



2024 ESG ACTIVITIES REPORT

SUMMARY OF ACTIONS UNDER
OUR SUSTAINABILITY STRATEGY

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ESG Report

Dear All,

We are pleased to present Hillwood Poland’s 2024 ESG Report.

This publication summarizes our efforts across the Environmental, Social, and Governance areas, which form the foundation of our sustainability strategy.

The year 2024 was marked by dynamic changes—both in the economy and in the real estate market. In the face of these challenges, we pursued our mission with even greater commitment: to develop modern, environmentally friendly warehouse facilities that meet the needs of our clients—today and in the future. We continue to raise our standards, implement innovative solutions, and seek ways to ensure our investments generate positive impact—on people, local communities, and the planet.

In this report, we outline specific actions we have taken in recent years, explain our approach to sustainable development, and share the achievements of Hillwood Poland and our partners.

Thanks to their knowledge, experience, and dedication, we are able not only to meet market expectations but also to set new standards in responsible construction.

Thank you for the trust you place in us. We hope this report will inspire further collaboration and a shared effort to create a better future.

Hillwood Poland Team





Local Expertise, Global Perspective

Hillwood is one of the world’s leading commercial real estate companies, with over 30 years of experience delivering projects across Europe and North America.

We have been active in Poland since 2014, providing modern logistics and industrial centers—both build-to-suit and for speculative developments. Our capabilities also include property acquisitions and comprehensive asset management.

We operate in all key warehouse markets in Poland, including Warsaw, Central Poland, Lower Silesia, and Upper Silesia. At the same time, we actively invest in emerging locations with high potential, such as Częstochowa, Konin, and Nidzica.

Our Activities



Development and Leasing of Warehouse, Logistics, and Industrial Facilities

We manage investments comprehensively—from land selection and acquisition, through planning and design, to the construction of modern industrial and logistics facilities tailored to our clients' specific needs.

We undertake projects both independently and in partnership with reputable collaborators. This approach allows us to deliver value not only to our clients but also to local communities by building infrastructure and creating jobs.

Each project is executed to the highest standards of quality and timeliness, with careful consideration of environmental impact. We prioritize user comfort and building energy efficiency, focusing on superior thermal insulation, energy savings, and long-term durability.



Tailored Spaces (BTS)

For clients with specific requirements, we offer built-to-suit (BTS) facilities—fully customized to their operational needs.

We design and construct these facilities according to the client's requirements, both in terms of location and technical specifications. We manage the entire process: from land acquisition, through design and financing, to project delivery. We offer long-term leasing, provide technical support, and manage the facility throughout the lease term.



Investments

Our investment strategy includes asset ownership, joint ventures, and other forms of partnerships based on strong local relationships.

We invest both in existing warehouse facilities and land for future developments, offering our clients a wide range of locations and formats. Each property is carefully selected to meet the highest standards of quality and functionality.



Property Management

We provide comprehensive management services for warehouse, logistics, and industrial properties.

Through our experienced team and trusted external partners, we ensure high service standards. We ensure our clients can focus on their business, confident that their assets are professionally managed. Our services also include property commercialization and re-commercialization.



HILLWOOD WORLDWIDE

26.8 MM m²

delivered and acquired
warehouse space

7.3 MM m²

owned and managed
warehouse space

HILLWOOD IN POLAND

250+

clients

3.8 MM m²

delivered and acquired
warehouse area

115+

acquired and developed
projects

1.8 MM m²

owned and managed
warehouse area

2.5 MM m²

planned warehouse space





KEY ESG INITIATIVES

Sustainable Business Development

Sustainability is an integral part of our strategy.

We believe that responsible business practices create value not only for our partners but also for future generations.

We create spaces that serve not only companies but also people—building with and for them. Our success is measured not only by completed projects or warehouse space delivered, but primarily by user satisfaction, partner relationships, and the engagement and growth of our team.

