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ASSESSMENT OF EXPOSURE TO SOCIAL RISKS AND OPPORTUNITIES IN 2023

Népliget Center

1097 Budapest, Könyves Kálmán krt. 11.

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Annexes:

Annex 1: Data Protection and Security Policy

Annex 2: Proof of competence of the individual/organization carrying out the assessment (CV, chamber membership).

1. Introduction

Social risks:

Social risks are mostly those that arise from poor respect for fundamental rights, lack of social inclusion or ineffective labor relations, and unfair, unclear or malicious purchasing practices. Social risks are most likely to be realized through reputational damage, inefficient or even destructive operation or loss of critical workforce, as well as through financial claims and liabilities arising from inappropriate practices.

For the BREEAM certification of the Népliget Center Office Building, the above social risks need to be assessed.

2. Basic data

The present study has been prepared for the Népliget Center Office Building (1097 Budapest, Könyves Kálmán krt. 11.) in 2023.

Main data of the Népliget Center Office Building:

Owner: Népliget Béta Ingatlan Kft.

Headquarters: 1097 Budapest, Könyves Kálmán krt.11.

Business Premises: 1097 Budapest, Könyves Kálmán krt. 11. Népliget Center

KÜJ (Environmental Customer Code): 102908446

KTJ (Environmental Area Code) Népliget Center Building A: 101652709

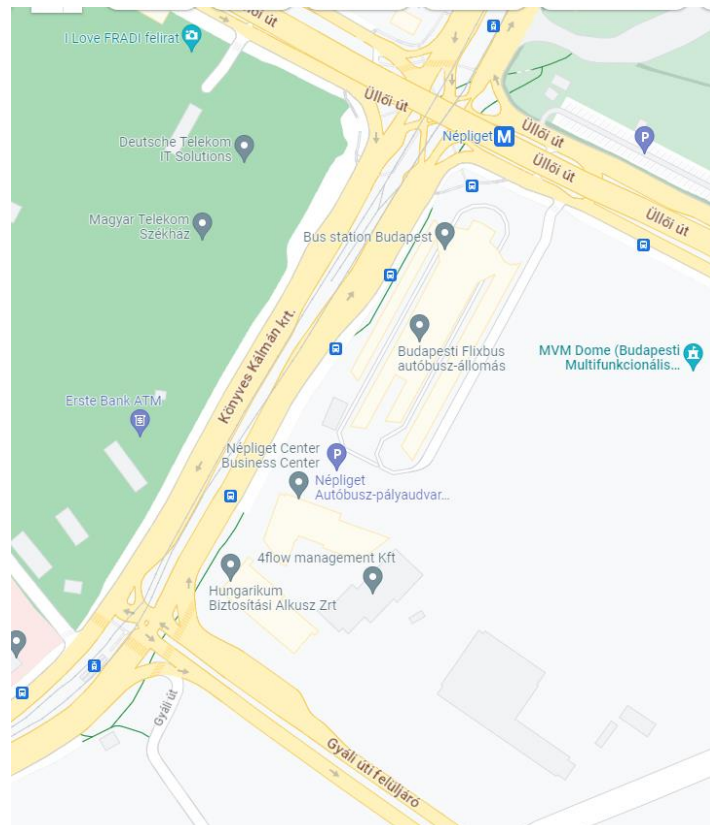
KTJ (Environmental Area Code) Népliget Center Buildings B + C: 102107394

Operator: White Star Real Estate Kft. (1124 Budapest, Csörsz utca 49-51.)



Bird's-eye view of the Népliget Center Office Building

The Népliget Center Office Building is located in a prominent area of Budapest, at the intersection of Könyves Kálmán krt. and Üllői út (Gyáli út overpass, M5 highway access), next to the Népliget bus station and the MVM Dome (sports hall).



Accessibility of the Népliget Center Office Building

The Népliget Center Office Building can be reached by public transport via the following means: tram line 1, subway M3, bus 901 and bus 918 (night service).

Approach by car is possible from the direction of Könyves Kálmán krt. Népliget Center has a three-level parking lot with 451 parking spaces. The car park is subject to rules of the road.

3. Brief description of the Népliget Center Office Building and the activity

The Népliget Center Office Building was completed in 2009. It has 26,000 m² of prime office space, 1900 m² of inner garden area, 3000 m² of underground storage and a 451-space parking garage. The Népliget Center Office Building is used primarily for office activities, but the office building also houses a restaurant, a cafe and a car wash. The Népliget Center Office Building is supplied with water, gas and electricity from the municipal network, and the sewerage system is also connected to the municipal network.

