

# MASTERPLAST GROUP SUSTAINABILITY REPORT 2025

8 April 2026



**MASTERPLAST**

# **MASTERPLAST Plc**

## **CONSOLIDATED SUSTAINABILITY REPORT**

In accordance with the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act (Act C of 2000 on Accounting), this consolidated sustainability report has been prepared in accordance with the European Sustainability Reporting Standard (ESRS) adopted pursuant to Directive 2013/34/EU

**1 January 2025 – 31 December 2025**

8 April 2026

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**Introduction**

The **MASTERPLAST Group** has been committed to working towards a more sustainable future for many years, in which environmental responsibility, social impact and responsible corporate governance all play a key role. It began its sustainability reporting on a voluntary basis without using any standards in the 2021 financial year, and subsequently informed its stakeholders about its sustainable operations for the 2022 and 2023 financial years using the international GRI (Global Reporting Initiative) standard. The first sustainability report of the Group in accordance with ESRS standards was completed in 2024. Further information: <https://www.masterplastfenntarthatosag.hu/>

This sustainability report, compiled in accordance with ESRS standards, is published as an integral part of the 2025 consolidated annual report of the **MASTERPLAST Plc**. Its purpose is to present the information and measures necessary to understand the impact of its operations on sustainability, i.e. environmental, social – including human rights – and corporate governance issues, as well as how sustainability issues influence the development, performance and position of the **MASTERPLAST Group**.

# GENERAL INFORMATION

## About the report

### General basis for preparation of the sustainability statements *BP-1*

The **MASTERPLAST Group**, a large enterprise classified as a Public Interest Entity (PIE), has prepared its Sustainability Report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act (Act C of 2000 on Accounting), in accordance with the European Sustainability Reporting Standards (ESRS), adopted pursuant to Directive 2013/34/EU and published in the Official Journal of the European Union (EU) in the form of a delegated regulation.

**MASTERPLAST Plc.** (Full name: MASTERPLAST Public Limited Company, Registered office: Hungary, 8143 Sárszentmihály, 1/A Árpád street, hereinafter: the Company) is the parent company of **the MASTERPLAST Group**, which prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS: International Financial Reporting Standards), in line with the accounting rules of the EU. The 2025 Sustainability Report has been prepared as part of the consolidated financial statements. The reporting period covers the period from 1 January 2025 to 31 December 2025, in line with the financial year.

The information published in this report relates to the domestic and international operations of **MASTERPLAST Plc** and the companies included in its full scope of consolidation. Furthermore, the scope of the sustainability report includes – in addition to the full consolidation scope – the active capital consolidation scope, comprising T-CELL Plasztik Ltd, Masterprofil Gyártó és Kereskedelmi Ltd and PIMCO Ltd. The latter entity has been newly included in the scope of the sustainability report compared to the 2024 sustainability report, as a company engaged in active operations that is not in the investment phase. The investment phase ended on 30 June 2025. **MASTERPLAST Plc** together with its full and active capital consolidation scope constitutes the **MASTERPLAST Group** (hereinafter: the Group).

**MASTERPLAST Plc** operates as a public limited company (plc), and its shares are listed on the Budapest Stock Exchange (BSE).

The areas where the **MASTERPLAST Group** operates are: Hungary, North Macedonia, Croatia, Poland, Germany, Italy, Romania, Serbia, Slovakia and Ukraine.

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The scope of subsidiaries included in the full consolidation remained largely unchanged from 2024 to 2025:

Subsidiary	Place of incorporation	Main activity	Tax number	Ownership share %		Voting share (%)	
				2024	2025	2024	2025
Masterplast Hungária Ltd	Hungary	Building materials wholesale	25562675-2-07	100%	100%	100%	100%
Masterplast International Ltd	Hungary	Building materials wholesale	25563243-2-07	100%	100%	100%	100%
Masterplast Membrane Ltd (formerly: Masterplast Medical Ltd)	Hungary	Manufacture of fleece and multi-layer membranes Manufacture of finished healthcare products	14025477-4-07	100%	100%	100%	100%
Masterplast Modulhouse Ltd	Hungary	Construction of residential and non-residential buildings	25562709-2-07	100%	100%	100%	100%
Masterplast Insulation Ltd (formerly: MasterFoam Ltd)	Hungary	EPS <sup>1</sup> manufacturing	13297590-4-07	100%	100%	100%	100%
Masterplast YU D.o.o.	Serbia	Building materials wholesale Manufacture of EPS and glass fibre	100838195	100%	100%	100%	100%
Masterplast Sp. z o.o.	Poland	Building materials wholesale	PL7772708671	80.04%	80.04%	80.04%	80.04%
Master Plast S.r.o.	Slovakia	Building materials wholesale	SK2020213030	100%	100%	100%	100%
Masterplast Romania S.R.L.	Romania	Building materials wholesale	R13718003	100%	100%	100%	100%
MasterPlast TOV	Ukraine	Building materials wholesale Manufacture of mesh edge protection	33438138	80%	80%	80%	80%
Masterplast d.o.o.	Croatia	Building materials wholesale	4012002113867	100%	100%	100%	100%
Masterplast Doeel Kicevo (formerly: Masterplast D.O.O.)	North Macedonia	Building materials wholesale	4012002113867	100%	100%	100%	100%
MP Green Invest	Ukraine	Not currently operating	38243479	100%	100%	100%	100%
Masterplast Nonwoven GmbH	Germany	Production of fleece and multi-layer membranes	DE815873693	100%	100%	100%	100%
Fidelis BAU Ltd	Hungary	Thermobeton manufacturing	12790818-2-07	100%	100%	100%	100%
Masterplast Proizvodnja D.o.o.	Serbia	Manufacture of XPS <sup>2</sup>	112172219	100%	100%	100%	100%
Masterplast Italia Srl.	Italy	EPS production	IT02970280356	100%	100%	100%	100%

The scope of active entities included in the sustainability report, consolidated using the equity method, expanded from 2024 to 2025 to include PIMCO Ltd.

Name of associated company	Place of incorporation	Main activity	Tax number	Ownership share (%)		Voting share (%)	
				2024	2025	2024	2025
Masterprofil Manufacturing and Trading Ltd	Hungary	Profile manufacturing	13874656-4-07	20%	20%	20%	20%
T-CELL Plasztik Ltd	Hungary	EPS manufacturing	24648378-2-09	24%	24%	24%	24%
PIMCO Ltd	Hungary	Glass wool manufacturing	23355466-2-05	50%	50%	50%	50%

<sup>1</sup> EPS: Expanded Polystyrene

<sup>2</sup> XPS: Extruded Polystyrene

## MASTERPLAST PUBLIC LIMITED COMPANY

The data presented in the report was collected by the relevant entities and divisions of the **MASTERPLAST Group** with the aid of software. HR data has been collected using software for several years, but in 2025 the Company implemented the software-based collection of environmental data for the first time. As part of this, all relevant accounting data from all entities was collated on a single platform, which promoted transparency and continuous monitoring whilst reducing the potential for calculation errors. The Group deemed the implementation a success and intends to further develop the related control environment in the future to make the data collection process as reliable as possible.