Key ESG Actions

Environment	Society and Employees	Corporate Governance
<ul style="list-style-type: none">▶ Reduction of primary energy demand and CO₂ emissions▶ Use of renewable energy sources▶ Efficient water management▶ Support for circular economy initiatives▶ Enhancement of biodiversity	<ul style="list-style-type: none">▶ “Responsible Neighbor” Program▶ Talent Management▶ Health and Safety▶ Local Initiatives	<ul style="list-style-type: none">▶ Initiatives, development, and implementation of good practice rules▶ Facility usage regulations▶ Building certification▶ Implementation of selected clauses in green lease agreements

ENVIRONMENT

Environmental Initiatives

Our commitment to the environment begins at the investment planning stage.

We particularly focus on brownfield projects that revitalize degraded post-industrial sites. This approach restores urban value to neglected areas while reducing pressure on undeveloped green spaces.

Every new Hillwood Poland facility designed to achieve BREEAM certification, demonstrating the use of eco-friendly technologies and adherence to the highest environmental standards. In our projects, we prioritize energy-efficient and sustainable buildings as well as green, welcoming surroundings.



Energy Consumption Reduction



Renewable Energy Sources



Emission Reduction



Efficient Water Management



Biodiversity



Waste Reduction



Light Pollution Reduction Initiative



Support for Circular Economy Activities





ENVIRONMENT

Energy

Our new logistics and industrial parks are developed with a strong focus on maximizing energy efficiency. This translates into tangible benefits for users, the environment, and local communities, including:



Reduced electricity and heating costs



Lower CO₂ emissions



Greater resilience to climate change and improved adaptability

We achieve these outcomes through:

- ▶ detailed building analysis
- ▶ selection of optimal lighting, ventilation, air-conditioning, and building management systems
- ▶ generation of energy from renewable sources

These measures, implemented in projects completed in 2024*, achieved a significant reduction in primary energy demand of **35.44%** on average and decreased CO₂ emissions by **42.67%**.

43-48%

lower primary energy consumption compared to a reference building



41-78%

lower CO₂ emissions compared to a reference building

* Buildings completed in 2024 and certified under BREEAM International New Construction v6.

ENVIRONMENT

CO₂ Emissions in the Building Life Cycle

All projects developed by Hillwood Poland undergo thorough evaluation of both operational and embodied carbon footprint. To achieve this, we conduct a Life Cycle Assessment (LCA) in accordance with EN 15978, EU Taxonomy requirements, and BREEAM certification standards. LCA enables us to make informed decisions at every stage of the building's life cycle, effectively reducing greenhouse gas emissions.

Key actions include:

- ▶ **Selecting low-emission materials** – we use raw materials with a minimal carbon footprint
- ▶ **Optimising construction processes** – we reduce energy and resource consumption during construction
- ▶ **Improving energy efficiency during operation** – we implement modern technologies that lower the energy consumption of buildings
- ▶ **Applying recycling and reuse strategies** – we plan for future disassembly and material recycling at the end of the building's life

Based on LCA findings, we implement solutions that reduce both embodied and operational carbon footprints.

Findings from building evaluations*

30.02 kg CO₂e/m²/year

the reference CO₂ emissions value for newly constructed Hillwood Poland buildings

28% savings

translates to emissions reduced to 13.81 kg CO₂e/m²/year

* The presented data were calculated for the B4, B6, B7 scope according to EN 15978 and EN 15804 standards, as specified in the methodology of BREEAM International New Construction v6 – ENE 01 "Reduction of energy use and carbon dioxide emissions", i.e. excluding process energy consumption by tenants, and including other uses such as lighting, heating, cooling, ventilation, air conditioning, and domestic hot water.

