rapidly rising customer and tenant expectations for sustainable buildings are already evident and are expected to increase further, especially in the case of “1.5°C” and “below 2°C” climate change adaptation scenarios. This may also lead to changes in competitors, as existing competitors change and adapt to meet new expectations and potential new competitors may enter our markets. Depending on the responses, these changes can affect revenue, reputation and competitive position.
- WINGHOLDING holds a leading competitive position in the market. Even in the normal course of business, demand for sustainable buildings and infrastructure is expected to grow.
- Construction and property development is a highly resource-intensive industry. However, Wingholding's focus on operational efficiency can reduce its use of resources and thereby reduce its exposure to the rising cost of carbon emissions. In the field of low-carbon and sustainable solutions, our Group is well positioned to meet the expected growth in demand.
- WINGHOLDING is playing an active role in partnerships such as HuGBC and WGBC to secure its position at the forefront of the low carbon transition.
- Demand for retrofitting existing buildings to be energy efficient is also growing. We are also constantly exploring these market opportunities.



Reputation

Examples of risks and opportunities:

- The Group can expect increased interest from stakeholders, including customers, scrutiny from regulators, the media and NGOs, and special expectations from investors.
- Increased stakeholder expectations and scrutiny are already evident and are expected to increase in the future. Companies' reputations could be damaged if they are seen to be delaying the transition to a low-carbon economy. This is particularly important in the construction sector and property developments, as the built environment is a major contributor to harmful emissions.
- WINGHOLDING strives for high quality reporting and marketing materials, with a strong emphasis on credibility and reliability.
- For many years, WINGHOLDING has published its sustainability data in its annual Sustainability Report.



Physical

Risks and opportunities related to the physical consequences of climate change.



Acute

Examples of risks and opportunities:

- - Increasing frequency and intensity of extreme weather events.
- - Extreme weather events are already becoming more frequent in many parts of the world, and their frequency and intensity are projected to increase. Depending on mitigating measures, such events may cause disruptions to the Group's projects and investments, which may affect, for example, construction schedules, certain cost elements and ultimately the value of assets.
- WINGHOLDING takes extreme weather events into account when designing and operating buildings (in the future, buildings are expected to be more exposed to extreme storms, extreme winds, uneven rainfall and precipitation distribution, flash floods, heat waves).



6.4 DATA PROTECTION

GRI 418 | GRI 418-1

WING has a publicly available privacy notice published on its official website. The purpose of the information on data processing is to ensure that the Companies in our Group comply with their obligation to inform data subjects in advance of data processing and to inform data subjects about the principles of data processing and the legal enforcement possibilities.

The privacy notice has been prepared in accordance with the following EU and national legislation:

- General Data Protection Regulation 679/2016/EU ("GDPR")
- Act CXII of 2011 on the Right to Informational Self-Determination and Freedom of Information ("Privacy Act"),
- Act CVIII of 2001 on Certain Aspects of Electronic Commerce Services and Information Society Services ("Act on Electronic Commerce Services"),
- Act XLVIII of 2008 on the Basic Requirements and Certain Restrictions on Commercial Advertising Activities ("Commercial Advertising Act"),
- Act V of 2013 on the Civil Code ("Civil Code").

To ensure the security of the data we process, we have security and organisational measures in place, which are set out in the GDPR policy and other relevant procedures. WING provides dedicated training for staff involved in data processing operations and has a Data Protection Officer in place.



The following persons within WING Zrt. have access to the data:

- in the case of employment and other documents relating to employment contracts and services contracts, the HR staff;
- in the case of data on events and activities, the dedicated HR or marketing staff;
- in the case of car and garage or telephone usage data, the staff responsible for cars, the responsible HR staff, the IT staff and, in some cases, the receptionist;
- in the case of invoices, the dedicated staff in the billing system, the staff responsible for filing, accounting and approval of invoices, and, in addition, the IT security officer to the extent necessary.

If necessary, the managing director will be given access to the data by the persons responsible. Each user can only access the data to the extent of his or her rights.

The Company has not received any complaints or notifications (from authorities, customers, etc.) related to data protection in the course of its operations.