The full content of the sustainability report, its double materiality analysis and material topics are published with the approval of the Green Committee of **MASTERPLAST Plc** as well as the Group's management and the Chairman of the Board of Directors.

The **MASTERPLAST Group** considers sustainability, energy efficiency, environmental protection and human rights to be of paramount importance throughout its entire value chain – that is, in the procurement of raw materials (upstream) as well as in the manufacture, development, distribution and sale of its products (downstream).

**Value chain:**

In its reporting and related data disclosure, the **Group** has based its approach on its own operations; however, in its double materiality analysis it has also examined the upstream and downstream stages of its entire value chain. In addition to the impacts, risks and opportunities relating to the Group, the report also addresses relevant factors identified in the upstream and downstream value chains. Where relevant, the metrics include indicators relating to both the upstream and downstream value chains as well as to the Group. The policies, objectives and measures of the Company primarily apply to the **MASTERPLAST Group**, but in certain cases may also affect the upstream and downstream sections of the value chain.

Details of the value chain are set out in the [‘Strategy’ chapter](#), whilst the individual thematic chapters ([Environment](#), [Society](#), [Corporate Governance](#)) outline the scope of application of the relevant policies, measures, metrics and objectives.

**Omission of classified and sensitive information relating to intellectual property, know-how or the results of innovation:** During the reporting period, the **Group** did not identify any data points relating to intellectual property, know-how or the results of innovation that it would not disclose. However, the disclosure of trade secrets is prohibited; therefore, the publication of information relating to current and expected significant financial implications associated with IROs (Impacts, Risks and Opportunities) is withheld, with the exception of the financial data included in the transition plan, which the Company has classified as public.

The **MASTERPLAST Group** avails itself of the exemption provided for in Article 19(3) and Article 29(3) of Directive 2013/34/EU.

Section 134(J) of the Accounting Act stipulates that the Group must prepare the consolidated management report in the electronic format (XHTML) specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation), and to label it accordingly. As the Delegated Regulation on the ESEF Taxonomy has not yet been adopted, the company is not yet obliged to apply the label.

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**Disclosures in relation to specific circumstances BP-2***Time horizons*

When preparing its sustainability report, the **MASTERPLAST Group** applies the time horizons defined in the ESRS standard calculated from the end of the reporting period, as follows:

Short term: less than 1 year

Medium term: between 1 and 5 years

Long term: more than 5 years

*Value chain assessment*

Not all necessary information regarding the upstream and downstream value chains for the 2025 financial year is available yet; therefore, the **MASTERPLAST Group** applies a value chain estimate for Scope 3 information. Steps have been taken since 2024 to address the gaps; the current methodology and progress are presented [in the relevant chapter entitled 'Climate change'](#); based on the figures presented in that chapter, the proportion of estimated data points has decreased, which the Group views as positive. In line with the guidelines of the Hungarian ESG Act (Act CVIII of 2023), **MASTERPLAST Plc** has carried out a risk analysis of its supply chain and the associated data collection, which it plans to gradually develop further, also with a view to disclosing Scope 3 data as accurately as possible. In the future, the development of the due diligence process will enable the publication of even more detailed and accurate value chain data.

The Company also applies estimates in relation to the number of EEOS (Energy Efficiency Obligation Scheme) projects implemented for [affected communities and end users](#), the first- and second-quarter [solar energy data](#) of T-CELL Plasztik Kft.'s Hajdúszoboszló site, as well as the [municipal waste data](#) of PIMCO Kft.

*Sources of the estimate and uncertainty of the result*

No significant measurement uncertainty was identified in relation to the quantitative indicators and monetary amounts disclosed in the report. The Company details the methodology of the estimates in the relevant sections.

*Re-publications*

This sustainability report is the second sustainability report of the **MASTERPLAST Group** prepared in accordance with the CSRD Directive. No restatements or corrections are made to the data and information published in the previous sustainability report.

*Incorporation by reference*

The Company does not use incorporation by reference; all material disclosures and data points are presented directly in this sustainability report.

In certain sections of the report the Group may refer to related documents to provide supplementary information; however, these do not constitute incorporation by reference under the ESRS.

*Future obligations*

The Group is making use of the option of phased implementation. The [chapter entitled 'ESRS Content Index'](#) contains a list of sustainability sub-themes for which data of sufficient quality is not yet available for disclosure during the reporting period. The Company aims to ensure that this information is available for the next reporting period, to the best of its knowledge and ability.

Details of the deferrals provided for by the Commission Delegated Regulation (Regulation (EU) 2025/1416 amending the ESRS) are summarised in the following document: [095eb35f-1d45-4d86-b878-0224c5f1c5e2\\_en](#).

## Governance

### The role of the administrative, management and supervisory bodies GOV-1

The management of **the MASTERPLAST Group** can be divided into **Strategic Management** and **Operational Management**. The central management of **the Group** is carried out by **MASTERPLAST Plc**. The Strategic Management level comprises the General Meeting, the Board of Directors, the Chairman, the Vice-Chairman, the Audit Committee and Internal Audit. Operational management comprises the professional and operational tasks performed by the Group's management, Central Management, Subsidiary Management, as well as the activities of forums and meetings related to operational management.

The **General Meeting** is the supreme body of **MASTERPLAST Plc**, comprising all shareholders. The General Meeting is responsible for deciding on the fundamental strategic matters of **MASTERPLAST Plc**, including the final approval of the annual report and, as part of this, the sustainability report. The sustainability report also sets out forward-looking objectives and measures. Matters falling within the exclusive competence of the General Meeting are defined by the Civil Code and the Articles of Association of **MASTERPLAST Plc**.

The **Board of Directors** is the executive body of **MASTERPLAST Plc**. Its powers and duties are set out in the current Rules of Procedure of the Board of Directors. In accordance with the Articles of Association, the Board of Directors consists of five members, who are elected by the Annual General Meeting for a fixed term<sup>3</sup>. The Chairman and Vice-Chairman of the Board of Directors are elected by the Board of Directors for a term corresponding to that of the Board's mandate. The Board of Directors does not participate in the day-to-day operations of **MASTERPLAST Plc**. The management of the operational activities of the Company is carried out by the Chief Executive Officer, who is employed by the Company and elected by the Board of Directors. The primary objective of the Board of Directors is to adopt the strategy of the Group and to oversee operational activities, including sustainability initiatives and targets.