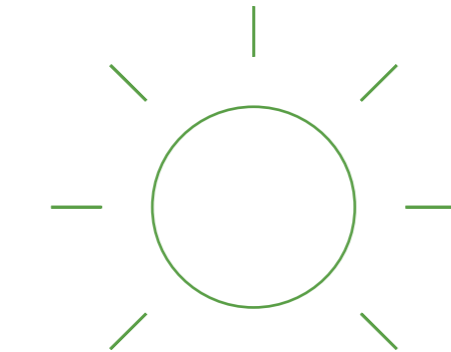




ENVIRONMENT

Renewable Energy Sources

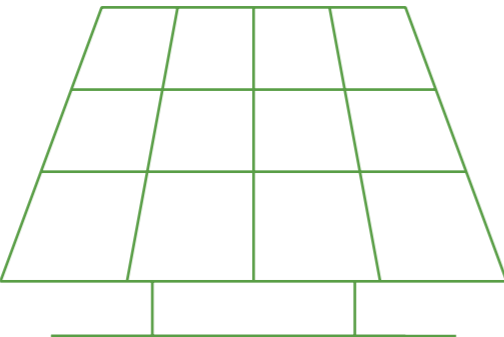
A key element of Hillwood Poland’s environmental strategy is both reducing CO₂ emissions and actively generating renewable energy.



50 kWp

Each newly developed building is equipped with a photovoltaic installation with a minimum capacity of 50 kWp.

Depending on the location, grid connection availability, and the specifics of a given investment, we individually assess the possibility of increasing this capacity.



480 MWh

Currently, photovoltaic systems with a total capacity of nearly 650 kWp are operating on our properties.

As a result, in 2024 we generated over **480 MWh** of clean electricity, reducing emissions by **286.66 Mg CO₂e***.

CO₂, SO₂, NO_x, CO and total particulate emission factors for electricity – December 2024, as provided by the National Centre for Emissions Management (KOBIZE), Institute of Environmental Protection – National Research Institute (IOS-PIB).

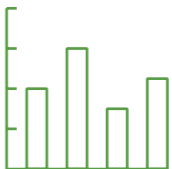
ENVIRONMENT

Smart meters – supporting energy efficiency

Smart meters are one of the key tools supporting energy efficiency in our buildings.



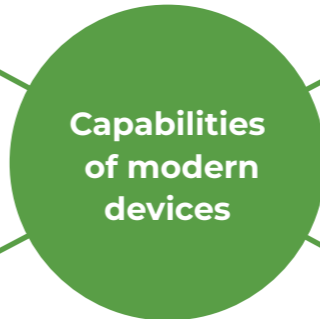
Remote readings
(fast process of data acquisition and analysis)



Ongoing monitoring of utility consumption



Quick response in case of irregularities in the operation of installations and sudden losses of energy, gas, or water



Analysis aimed at reducing consumption for the most energy-intensive building components





ENVIRONMENT

Water

We have implemented standardized requirements for maximum water flow rates in fixtures, achieving significant reductions in water consumption. These measures have reduced water usage across all our buildings by an averag of **10,397 m³**. The achieved water consumption level is **66% lower** than **BREEAM** certification requirements relative to a standard reference building.

The next step toward more efficient water consumption monitoring was the installation of additional metering for devices and areas that account for more than 10% of the total **water demand**.

Our achievements:



10,397 m³

the average annual reduction
in water consumption



66%

lower water consumption compared to the
BREEAM certification requirement

ENVIRONMENT

Waste Management and Recycling

From the investment preparation stage, we implement practices to reduce waste generation. We have developed detailed waste management guidelines based on the following requirements:. We have developed detailed guidelines for waste management, taking into account the following assumptions:

- **BREEAM certification requirement:** at least **70%** of waste by weight generated during construction and demolition must be recycled
- **EU Taxonomy requirement:** at least **70%** of non-hazardous construction and demolition waste by weight (excluding naturally occurring materials) must be recycled

Our recycling achievements:



96%

average amount of construction
waste recycled in projects that meet
the above requirements

Additionally, our production and warehouse halls are designed and built in a way that allows easy replacement of worn-out building elements, flexible adaptation of space for function changes, or possible expansion in the future.