4. Exposure assessment of the Company and the building to social risks and opportunities

For the BREEAM certification of the Népliget Center Office Building, the following aspects need to be assessed according to the BREEAM protocol:

RSL 08	Has the building's exposure to social risks and opportunities been assessed?	0	A	No answer
		0	B	No
		2	C	Yes, the building's social risks and opportunities have been assessed
		4	D	Yes, the social risks and opportunities of the building have been assessed and the main parameters of the risk analysis have been publicly disclosed

5. Social risk factors in general

The social risk factors in general are as follows:

Risk factor	Risk event	Transmission channel	Dual importance
Human rights	Liberties	UN Human Rights Council bans or operations in regions under EU sanctions	Financial / Social
	Child labor, forced labor and human trafficking	Disputes, negative customer and investor preference, loss of revenue and increased financing costs	Financial / Social
	Poor conditions in the areas of health, education and work safety	A disruptive environment subject to social unrest, damages and disruptions to production	Financial / Social
	Differentiation in conditions, compensation, segregation	Disputes, negative customer and investor preference, loss of revenue and increased financing costs	Financial / Social
	Violation of employees' rights (collective bargaining, associations, working time, etc.)	Disputes, negative preferences of customers and investors, loss of revenue and increased financing costs	Financial / Social

Risk factor	Risk event	Transmission channel	Dual importance
Employees' rights	Poor worker safety files, coercive working conditions, child labor	Disputes, negative preferences of customers and investors, loss of revenue and increased financing costs	Financial / Social
	Exposure to liability for consumer protection, consumer rights and incorrect customer preference	Disputes, negative preferences of customers and investors, loss of revenue and increased financing costs	Financial / Social
Customer protection and behavioral risk	Exposure to damage caused by products and services, increased legal burden on the company	Legal liabilities for damages, loss of customer preference, increased costs and loss of revenue	Financial / Social
	Weak personal data security and privacy	Losses incurred as a result of legal proceedings related to user data protection	Financial / Social
	Claims arising from unfair and misleading promotions	Disputes, loss of customer preference, loss of revenue	Financial / Social

Evaluating the above is the evaluation task.

6. Social objectives and results for the Népliget Center Office Building

The Népliget Center Office Building is committed to positive business ethics and respect for human rights in order to nurture the well-being of its partners. It aims to promote equality.

Identifying communities

Within the building

- employees,
- service providers,

Outside the building

- workers,
- service providers,

Vulnerable groups

- the financially disadvantaged,
- people with disabilities,
- the elderly,
- ethnic, linguistic, religious and gender minority groups.

Metrics of social risks in 2023 at the Népliget Center Office Building:

Risk factor	Risk event	Current risk indicator (1 to 10; riskiest 1, least risky 10) for the Népliget Center Office Building	Possible way to increase the risk indicator in the next reporting period
Human rights	Civil liberties	10	Not necessary
	Child labor, forced labor and trafficking in human beings	10	Nor necessary
	Poor health, education and occupational safety conditions	9-10	Addressing and improving minor deficiencies in occupational health and safety
	Differentiation in conditions, compensation, segregation	9-10	Complete elimination of segregation
	Violation of workers' rights (collective bargaining, associations, working time, etc.)	9-10	Better adherence to working time
Workers' rights	Poor worker safety files, coercive working conditions, child labor	10	Not necessary
	Exposure to liability for consumer protection, consumer rights and incorrect customer preference	9-10	Abandonment of incorrect customer preference

Risk factor	Risk event	Current risk indicator (1 to 10; riskiest 1, least risky 10) for the Népliget Center Office Building	Possible way to increase the risk indicator in the next reporting period
Customer protection and behavioral risk	Exposure to damage caused by products and services, increased legal burden on the company	9-10	Introduction of more accurate information, more transparent rules, more constructive negotiations
	Weak personal data security and privacy	10	Not necessary
	Claims arising from unfair and misleading promotions	9-10	Simpler and clearer advertising and marketing

The metrics are used as indicators to assess the level of risk, provide a comparable standard and measure progress. Social metrics, however, are less quantitative and more indeterminate compared to environmental metrics, as they need to be tailored to the industry and the company collecting the data. As this is the first time that the risk and opportunity assessment of the Népliget Center Office Building has been carried out, not too many statistical data are available. It is advisable to start tracking (improving) the indicators from this assessment according to the table above, so that they are available as soon as possible for the next reporting period, helping to set the next targets and monitor the results.

Risk analysis for social factors

Subsections of the risk analysis	Subareas if the analytical method	Results of the analytical method for the Népliget Center Office Building
Public health and well-being	Quality of health care, occupational physician, measures against epidemics, welfare measures	The Népliget Center Office Building provides its employees with an occupational physician service, regular check-ups, blood donations, protective equipment and tools against epidemics, and disinfectants. The Népliget Center Office Building has its own restaurant for its employees.
Poverty and social exclusion	Level of salaries, benefits, tensions over social differences, fight against anti-Semitism	The Népliget Center Office building condemns, prohibits and punishes all forms of hatred, and its employee benefits are of a high standard.
Situation of people with disabilities	Measures to help people with disabilities and people with intellectual and physical disadvantages, to combat their exclusion; the objective is to take into account the opportunities for people with disabilities when recruiting new staff, to examine the	The Népliget Center Office Building takes into account the interests of people with disabilities in all aspects and situations.