### Members of the Board of Directors as at 31 December 2025:

Name	Position	Independence	Gender
Dávid Tibor	Chairman of the Board	Not independent	Male
Balázs Ács	Vice-Chairman of the Board of Directors	Non-independent	Male
Dirk Theuns	Member of the Board of Directors	Independent	Male
Margaret Elizabeth Dezse	Member of the Board of Directors	Independent	Female
József Tóth	Member of the Board of Directors	Independent	Male

Three members (60%) of the five-member Board of Directors are independent, and two of them (40%) are not independent. On 30 April 2025, Bálint Fazekas (independent, male) stepped down from the Board of Directors, and his position was taken over by József Tóth (independent, male) from 1 May 2025. The Board of Directors currently has one female member, meaning that the proportion of women is 20%.

### Independence

The **Corporate Governance Recommendations** of the Budapest Stock Exchange (BÉT) provide guidance on the presence of independent members on the Boards of Directors of companies listed on the Hungarian stock exchange. Although these recommendations are not binding, under the 'comply or explain' principle listed companies must declare the extent to which they comply with them. According to Section 2.1.4 of the Corporate Governance Recommendations of the BSE, 'An appropriate number of independent members shall sit on the Board of Directors/ Supervisory Board', and in accordance with Section 2.1.7, "The company shall determine the criteria for the independence of members of the Board of Directors/Supervisory Board in accordance with the provisions of the Recommendations." The purpose of these recommendations is to ensure the independence and

<sup>3</sup> The Board of Directors' mandate runs from 1 May 2024 to 30 June 2026. The same applies to the Audit Committee.

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effective functioning of corporate governance bodies, thereby promoting transparency and strengthening investor confidence.

The **independent** members have no financial or business interests in the Group and are therefore capable of making objective decisions. The **non-independent** members are involved in the management on a day-to-day basis and, through their shareholdings, have a direct stake in the Group's operations.

Further details can be found in the "Corporate Governance Report" of the **MASTERPLAST Plc** prepared and published on 24 April 2025, in accordance with the Corporate Governance Recommendations of the Budapest Stock Exchange.

**Chairman of the highest governing body:**

Chairman of the Board of Directors is Dávid Tibor, who is also the Chief Executive Officer of **MASTERPLAST Plc**. The Chief Executive Officer appoints the company's senior management and is responsible for the development, smooth operation and continuous improvement of key strategic processes and systems.

As a body implementing a unified management system, the **Board of Directors** collectively performs the duties of the Management Board and the Supervisory Board as defined by law.

The Group has a three-member **Audit Committee** whose members are elected by the General Meeting from among the independent members of the Board of Directors for a term of office identical to that of their membership of the Board of Directors. The Audit Committee elects its Chair from among its members and passes its resolutions by a simple majority. The powers of the Audit Committee are defined in the Articles of Association of **MASTERPLAST Plc**. The responsibilities of the Audit Committee include, amongst other things, the professional supervision and oversight of the Internal Audit function, the setting of professional requirements for the Auditor, and the monitoring of its activities during both financial and sustainability audits. Its powers and duties are set out in the current Audit Committee Rules of Procedure. The Audit Committee operates as a non-executive body.

**Members of the Audit Committee as at 31 December 2025:**

Name	Position	Independence	Gender
Margaret Elizabeth Dezse	Chair of the Audit Committee	Independent	Female
Dirk Theuns	Member of the Audit Committee	Independent	Male
József Tóth	Member of the Audit Committee	Independent	Male

József Tóth also took over Bálint Fazekas's position on the Audit Committee with effect from 1 May 2025. Of the three members of the Audit Committee three are independent and one is a woman. The independence ratio is therefore 100%, whilst the proportion of women is 33.33%.

The members of the Group management are part of the **operational** management. During the 2025 financial year there was one change in Group management; Flórián László Lukács henceforth supports the operations of the Group as Deputy Chief Executive Officer. 100% of the members of the management of the Group are men, and their areas of responsibility are set out in their job descriptions.

**Worker representation on governing bodies**

The members of the management of the Group cover the individual entities of **the MASTERPLAST Group**, thereby ensuring unified strategic management. Employees of the individual entities are represented indirectly through the Group's management body, as the members of management act with knowledge of the operations and interests of the respective entities. This structure facilitates the integration of employee perspectives into group-level decision-making. Employees can share their views directly with management via a suggestion box.

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**Professional experience of the members of the governing bodies**

The highest governing body is the Board of Directors, of which Margaret Elizabeth Deze, Dirk Theuns and József Tóth are the independent members. The members of the Audit Committee are elected by the General Meeting from among the independent members of the Board of Directors, and so these three together form the Audit Committee chaired by Margaret Elizabeth Deze, who has extensive experience in corporate governance (in developing remuneration policies, supporting corporate values, codes of ethics and anti-corruption processes, and conducting independence and conflict of interest assessments), risk management, human resources management (building organisational structures whilst taking into account diversity, equal working conditions and remuneration structures), supply chain management, and also possesses specialist ESG expertise and certification designed for supervisory boards. Dirk Theuns is the European head of the IKO Group, one of the world's leading manufacturers of insulation materials. He supports the integration of Western European sustainability trends and standards into **the MASTERPLAST Group**. The third independent member of the Board of Directors is József Tóth, investment director of Focus Ventures Zrt (Private Limited Company) from 2024 and is currently its deputy CEO. He began his career at the Hungarian Development Bank and subsequently at MFB Invest and possesses extensive experience in venture capital investments and fund management, having held numerous senior positions in this field throughout his career. He strengthens the work of the Board of Directors with his thorough financial and strategic insight.

Professional information about the members of the Board of Directors and the management of the Group can be found on the website:

<https://www.masterplastgroup.com/igazgatotanacs/>

<https://www.masterplastgroup.com/vallalatvezetes/>

**Expanding expertise in sustainability and ESG**

**MASTERPLAST** closely monitors EU and domestic regulatory publications focusing on sustainability, the publication of corporate sustainability reports and supplier due diligence (CSRD, CSDDD<sup>4</sup>, the Hungarian ESG Act, provisions regarding sustainability reporting set out in the Accounting Act, and others). It educates its relevant staff and managers on this subject matter and also assists them in participating – as a member company – in events organised by the non-profit organisations BCSDH, Követ Association and ESG Club Hungary, thereby strengthening their knowledge through the presentations given there and the sharing of best practices. In addition to its existing memberships, it joined the Sustainability Section of the National Association of Building Contractors (ÉVOSZ) in 2025. A colleague participates in its work as a delegate in order to gather up-to-date professional information, share experiences, and actively contribute to industry dialogue and the shaping of sustainability initiatives. Further information: <https://evosz.hu/szervezet/szakmai-tagozatok/1103-fenntarthat%C3%B3s%C3%A1gi-tagozat>

In the framework of the management forum and – as outlined below – Green Committee meetings, the Group assists senior management and decision-makers in preparing for changing ESG expectations through focused knowledge-sharing, informative talks, presentations and briefings in an agile manner, thereby further strengthening the integration of sustainability considerations into decision-making. Its primary objective is to ensure that sustainability considerations become an integral part of corporate governance.