New recycling and waste management standards also assume active involvement of both current and future tenants in this process. Recycling points in Hillwood Poland buildings are clearly marked, easily accessible, and adapted to the type of building, its size, and the expected volume of waste.





ENVIRONMENT

Sustainable Materials

Responsible material sourcing is a key element of our environmental strategy in project implementation. Each property follows a **sustainable procurement plan** that requires suppliers to use responsibly sourced materials, reduce waste, avoid toxic substances, and select durable, high-quality materials.

Our strategy includes specific requirements for sourcing timber materials. We require contractors to provide documentation confirming the purchase of wood exclusively from **legal sources**. Additionally, in every project, we use at least **10 products** with **Type III Environmental Product Declarations (EPD)** issued in accordance with **ISO 14025** and **EN 15804**.



Our achievements
in responsible material
sourcing:

on average **23%**

of materials used for property
construction came from responsible sources.

ENVIRONMENT

Biodiversity

When developing new warehouse and production centers, we prioritize preserving and enhancing biodiversity in our investment locations. Each site undergoes a detailed analysis by a qualified ecologist who assesses the environmental value.

Based on this assessment, the ecologist develops a **strategy for maintaining or enhancing biodiversity**, including recommendations such as:

- ▶ Greenery planting
- ▶ Installation of bird feeders
- ▶ Nesting boxes

These actions aim to significantly improve biodiversity within our development areas.

As part of our ongoing developments,
we have planted across Poland:

2,173
shrubs



10,710 m²
of flower meadows

256
trees

During the construction
of our parks:

- ▶ We provide biodiversity training to personnel working on the project site
- ▶ We protect trees and other vegetation from damage
- ▶ We do not store materials within the area designated by the tree crown projection
- ▶ We carry out revitalization of degraded soil and vegetation





ENVIRONMENT

Independent Verification – BREEAM Certification

At Hillwood Poland, we have developed a standard approach to **BREEAM** certification that covers all stages of the investment process. This ensures consistency across our projects and full control over the ESG solutions implemented in each development.

All newly developed Hillwood Poland facilities are designed to achieve **BREEAM** certification at the **Excellent** level. This means that our buildings meet at least **70%** of the certification criteria, confirming our commitment to sustainable development and environmental stewardship.

BREEAM is an international building environmental certification developed by the British organization BRE Global.

Using this methodology, any building can be assessed anywhere in the world. Specifically for buildings outside the United Kingdom, BREEAM International New Construction V6 was created. This version also takes into account local (Polish) construction and environmental regulations as well as commonly accepted best practices. During certification, a building is evaluated in areas that affect its energy efficiency and guide it towards sustainable operation.

The verified areas include:



Energy

consumption of lighting energy and carbon dioxide (CO₂) emissions



Ecology

protection of values such as biodiversity of flora and fauna



Water

implementation of solutions that reduce water consumption



Land Use

development of green areas

ENVIRONMENT

Responsible Building Management

In 2024, in addition to developing new investments, Hillwood Poland also focused on managing its portfolio of existing properties. To effectively implement sustainability initiatives, **we certified all buildings under management through the BREEAM In-Use system.**

As a result of these efforts, all our buildings received the **BREEAM In-Use certificate at the Excellent level**, meeting at least 70% of the certification system's requirements. This certification encompasses a range of solutions that support the implementation of sustainable development practices.