Subsections of the risk analysis	Subareas if the analytical method	Results of the analytical method for the Népliget Center Office Building
	employment of people with disabilities and to increase their employment rate.	
Public security (e.g. modern slavery)	Introduction of security measures (theft protection, etc.).	The Népliget Center Office Building is equipped with state-of-the-art security devices (camera system, concierge service, emergency monitoring, detection and signaling systems (e.g. fire alarm), which meet the highest requirements and standards.
Responsible leadership and community relations	Strengthening management-employee relations, employee-employee relations, technical ways of establishing new relations	At the Népliget Center Office Building, the approach and philosophy of each occupying company and corporation is employee-centric, with a short communication path to senior management. Employee-employee relations are also excellent.
Communities' impact on the building	Relationship between the employees and the building, amenities, liveability assessment, amenity assessment	The Népliget Center Office Building provides state-of-the-art facilities for employees (communal areas, canteens, smoking areas, green areas, rest rooms, etc.).

Social opportunities

The Népliget Center Office Building has the following social spaces to maintain and improve the working conditions of employees in case of risks and emergencies (e.g.: prolonged heat waves):

- building area before reception,
- vacant areas: A7, A4, B8, C ground floor vacancies,
- kitchens on A and B ground floors.

Objectives

Objective	Description and causes
Human rights	<p>In several regions or sectors, employers are prone to abuses of fundamental human rights, oppression, forced or coerced labor.</p>
	<p>Their actions must never violate human rights that are guaranteed not only within the company, but also in all organizations along the supply chain. They adhere to all accepted workplace standards, believe in the right to life and liberty, the right to work and education, and the right to freedom of opinion and expression without discrimination.</p>
	<p>Many companies or sectors are exposed to the use of hazardous materials, machinery, pollutants, ergonomic or mental damage, such as extreme stress situations. Many of these accidents and injuries can be prevented through appropriate training and safety measures.</p>
Health, education and work safety	<p>The Company is also committed to protecting the health and safety of its employees, including its customers' customers and their suppliers' employees. The mental and physical health of its employees is supported by the various measures offered by its health centers, such as preventive medical examinations and contact with mental hygiene experts. They are committed to developing the professional and interpersonal skills of their employees to ensure that they are prepared to work in a professional and socially responsible manner.</p>
Diversity and equal opportunities	<p>They believe in diversity and equal opportunities for their workforce and strive for more women in leadership roles. They offer their products and services to all without discrimination. Through their everyday business activities, they can overcome inequalities to the benefit of financially or socially disadvantaged groups of the population.</p>
Employee attraction and retention, employee relations, employee rights	<p>It is important for them to offer all workers fair and balanced working conditions. This means clear communication and a responsible approach to managing restructuring, but also career management and employability opportunities. All workers must be guaranteed trade union rights and freedom of association.</p>
Customer commitment and financial literacy	<p>The Company shall reflect the needs, complaints and suggestions of the customers in its products and services. Products and services shall be offered without discrimination on the basis of availability or product/service conditions. Whenever products or services are involved, financial literacy should be promoted as a key factor in creating understanding, equality of opportunity, economic prosperity and social inclusion.</p>
Integrity and safety of products and services, product liability	<p>Products and services must meet or exceed their customers' expectations for performance, quality and safety. There must be a solution for resolving quality problems, handling complaints appropriately and reporting on the problem resolution process. Products and services should always be accompanied by appropriate information and this should not exceed the partners' potential understanding of the purpose of the products and services and the associated risks.</p>

Objective	Description and causes
<p>Advertising and marketing ethics</p>	<p>The Company will act in a responsible manner when creating marketing campaigns. By maintaining ethics, honesty, simplicity and accessibility in its advertising, it builds a stronger relationship with customers, based on trust. Marketing campaigns should be respectful and should not contain offensive or defamatory images or messages. Their marketing materials should also be clear, balanced, reliable and not misleading.</p>

The Népliget Center Office Building meets the above criteria, objectives and requirements.

No weak points that would require further discussion have been identified.

The Népliget Center Office Building has the following documents on the subject:

- Contracts,
- Data Protection and Security Policy
- Complaint book.

Based on the above, the Népliget Center Office Building meets all the expectations, nevertheless, it is the task of the next period to maintain the current standards, and to identify and take corrective measures, if necessary.

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