In 2025 representatives of the management forum of the Group were briefed on current developments, trends and details of compliance with regulatory requirements relating to ESG and sustainability during meetings of the Green Committee. To ensure continuous development, **MASTERPLAST** ensures that its managers and decision-makers regularly participate in external expert training courses and industry events which provide opportunities to deepen their knowledge on sustainability. Strategic and reporting issues related to key topics are discussed at Green Committee meetings where invited experts and guest speakers share their practical experiences.

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<sup>4</sup> Corporate Sustainability Due Diligence Directive, Directive (EU) 2024/1760 of the European Parliament and of the Council

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**Sustainability in corporate governance**

For the **MASTERPLAST Group** sustainability, human rights, energy efficiency and environmental protection are of paramount importance both in its internal processes and throughout the production, development and entire value chain of its products.

**MASTERPLAST Plc** became member of the BCSDH – Hungarian Business Council for Sustainable Development in 2022. BCSDH is a community of companies committed to sustainable development, working together to accelerate the transformation of the systems necessary for a climate-neutral, nature-positive and fairer future. The Company endorses and applies the responsible corporate governance guidelines of BCSDH. Further information on sustainable corporate governance principles: <https://www.masterplastgroup.com/a-fenntarhato-vallalatvezetes-iranyelvei/>

**Green Committee**

The Green Committee of the **Group** was established by the Chief Executive Officer in 2023 with the aim of supporting Group commitment to ESG, sustainable environmental policy, social responsibility and corporate governance strategy. The Green Committee assists the Chief Executive Officer in developing and integrating ESG-specific topics and issues, in achieving and monitoring set targets, and supports the development and updating of the sustainability strategy. The Committee also facilitates the coordination of ESG-based initiatives and the development and implementation of policies, and is responsible for monitoring sustainability impacts, risks and opportunities.

**Members of the Green Committee**

Dávid Tibor, Chair of the **MASTERPLAST** Green Committee and CEO of the Company  
Balázs Ács, Deputy Chief Executive Officer  
Róbert Nádasí, Deputy Chief Executive Officer  
Illés Jancsó, Deputy Chief Executive Officer  
Flórián László Lukács, Deputy Chief Executive Officer  
László Pécsi, Member of Group Management  
Tivadar Bunford, Member of Group Management

The [Articles of Association](#) of the Green Committee sets out the Committee's responsibilities including the coordination of sustainability projects and the oversight of related risks. The key responsibilities of the Committee include promoting sustainability policies and corporate social responsibility, as well as integrating ESG considerations into corporate strategy. To this end, its main task is to support the sustainability strategy of **MASTERPLAST**. It monitors and reviews ESG practices, targets and performance, and defines the sustainability reporting practice. The Committee monitors ESG trends and best practices, and liaises with organisational units and external consultants to ensure relevant ESG disclosures. In addition, it coordinates internal and external communications. It regularly reviews and, where necessary, amends the charter of the Green Committee— no amendment was made in the 2025 financial year. Further details: <https://www.masterplastgroup.com/zold-bizottsag>

Operational implementation is managed by the Chief Executive Officer, whilst tasks relating to ESG matters are coordinated by the Green Committee. The Chief Executive Officer ensures the flow of information between the Board of Directors, the Audit Committee and the Green Committee.

**Setting and monitoring sustainability targets**

The Board of Directors and management jointly set sustainability targets, taking into account the **Group** strategy and the market environment. Progress towards these targets is assessed at regular intervals, for example at quarterly Board meetings and Green Committee meetings, where performance indicators are reviewed and corrective measures are taken where necessary.

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The Audit Committee monitors the internal control and risk management systems of the Company, as well as the effectiveness of Internal Audit in relation to financial and sustainability reporting, without limiting its independence. Furthermore, it reviews the financial and sustainability reporting process, including the electronic reporting and the information identification process in accordance with sustainability reporting standards, and makes recommendations for action where necessary.

Sustainability governance is under continuous development, including a review of the operations of the Green Committee, the integration of ESG considerations into strategic planning, and the strengthening of management reporting and control mechanisms. Sustainability and ESG parameters are organically integrated into operations. The delegation of material topics identified in relation to sustainability and their oversight, as well as the setting of targets relating to material impacts, risks and opportunities, are carried out as follows:

<b>Summary of responsibilities relating to corporate sustainability</b>	
<b>General Meeting</b>	<p>The General Meeting is the final decision-maker regarding public reports.</p> <ul style="list-style-type: none"> <li>- Approval of the Sustainability Report (and the ESG strategy contained therein)</li> </ul>
<b>Board of Directors and Chief Executive Officer</b>	<p>The Board of Directors and the Chief Executive Officer perform supervisory and control functions; they have the power to approve certain technical matters and to submit reports.</p> <ul style="list-style-type: none"> <li>- Approval of the dual materiality assessment and material ESG topics of the Group</li> <li>- Regular monitoring of ESG strategic objectives and progress</li> <li>- Providing a professional opinion on the Sustainability Report and the ESG strategy forming part of it, and submitting them to the General Meeting for approval</li> </ul>
<b>Audit Committee</b>	<p>The Audit Committee strengthens the audit and compliance function, with particular regard to the reliability of reporting.</p> <ul style="list-style-type: none"> <li>- Oversight of the audit and assurance processes relating to the Sustainability Report</li> <li>- Monitoring compliance with non-financial reporting requirements</li> <li>- Overseeing the ESG-related elements of the internal control system</li> </ul>
<b>Group management</b>	<p>Management is responsible for practical implementation and results.</p> <ul style="list-style-type: none"> <li>- Operational implementation of the ESG strategy</li> <li>- Ensuring the achievement of key performance indicators (KPIs) related to ESG objectives</li> <li>- Regular reporting on ESG performance to the Green Committee</li> <li>- Ensuring the necessary resources and organisational processes</li> </ul>
<b>Green Committee</b>	<p>The Green Committee plays a professional preparatory and coordinating role.</p> <ul style="list-style-type: none"> <li>- Identifying and assessing the economic, social, human rights and environmental impacts of the Group</li> <li>- Preparing the double materiality assessment and making recommendations on material ESG topics</li> <li>- Making proposals for the definition of ESG strategic commitments and metrics, and evaluating them</li> <li>- Professional preparation of the Sustainability Report and the ESG strategy forming part of it</li> </ul>

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Control

The **MASTERPLAST Group** employs targeted controls and procedures to manage business and sustainability risks and opportunities, in accordance with the risk management policy. These procedures are integrated into the general risk management and internal control systems, ensuring that sustainability considerations are taken into account in decision-making processes. The effectiveness of these control mechanisms is further supported by regular ISO system audits, which are closely linked to several of the material ESG topics and metrics such as energy and occupational health and safety.