6.5 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

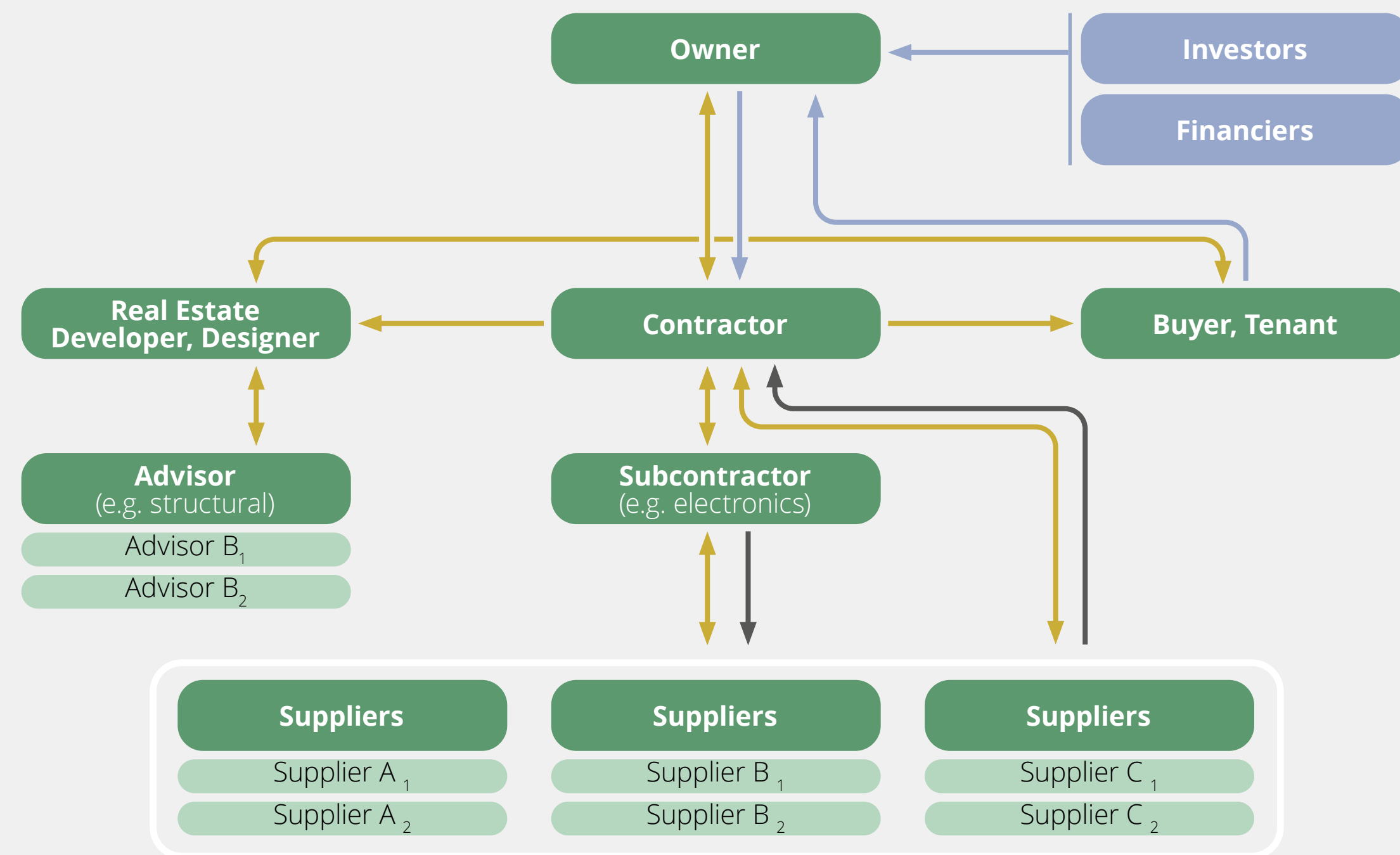
6.5.1 Supply chain

GRI 2-6

WING has been an integral part of the Hungarian real estate market for 25 years. During this time, we have developed long-term relationships with our business partners based on the principle of mutual cooperation. The scale, value, number and quality of the developments we have made in recent years are testament to the credibility of our Company. We aim to maintain lasting

and high-quality partnerships. We work with a number of subcontractors, some of whom carry out construction, renovation and other architectural work, and help us plan our projects. In addition, we are in daily contact with contractors, legal advisers and professionals in specific fields related to property development. As a result of our activities, we also cooperate with companies and contractors who sell, broker or certify real estate.