Energy

- ▶ Automated control of outdoor lighting
- ▶ LED lighting both outdoors and indoors
- ▶ Separate utility metering for tenants **(100%)**



Water

- ▶ Water-saving fixtures
- ▶ Leak detection systems
- ▶ Rainwater harvesting and reuse **(100%)**



Biodiversity

- ▶ Over 20% of site area dedicated to green spaces **(90%)**



Waste

- ▶ Resource inventory aimed at increasing recycling and reuse
- ▶ Reduction in the use of new materials and minimization of waste generation
- ▶ Effective resource management ensures maximum value extraction from products and materials, extends their lifespan, and reduces the building's lifecycle carbon footprint **(100%)**



User Comfort

- ▶ CO₂ sensors installed in meeting rooms **(60%)**
- ▶ Dedicated carsharing zones and electric vehicle charging stations **(70%)**
- ▶ Adjustable temperature and fresh air flow **(100%)**



ENVIRONMENT

CASE STUDY

New Construction Certification

Hillwood Łódź Józefów Górna – Building B provides 42,548 m² of modern warehouse space. The logistics centre is located in Józefów, just 8 km from the centre of Łódź. Its location near Expressway 91 offers direct access to the city centre, as well as convenient connections to the S8 ring road and A1 Motorway. As part of this project, the facility was submitted for **BREEAM New Construction certification**.

Building B received a BREEAM New Construction certificate with a score of 76.2%.

The building achieved the maximum score in the water management category (**100%**), as well as high scores in energy (**84%**) and waste management (**86%**).

The project demonstrated significant savings compared to a reference building:

- ▶ CO₂ emissions: **51.06 kgCO₂/m²*year** (45.4% savings compared to the reference building)
- ▶ Primary energy (EP) - **126.73 kWh/m²*year** (59.7% savings compared to the reference building)
- ▶ Water consumption **4.27 m³** (66.26% savings compared to the reference building)

Solutions implemented in the building:

Energy reduction

- ▶ LED lighting inside and outside the building
- ▶ Automatic control of external lighting
- ▶ Media consumption management and monitoring system by Weintek

Water consumption reduction

- ▶ Water-saving fittings
- ▶ Leak detection system
- ▶ Water consumption monitoring via BMS
- ▶ Rainwater reuse

Land management

- ▶ Native trees and shrubs were planted, and new habitats for insects were created
- ▶ A Biodiversity Development Plan was prepared

ENVIRONMENT

CASE STUDY

Building Decarbonization

Using one of its portfolio buildings as a case study, Hillwood analyzed the potential for decarbonizing warehouse buildings—reducing operational emissions to zero.

The analysis included creating a Digital Twin—an energy model that accurately reflects the building, its systems, and hourly energy consumption throughout the year. Based on the consumption analysis, a decarbonization strategy was developed, serving as a roadmap for actions aimed at lowering Hillwood buildings' operational costs and carbon footprint.

Key Goals:

- ▶ **Improving Energy Efficiency:** The report highlights the importance of implementing solutions that increase energy efficiency and reduce operational costs.
- ▶ **Using Renewable Energy:** Promoting the adoption of renewable energy sources to reduce carbon dioxide emissions.
- ▶ **Stakeholder Collaboration:** Encouraging cooperation among stakeholders to overcome challenges related to achieving sustainability goals.

Pillars of Building Decarbonization:

Operational Changes:

- ▶ Temperature control in work areas to reduce energy consumption
- ▶ Improvement of ventilation schedules and airflow control
- ▶ Investment in employee training to promote energy saving

System Upgrades:

- ▶ Modernization of insulation and sealing in docks
- ▶ Installation of energy-efficient lighting and HVAC systems

Renewable Energy Integration:

- ▶ Analysis of installing photovoltaic panels on roofs and parking lots
- ▶ Consideration of wind energy solutions





Society and Employees

Our actions are founded on sustainable development principles: we respect and protect the environment while ensuring our initiatives benefit both business partners and local communities. Additionally, we actively support social initiatives and non-governmental organizations.

We ensure safe and convenient access to our development sites. Our properties are strategically located near major transport arteries and nationwide public transport networks.

In executing projects, Hillwood often modernizes and improves road infrastructure around its developments. One example of these practices is the Hillwood Grodzisk Mazowiecki logistics park.