MASTERPLAST Group – ISO Certifications

ISO 9001:2015 Quality Management System	ISO 14001:2015 Environmental management system	ISO 45001:2018 Occupational health and safety management system	ISO 50001:2018 Energy management system	ISO 13485:2016 Quality management system for medical devices
Masterplast Plc (Sárszentmihály)	Masterplast Plc (Sárszentmihály)	Masterplast Plc (Sárszentmihály)	Masterplast Plc (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)
Masterplast Hungária Ltd (Sárszentmihály)	Masterplast Hungária Ltd (Sárszentmihály)	Masterplast Hungária Ltd (Sárszentmihály)	Masterplast Hungária Ltd (Sárszentmihály)	
Masterplast International Ltd (Sárszentmihály)	Masterplast International Ltd (Sárszentmihály)	Masterplast International Ltd (Sárszentmihály)	Masterplast International Ltd (Sárszentmihály)	
Masterplast Membrane Ltd (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)	
Masterplast Modulhouse Ltd (Sárszentmihály)	Masterplast Modulhouse Ltd (Sárszentmihály)	Masterplast Modulhouse Ltd (Sárszentmihály)	Masterplast Modulhouse Ltd (Sárszentmihály)	
Masterplast YU D.o.o. (Subotica)	Masterplast YU D.o.o. (Subotica)		Masterplast Insulation Ltd (Kál)	
Masterplast Nonwoven GmbH (Aschersleben)			Masterprofil Manufacturing and Trading Ltd (Kál)	
T-CELL Plasztik Ltd (Hajdúszoboszló, Zalaegerszeg)			Masterplast Nonwoven GmbH (Aschersleben)	
PIMCO Ltd (Szerencs)				

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies GOV-2

The Board of Directors is informed by the Chairman/Vice-Chairman – either through Board meetings or via email. As a listed company, everything is conducted publicly. Anything that affects the share price is always discussed at Board level and shared not only with the Board but also with the public. This is published [on the Budapest Stock Exchange website](#).

The KPIs and objectives included in the annual Sustainability Report are assessed annually by the Green Committee which makes recommendations for any strategic adjustments. In 2025 no such adjustments were made.

The Board of Directors approves the strategic plan for the entire Group in accordance with its rules of procedure. The medium-term strategy is updated annually, and its implementation is monitored at Board meetings. The Board of Directors meets four times a year, with no more than 150 days elapsing between meetings. The agenda for these meetings includes the financial results of the Group and the progress of strategic projects.

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The **Green Committee** oversees and reviews sustainability measures, ensuring that the strategy of the Group is aligned with sustainability expectations and legal requirements. The Green Committee meets as required, but no more than once every three months. To integrate ESG considerations, the management of **MASTERPLAST** and relevant organisational units hold regular consultations.

ESG considerations are organically integrated into the strategy and decision-making mechanisms of the Group, and sustainability considerations are taken into account in decision-making. **MASTERPLAST** treats compliance with EU regulations relating to sustainability as a priority.

The **Green Committee** has taken on a key role in overseeing the preparation of the double materiality assessment (DMA) prior to the reporting for the 2025 reporting period, and in initiating further actions and measures, as well as approving plans, in relation to the identified IROs listed in the DMA. The topics discussed are covered in [the chapter entitled 'Strategy'](#).

### Remuneration and incentive schemes – Integration of sustainability-related performance in incentive schemes GOV-3

#### Remuneration policy and the role of ESG incentives

As a listed company, **MASTERPLAST** publishes information regarding remuneration publicly, both on its own websites and on the official website of the Budapest Stock Exchange. Currently, the remuneration system of the **Group** does not include ESG-based incentive mechanisms; executive compensation is linked to financial and business performance targets. There is no variable remuneration that depends directly on the achievement of sustainability or social objectives; consequently, indicators relating to the reduction of greenhouse gas (hereinafter: GHG) emissions, the improvement of energy efficiency or the promotion of sustainable operations are not currently included in the incentive scheme. However, **MASTERPLAST** regularly reviews the possibility of integrating ESG considerations into the incentive scheme, particularly with regard to environmental and social sustainability objectives. The possibility of introducing ESG-based incentives is reviewed annually, and the remuneration policy is amended where necessary. In 2025 the Remuneration Policy was not amended in line with ESG criteria. The current Remuneration Policy and Remuneration Report are available on the Group's website.

[https://www.masterplastgroup.com/document\\_folder/javadalmazasi-nyilatkozatok-kozgyulesi-dokumentaciok-2025/](https://www.masterplastgroup.com/document_folder/javadalmazasi-nyilatkozatok-kozgyulesi-dokumentaciok-2025/)

#### The evaluation process of the Board of Directors and integration of ESG indicators

The Board of Directors assesses its own performance annually, prior to the re-election of its members. During the assessment process, the Board reviews its collective and individual work over the previous 12 months based on factual data. The results play a role in determining the composition and responsibilities of the Board of Directors, as well as in the development of the executive incentive scheme. Currently the performance evaluation system does not include sustainability indicators or ESG-based incentives; there is no variable remuneration that is directly dependent on the achievement of environmental or social objectives. The incentive scheme consists exclusively of fixed remuneration components.

In 2025 **MASTERPLAST** reviewed the possibility of incorporating sustainability targets into the performance appraisal process. To this end, the following options were examined:

- Incorporating environmental and social indicators into future incentives.
- Introducing sustainability KPIs into the annual performance appraisal.

As a result of the review, the **Group** did not incorporate sustainability targets into the performance appraisal process in 2025. In the view of the Green Committee, the results and objectives achieved through business incentives currently provide adequate support for the progress of sustainability efforts. Furthermore, in connection with the introduction of these incentives, it has identified a potential risk of fraud, the scale of which

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could outweigh the resulting benefits. The Group reviews this matter annually and, where necessary, submits it to the Board of Directors.

**Implementation of remuneration**

The remuneration of the Board of Directors is approved by the General Meeting. The payment of the remuneration of the Chief Executive Officer arising from his employment is made on the basis of a resolution of the Board of Directors, whilst the remuneration and payment of other members of the Group's management is approved by him. The Board of Directors reviews the possibility of incorporating ESG considerations into remuneration on an annual basis and, where necessary, may amend the remuneration policy to ensure the appropriate integration of sustainability objectives.

**Statement on due diligence GOV-4**

The aim of due diligence is to identify the factors that influence, support or hinder the Company in achieving a sustainable operating model. During the screening the Company identifies, prevents and mitigates actual and potential negative impacts on the environment and people arising from its business activities, and documents the current management of these impacts and the opportunities for improvement inherent in the management process. The assessment covers the Company's own operations as well as elements related to the upstream and downstream value chains, insofar as these are relevant to the Company.