A schematic diagram of the actors and processes involved in the supply chain illustrates the complexity of the industry from a supply chain perspective

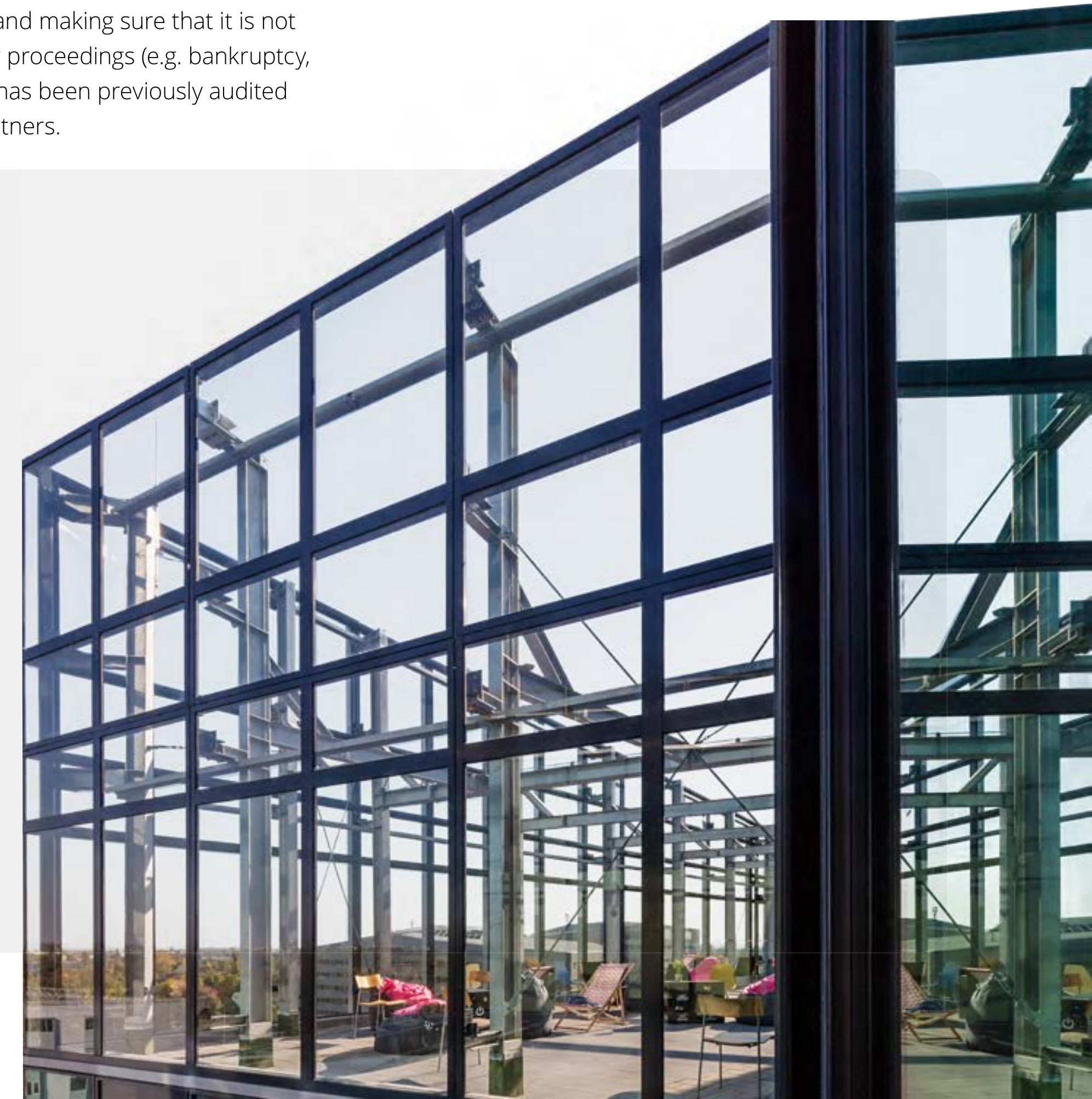


6.5.2 Implementing the precautionary principle in the operation of our organisation

On behalf of WING, we only work with organisations that comply with the relevant legal requirements and demonstrate anti-corruption behaviour. We carry out pre-contractual due diligence on our prospective partners, checking the company from a company law and solvency perspective, and making sure that it is not subject to criminal or other proceedings (e.g. bankruptcy, liquidation). Our Company has been previously audited and works with reliable partners.