Improvements implemented at Hillwood Grodzisk Mazowiecki:



New asphalt road surface



Additional parking spaces



Bicycle paths



Stormwater drainage system



New sidewalks and pedestrian crossings



Bus bays

Construction Site Safety Requirements

While health and safety regulations are widely known, we recognize our critical role as developer in ensuring strict compliance with these standards. Proper preparation of the construction site facilities is a key aspect of effective project management.

Our construction standards require consistent use of helmets and high-visibility vests, clear marking of evacuation routes, and first aid kits with emergency contact information at every site.



Our health and safety standards:

- ▶ The construction site regulations include provisions for reporting potentially hazardous situations – our goal is to **completely eliminate accidents.**
- ▶ We conduct regular **training sessions** on health and safety and first aid
- ▶ We perform **health and safety inspections** and hold cooperating companies accountable for any irregularities
- ▶ We organize **evacuation drills** during the construction process
- ▶ One of the criteria for selecting a general contractor is **having a health and safety management system in place**

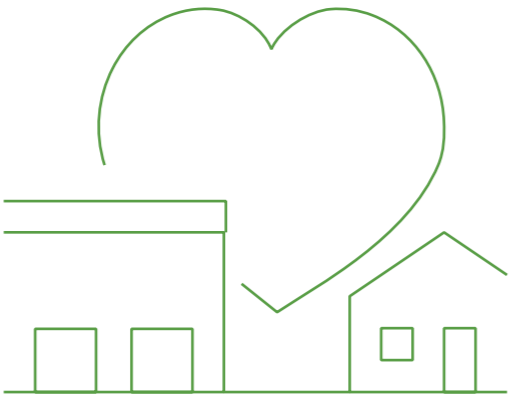




Responsible Neighbor

As a socially responsible developer, we carefully plan projects to minimize environmental impact and reduce inconvenience to local residents during construction.

We implement the following actions:



- ▶ Residents receive advance notice of construction start dates
- ▶ During construction, we provide progress updates via on-site information boards
- ▶ Neighbors can share their feedback about the construction with us via a form
- ▶ Construction lighting is carefully directed to prevent light pollution

Building Usage Regulations

Every Hillwood-managed property operates under building usage regulations that include:



Evacuation procedures



Possibility to conduct inspections



Making any necessary changes in the way the building is used



Conditions for carrying out inspections

For user safety, Hillwood has implemented these standard features:



Traffic organization within the property, including horizontal and vertical signage regulating pedestrian and vehicle movement



Connection to the State Fire Service (PSP) — implemented depending on formal and technical possibilities



On-site 24/7 security and video surveillance (CCTV)



Safety harness systems on roofs



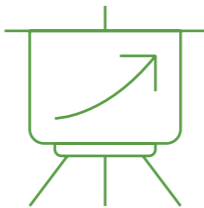
Fire safety audits





Talent Management

Hillwood's greatest strength is its team. We continuously invest in their development to enhance their skills and capabilities. Our team has access to a wide range of opportunities — from open training sessions and conferences to dedicated training programs targeting specific competencies. We foster a work environment built on open communication, collaboration, and mutual trust.



Additional training opportunities for the Hillwood team:

- ▶ CCIM – Certified Commercial Investment Member
- ▶ MBA for engineers
- ▶ Postgraduate studies in project management
- ▶ Legal regulations training conducted by top international law firms



Selected internal training:

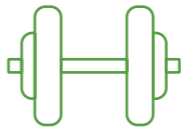
- ▶ Learning and improving foreign languages
- ▶ IT security, ethics, and anti-corruption principles
- ▶ Training via our internal learning platform
- ▶ Other trainings with external experts (e.g., time management, personal branding, negotiation skills)

Health and Safety

Members of our team have free access to:



Participation in sports competitions



Fitness club activities – including group classes and personal training sessions



Fresh fruits, vegetables, and nuts

Diversity and Inclusion

We are committed to equality and inclusion for all employees, ensuring a comfortable and supportive workplace.