**MASTERPLAST** places particular emphasis on cooperation with stakeholders including local communities, suppliers and partners, in order to understand the potential risks and impacts arising from its operations. To maintain communication with stakeholders, it regularly holds employee forums, supplier visits and environmental awareness sessions. At the heart of the **Group** strategy is the aim of serving the interests of the communities and the environment through sustainable and responsible operations. Through the introduction of integrated policies and the Green Committee, ESG considerations have been given a prominent place in corporate governance practices and the business model, including efforts to minimise environmental impacts.

**MASTERPLAST** began reviewing its value chain through online and telephone consultations as early as 2022, and regulates the guidelines and reporting in its Supplier Code of Conduct and Ethics. In 2024 and 2025 it also engaged its suppliers via an anonymous online questionnaire as part of the double materiality analysis. Details of this can be found in the [chapter entitled 'Double Materiality'](#).

When evaluating the 2024 survey, findings regarding impacts, risks and opportunities could only be taken into account to a limited extent due to the low number of substantive responses received; for this reason, the Company identified the method, methodology and approach to engaging supply chain participants as an area for improvement. In 2025 the Group introduced targeted preparation in this area, during which it informed internal stakeholders in advance about the DMA process and its essence, provided opportunities for consultation to foster a deeper understanding, and conducted a survey among them during the preparatory phase – thus preventing employee overrepresentation among responses. This questionnaire covered the value chain level, financial and impact materiality, and the time horizon. The sustainability team consolidated the responses and used them to review the IROs identified in 2024, as well as to supplement them with new ones.

In addition, an external stakeholder survey was conducted, in which **MASTERPLAST** used an online questionnaire to assess the relevance of the list supplemented with the new IROs. The external questionnaire also included an open-ended response option. To encourage a higher response rate, the Company sent reminders. As a result, 31 relevant responses were received, comprising a diverse range of stakeholders. For certain IROs – given the timing of the audit process – the Company did not collect feedback from external stakeholders. However, it pledges to conduct surveys of external stakeholders on these matters during the preparation of the 2026 sustainability report, with particular regard to issues where results were close to limit value.

With regard to due diligence, during the period of preparing its sustainability report the Company fulfilled its first full-year sustainability-related due diligence obligation and report for 2024 under the Hungarian ESG Act, the results of which were reported in the so-called ESG report<sup>5</sup> (a separate, non-public document and obligation). In connection with the preparation of the ESG report, the supply chain was screened using 12 different

<sup>5</sup> Further details: <https://sztfh.hu/tevekenysegek/esg-hatosagi-tevekenyseg/esg-beszamololorol/>

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questionnaires available in Hungarian and English, published on the website of the Supervisory Authority for Regulated Activities (SZTFH). The regulatory environment provided an opportunity for multi-stage risk management within the framework of which the Company carried out a pre-assessment based on publicly available information and data taking ESG criteria into account. The 2025 ESG report is currently being prepared, and the ESG report for the 2027 financial year will be published for the first time in 2028, in accordance with the Hungarian ESG Act.

Milestones of the due diligence process

Key steps in the due diligence process	Relevant sections of the sustainability report
Integrating the review into governance, strategy and the business model	<a href="#">Governance</a> <a href="#">Strategy</a>
Involving relevant stakeholders in every key phase of the due diligence	<a href="#">Double materiality</a>
Identifying and assessing adverse impacts	<a href="#">Strategy</a>
Addressing the identified adverse impacts	<a href="#">Environmental protection</a> <a href="#">Society</a> <a href="#">Corporate governance</a>
Monitoring and communicating the effectiveness of management measures	<a href="#">Environmental protection</a> <a href="#">Society</a> <a href="#">Corporate governance</a>

Risk management and internal controls over sustainability reporting GOV-5

MASTERPLAST has established an internal control system to manage risks associated with the sustainability report and to ensure the accuracy and completeness of sustainability data. In identifying risks related to reporting, the Company primarily examined the accuracy and completeness of data, potential errors in data collection and reporting processes, and regulatory compliance.

Key elements of the risk management system:

- **Clarification of responsibilities and authorities:** a clear definition of roles and decision-making powers between the functions responsible for ESG reporting, management, audit and supervisory bodies. The division of responsibilities results in multi-layered controls based on the (at least) four-eyes principle.
- **Process description and documentation:** the process of sustainability data collection, verification and reporting is documented in detail, including the “MPG-SZ-VG-003 v 1.0 Procedure for the preparation of sustainability reports”.
- **Audit and review:** regular internal and ISO-based audits support the accuracy of metrics and the functioning of internal controls.
- **External consultant:** the involvement of an external expert ensures a full understanding of legal requirements and their full implementation throughout the sustainability reporting process.
- **Software support:** in 2025 the Company introduced additional software support for the data collection required for the sustainability report, which reduces the risk of calculation errors or omissions.

Based on experience, the Group regularly reviews and updates the “MPG-SZ-VG-003 v1.0 – Procedure for the preparation of the sustainability report”, incorporating the experience and lessons learnt during the reporting process year on year. The Green Committee evaluates the conclusions drawn and makes recommendations for necessary improvements.

## Strategy

### Strategy, business model and value chain *SBM-1*

**MASTERPLAST** is one of the leading manufacturers of thermal insulation materials and a key supplier to the construction industry in Central and Eastern Europe, specialising primarily in the development, manufacture and distribution of products related to thermal insulation systems. Business strategy focuses on promoting energy-efficient and sustainable construction by strengthening the region's insulation manufacturing capacity.

The **MASTERPLAST** construction product portfolio includes EPS and XPS thermal insulation boards, roofing membranes, glass fibre mesh, mineral wool insulation materials, edge protectors, plasterboard profiles, adhesives and complementary system components. In 2025 **MASTERPLAST** also began manufacturing its own glass wool through PIMCO Ltd. These solutions are primarily used for the facade, roof and interior insulation of residential and commercial buildings, helping to reduce the energy consumption of buildings. In addition, the Group has embarked on the development and manufacture of modular building components offering rapid construction times and cost-effective solutions. In this regard, further market opportunities in the B2B<sup>6</sup> and B2C<sup>7</sup> segments are currently being explored.

### Revenue

The consolidated turnover of the **MASTERPLAST Group** for 2025 was €171.15 million, of which approximately €19 million represents a financial asset arising from certified energy savings. A detailed breakdown of the manufacturing and trading revenue is provided in Chapter 30, 'Segments' of the supplementary notes to the Company's Consolidated Annual Report.

The Company will not publish data on the breakdown of revenue by significant ESRS sectors or on other relevant sectors for the 2025 reporting period, as the ESRS sector standards have not yet been finalised and officially adopted; however, the Company will monitor legislative changes in the future and act accordingly.