All suppliers of construction and construction-related works are domestic companies, with the share of suppliers with foreign tax numbers in the value chain below 5%.

Our Company keeps abreast of increasing EU and national regulatory efforts to screen, assess and mitigate human rights and environmental risks in the supply chain.





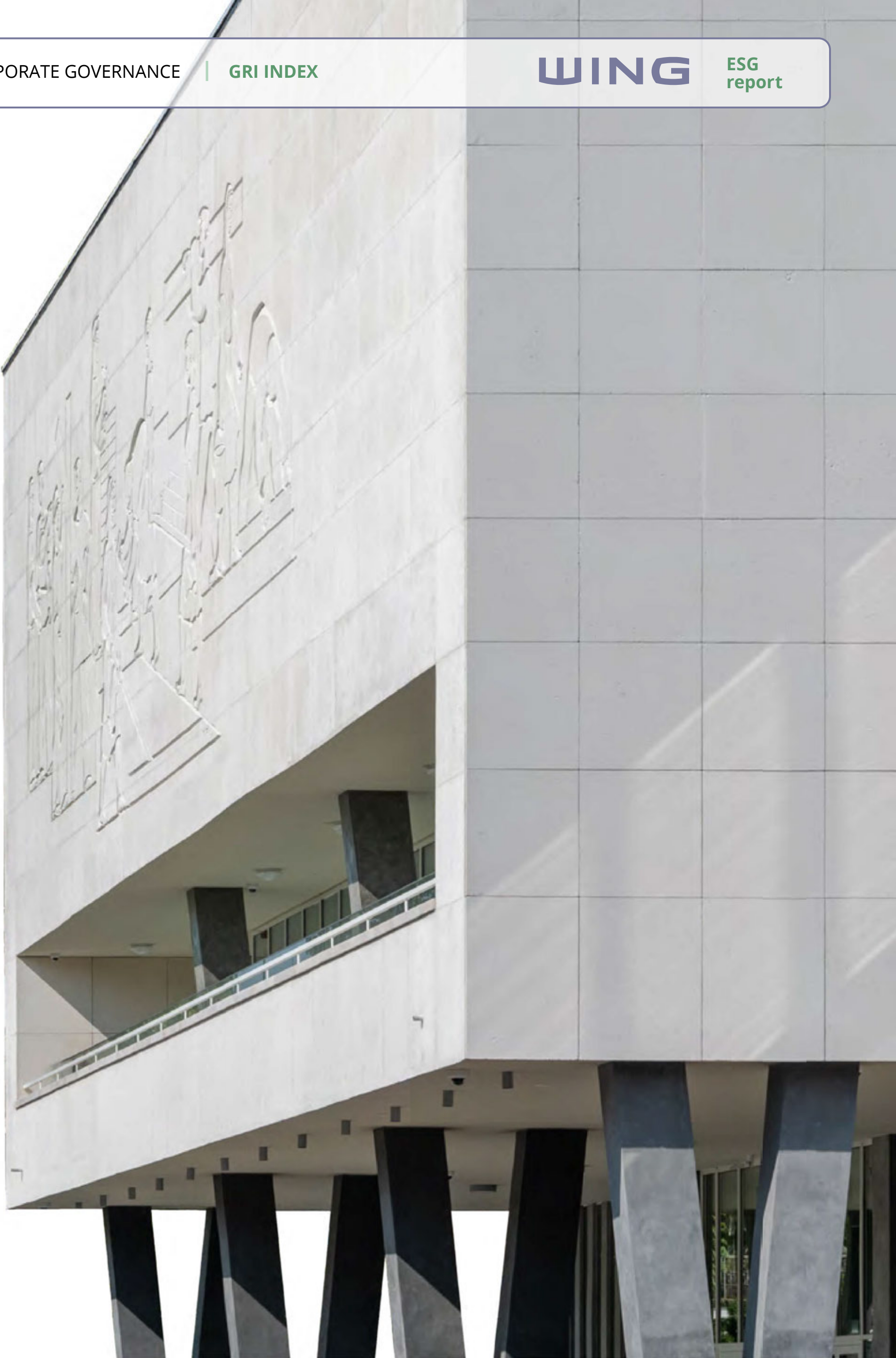
GRI INDEX

STATEMENT OF USE

WINGHOLDING Plc. has reported the information cited in this GRI content index for the period 1st of January 2023 to 31st of December 2023 with reference to the GRI Standards. GRI 1 USED: GRI 1: Foundation 2021

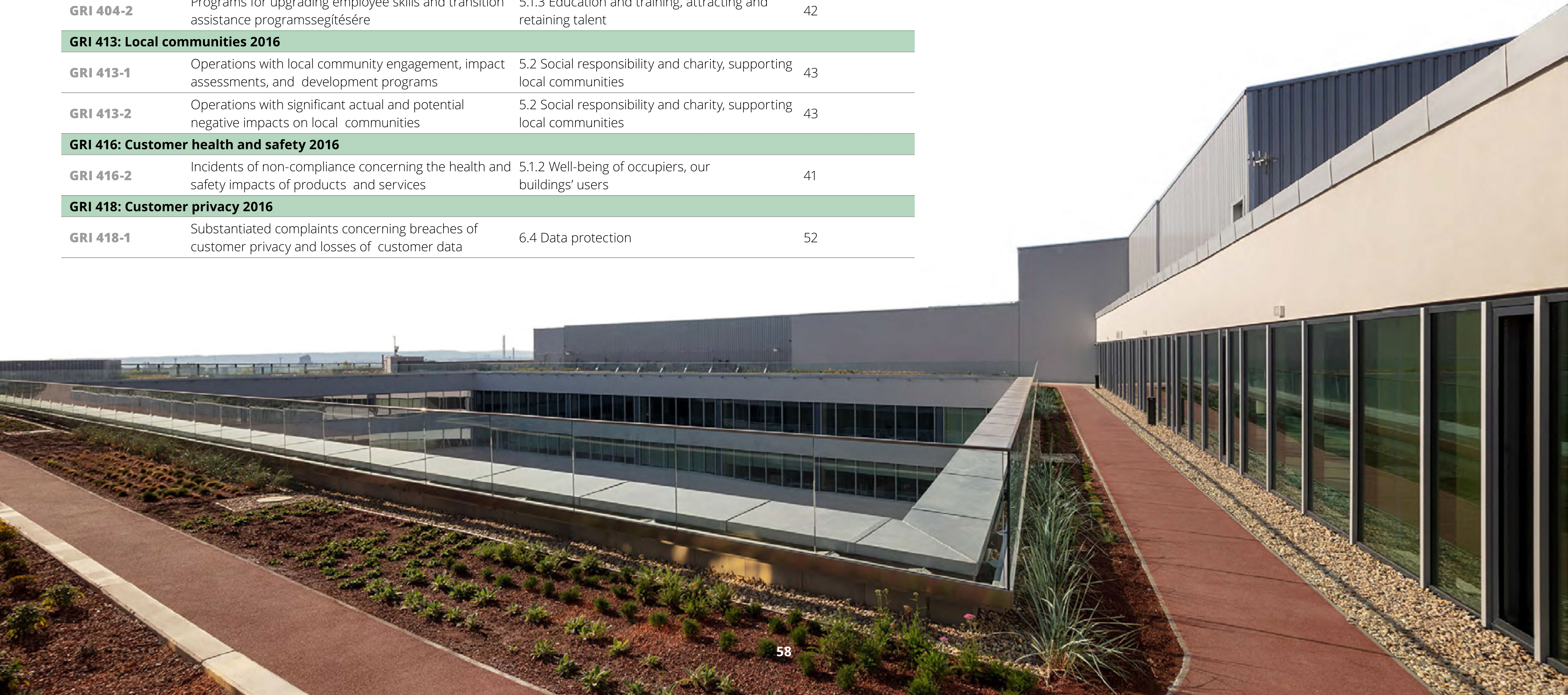
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