We do not discriminate based on gender, experience, nationality, or any other characteristic. Our commitment to diversity and inclusion (D&I) demonstrates that highly diverse teams can effectively collaborate toward shared goals. A key competency is leveraging the benefits that diversity brings to our organization.





SOCIETY AND EMPLOYEES

Charitable Activities

Hillwood has been supporting various charitable and social initiatives for many years, focusing primarily on helping children. We focus our efforts locally where assistance is most needed.

Selected charitable activities:

SUPPORT FOR CHILDREN IN NEED

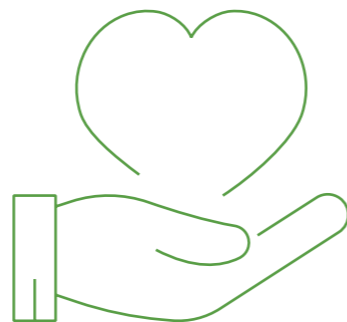
- “Theater for a Smile” – theatrical performances in children’s hospitals

CULTURE

- Simfonia Viva, recording of a young violinist Gabriela Balcerek’s album, Jazz Melomani concert

HEALTH

- Main Partner of the Renovation of the Interventional Cardiology Simulation Clinic, Main Financial Partner of the Renovation of the Main Hall of Specialist Clinics, Main Financial Partner of the Renovation of the Reception and Waiting Area of the Emergency Department at the Children’s Health Center (CZD).
- Financial support for organizations caring for sick children in Łódź (Gajusz Foundation, Dom w Łodzi).



LOCAL INITIATIVES

- Financial support enabling talented primary school students in Żórawina to participate in Destination Imagination’s Creativity Olympiad
- Noble Package (Szlachetna Paczka) charity project

PROMOTING A HEALTHY LIFESTYLE AND SPORTS EVENTS

- Support for: Łódź Hockey Club, SRS Zamienie Football Club, Norwid Częstochowa Volleyball Club
- Hillwood Volleyball Tournament in Bojkowice
- Support for the Duathlon event in Czempin





Corporate Governance

At Hillwood, a commitment to integrity is deeply embedded in our culture. We strictly adhere to our Code of Conduct, which applies to all Hillwood employees and contractors. This Code sets clear expectations for transparent, honest, and professional conduct in every interaction. The Hillwood team operates under corporate policies that are regularly reviewed and updated.



Our policies cover the following areas

- ▶ Anti-bribery and corruption
- ▶ Business continuity planning
- ▶ Compliance manual
- ▶ Cookies management
- ▶ Cybersecurity
- ▶ Data archiving
- ▶ IT security
- ▶ Insider trading regulations
- ▶ Political engagement
- ▶ Privacy protection
- ▶ Document retention

We encourage employees to speak with their supervisors or Human Resources representatives to report any concerns regarding potential unethical behavior.

As part of its corporate governance system, Hillwood Poland conducts regular risk assessments, covering operational, financial, and reputational risks. This process supports informed business decisions and enables continuous monitoring of key risk areas.



Stakeholder Engagement

An essential element of our corporate governance is open dialogue with stakeholders. Regular meetings and consultations with business partners, local communities, and employees help us address their needs and ensure operational transparency.



Sustainable Supply Chain Management

We promote social and environmental responsibility by requiring suppliers and business partners to adhere to our ethical, environmental, and social standards.

Through regular monitoring and systematic updates of our corporate governance standards, Hillwood Poland continuously strengthens its position as a responsible, trustworthy, and transparent business partner.





This report presents Hillwood Poland's ESG activities carried out between January 1 and December 31, 2024, unless otherwise specified. For any questions regarding this report, please contact us.

**Oversight
of ESG Issues**

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**Support in matters related
to sustainable development**

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