The Group does not operate in the fossil fuel industry (coal, oil, gas), does not engage in economic activities related to fossil gas, and does not generate revenue from these sources. Furthermore, it is not involved in the manufacture of chemicals, the production of weapons, or the cultivation or production of tobacco, and therefore derives no revenue from these activities.

### Workers

Data on employees can be found in the '[Society](#)' chapter under the sub-section '[Own workforce](#)'. The workforce of the Group is concentrated in a single geographical region: Europe.

### Presentation of the **MASTERPLAST Group** value chain

The Company defines its own activities as manufacturing, trading, logistics and the operation of the Hungarocell Green Programme and the EEOS programmes. It defines the upstream value chain as comprising raw material and finished product suppliers from the EU+EFTA and from outside the EU. With regard to the downstream value chain, it refers to sales and product support activities within the EU and outside the EU (with Ukraine as a separate category within the latter). The value chain is illustrated in detail in the table below:

<sup>6</sup> *Business to Business: sales to companies and the business sector*

<sup>7</sup> *Business to Consumer: sales to end-consumers and private individuals*

Value chain stage	Value chain stage	Main activities / processes	Stakeholders
Upstream	1. Raw material procurement	Procurement and transport of raw materials (e.g. polypropylene)	Suppliers, logistics partners
Upstream	2. Production preparation	Preparation of materials, formulations, mixing, recycling (in-house activity: Hungarocell Green Programme)	Production sites, quality assurance
In-house operations	3. Production	Moulding, pressing, heat treatment, packaging	Production sites
In-house operations	4. Quality control	Product testing, EPD certificates <sup>8</sup> , compliance with ISO standards and regulations	Quality assurance department
In-house operations	5. Logistics / Transport	Warehousing, stock management, dispatch	Logistics partners, carriers
In-house operations	6. Sales / marketing	Business sales, customer relations	Sales team, dealers
Downstream	7. Resale, product use and support	Building insulation, improving energy efficiency (own activity: EEOS programme)	End-users, contractors
Downstream	8. End-of-life management	Recycling, waste management, demolition	Waste management companies, recyclers

The **MASTERPLAST** value chain is vertically integrated, ranging from raw material procurement through its own manufacturing capacities to a logistics and sales network spanning 10 countries, enabling rapid and flexible market service. Although raw materials are largely sourced externally, vertical integration still reduces supply chain risks, as the Group is less dependent on external partners thanks to its own production capacities and subsidiaries. This makes production processes more predictable and enables the company to respond more easily to changes in market demand. Furthermore, local manufacturing and the use of shorter transport routes contribute to a lower carbon footprint, as the environmental impact and fuel consumption associated with transport can also be reduced.

The provisions of the Supplier Code of Conduct and Ethics of **MASTERPLAST** ensure that the Group’s partners serving 40 countries meet sustainability, human rights and ethical standards. The Code includes provisions on the protection of workers’ rights, the provision of fair working conditions, and environmental requirements. The Group monitors the sustainability and ethical compliance of its supply chain through regular audits and works closely with its partners to continuously improve the quality of raw materials and ensure responsible procurement practices.

<sup>8</sup> Environmental Product Declaration

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**Manufacturing activities**

The Group's main raw materials are polypropylene (PP), EPS, GPPS, glass fibre, polymer coatings, sand and cullet, whilst the main packaging materials are wood and film. The production capacity of **MASTERPLAST** is concentrated in nine subsidiaries, each with a distinct production profile. Manufacturing operations are organised across several entities, each specialising in different fields.

- **Production bases:** Masterplast Insulation Ltd, Masterprofil Gyártó és Kereskedelmi Ltd, Masterplast Membrane Ltd, Masterplast Nonwoven GmbH, Fidelis BAU Ltd, Masterplast YU D.o.o., T-CELL Plasztik Ltd, Masterplast Proizvodnja D.o.o., PIMCO Ltd.
- **The largest volumes of raw material processing** is carried out by the following entities: Masterplast YU D.o.o., Masterplast Membrane Ltd, T-CELL Plasztik Ltd, PIMCO Ltd.
- **Reuse and recycling:** Masterplast Membrane Ltd, Masterplast Nonwoven GmbH, Fidelis BAU Ltd, Masterplast YU D.o.o., T-CELL Plasztik Ltd, Masterplast Proizvodnja D.o.o. and PIMCO Ltd process significant quantities of recycled and reused raw materials at their sites.

**Production sites:**

Production site SÁRSZENTMIHÁLY – Hungary - MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com))

Production site SZÉKESFEHÉRVÁR – Hungary - MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com)) (Moved to the Sárszentmihály site during 2025.)

Production site KÁL – Hungary - MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com)) (shut down in 2025 to restart in 2026.)

Production site ZALAEGERSZEG/HAJDÚSZOBOSZLÓ – Hungary – T-CELL ([masterplastgroup.com](http://masterplastgroup.com))

Production site CSÓR – Hungary – MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com))

Production site SZABADKA – Serbia - MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com))

Production site ASCHERSLEBEN – Germany – MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com))

Production site CALERNO – Italy - MASTERPLAST ([masterplastgroup.com](http://masterplastgroup.com))

Production site SZERENCS – Hungary – PIMCO (<https://pimco.hu/>)

**MASTERPLAST** also uses petroleum derivatives in its manufacturing processes. Although the Group is constantly working on product development and various innovations, these materials cannot yet be replaced at the current level of technology. **MASTERPLAST** places emphasis on monitoring the type and quantity of materials used in production and gradually improving their quality in its day-to-day business operations; in doing so, it also tracks its dependence on natural resources and the indirect impacts of their exploitation.

**Key markets and customer groups**

The distribution subsidiaries of the **Group** serve building materials retailers, procurement companies and DIY store chains, paying particular attention to the specific expectations and conditions of the building materials retail sector varying from country to country. Markets without a subsidiary are served through export departments. The aim is for strong local strategic partners to represent **MASTERPLAST** products in the relevant region. For partners, value is primarily represented by security of supply, consistent quality, product certifications, and value for money. Our products and services comply with applicable legislation in all markets, and none are subject to a ban.

**Assessment of the existing portfolio**

ESG-related objectives are a key focus of strategic planning. The Board of Directors and senior management regularly review sustainability initiatives, and an internal Green Committee also supports the coordination of sustainability tasks and the development of strategy. As a result, sustainability considerations form an integral part of decision-making, and the company shapes its business model with long-term sustainability trends in mind.

The **Group** aims to play a leading role in the Central and Eastern European region in the field of energy-efficient, environmentally conscious and sustainable building material solutions. The business strategy of the Group is based on contributing to climate protection, operating in a resource-efficient manner and promoting sustainable construction practices. Within this framework, **MASTERPLAST** strives to develop products and solutions that

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support increased energy efficiency in buildings, reduced carbon dioxide emissions and a lower environmental impact from the construction industry.

For residential properties (detached houses, semi-detached houses, etc.), the following estimated energy savings can be achieved:

- Full external insulation: ~40%,
- Roof structure insulation: ~10%,
- Loft insulation: ~10%,
- Modernisation or replacement of the heating system: ~30%,
- Window replacement: ~10%.

Insulation – particularly in existing buildings – is key to energy efficiency, as creating a thermal envelope can lead to energy savings of up to 70%. In the case of a detached house, thermal envelope refers to the structural elements that separate the interior of the house from the outside world, the main role of which is to provide thermal insulation. This includes the walls, roof, windows, doors and floor which regulate the flow of heat, thereby helping to maintain the desired temperature inside the house. A well-designed thermal envelope reduces energy consumption by minimising heat loss in winter and preventing overheating in summer. Proper insulation makes the house more energy-efficient and improves the standard of living by making the interior more comfortable. A key component of the thermal envelope is the various insulation materials manufactured and distributed by **MASTERPLAST** which thus contribute significantly to reducing the emissions of the building stock responsible for the highest emission levels. The real energy efficiency and emission-reducing effects achievable with **MASTERPLAST** insulation materials and the existing demand for these provide a long-term foundation for demand for the products of the Company.

The insulation product portfolio fundamentally supports energy efficiency and decarbonisation targets; however, the energy and raw material requirements of the manufacturing process present challenges in terms of meeting emission reduction targets. There is growing demand in key markets for low-carbon footprint and circular solutions in line with the strategic objectives of the Company. At the same time, rising customer expectations necessitate further strengthening of product transparency, environmental reporting and certification requirements.

Key challenges include energy price volatility, changes in the regulatory environment, raw material supply risks, and meeting decarbonisation requirements within the constraints of manufacturing technology.

**Critical solutions and projects include:**

- implementing energy efficiency investments in manufacturing plants.
- exploring the introduction of low-emission technologies.
- increasing the proportion of recycled or alternative raw materials.
- strengthening sustainability requirements for suppliers.
- developing ESG data collection and reporting systems.

The Group is constantly seeking opportunities to further develop its business model in the light of sustainability challenges. Sustainable innovations play a key role in the long-term growth plans of the Group, enabling it not only to meet future regulatory requirements but also to forge a competitive advantage. The future direction of the strategy is determined by the sustainability transition: the Group is ready to adapt and, where necessary, transform its business model so that **MASTERPLAST** can be among the winners of the transition to climate neutrality and the circular economy.

### Strategic sustainability focus areas

The strategic focus areas summarised in this chapter set out the key sustainability priorities of the Group. The list is not exhaustive; specific policies, actions, objectives and metrics relating to the individual identified impacts, risks and opportunities (IROs) are presented in the topic-specific sub-chapters. The purpose of this chapter is to define and highlight the key strategic focus areas so that the Group can use its resources in a concentrated manner, avoiding excessive fragmentation.

#### *CES (Verified Energy Savings)*

Entering the Certified Energy Savings (CES) market represents a business opportunity for the Company. A CES is a right with limited marketability that can be generated through various energy efficiency measures by organisations accredited for this purpose. These CES can be resold to organisations obliged to achieve energy savings within the framework of the so-called EEOS system. In this context, **MASTERPLAST** launched the Hungarocell Renovation Programme in September 2024, the first programme of its kind in Hungary to generate CES in connection with the thermal insulation of family homes' facades. Furthermore, through its partners the Group has also joined loft renovation programmes operating on a similar principle.

Revenue generated from CES continued to bolster Group performance in 2025. **MASTERPLAST** not only continued the previously launched Hungarocell Renovation Programme but also expanded it, and the relevant raw materials are now available with 100% funding instead of 50% ([Hungarocell Renovation Programme \(HRP 2.0\)](#)). The combined annual primary energy savings from residential energy efficiency projects implemented in 2025 amounted to 606,065.44 GJ. The financial value of the savings – calculated on the basis of the mandatory minimum residential compensation unit price applicable in 2025 (11,705 HUF/GJ) – is 7,093,995,975 HUF. This result contributes significantly to the achievement of domestic energy efficiency targets, as well as to the reduction of end-user energy demand and greenhouse gas emissions. **The Group aims to ensure full compliance at all times with the constantly changing regulatory environment and expectations surrounding the EEOS-CES.**

#### *Key products: EPS and XPS*

The Group's key products including EPS and XPS thermal insulation boards, roofing membranes, glass fibre mesh, glass wool and other accessories are designed to modernise the energy efficiency of buildings. Thermal insulation plays a key role in reducing energy consumption and greenhouse gas emissions from building operations, so the **MASTERPLAST** products have a direct impact on achieving the EU's climate and energy targets. Development activities are increasingly focusing on the principles of the circular economy, particularly the recyclability of products, increasing the content of recycled materials, and reducing manufacturing waste.

To ensure transparent and credible verification of the sustainability characteristics of its products, the Group is expanding the scope of its Environmental Product Declarations (EPDs) year on year. By 2025, in addition to EPS and XPS products, fleece and glass fibre mesh products also have EPD declarations. **The strategic objective of the Group is to have a valid EPD for all its own-manufactured insulation products by 2030.**

#### *Renewable energy*

The **Group** is committed to decarbonising its manufacturing operations and improving energy efficiency. The integration of renewable energy sources (e.g. solar parks) has begun at several of its sites, as has the introduction of technological developments that reduce specific energy consumption and greenhouse gas emissions.

The Group plans to install further solar farms in Serbia and Hungary, partly subject to subsidies. **Plans include the construction of a 6,115 kWp solar power plant in Szerencs, whilst the Serbian subsidiaries are planning solar investments totalling 2.415 MWp in capacity over the coming years.**

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*The circular economy*

Optimising waste management is also part of environmental objectives. The Group has taken steps to integrate a circular approach into both product development and manufacturing processes. It pays particular attention to the recycling of manufacturing waste and the optimisation of material use. The aim is to use an increasing proportion of recycled or low-environmental-impact raw materials in the long term, whilst maintaining product performance and longevity. As part of the Hungarocell Green Programme, the Company collects and reuses clean polystyrene and (from 2025) glass wool offcuts generated during insulation works for its own operations. **The Group aimed to utilise 500 tonnes of collected offcuts in the production of its key product, XPS, by 31 December 2026 as part of its green innovation initiatives. This target was achieved by 31 December 2025, ahead of the original deadline.**

*Occupational health and safety*

The Group is committed to ensuring a high standard of health and safety at work. Based on its risk assessments, manufacturing operations have been identified as a high-risk area, whilst production sites as localised risk locations. Physical work takes place at these sites, necessitating enhanced health and safety measures. To this end, the Group provides mandatory personal protective equipment, conducts regular occupational safety trainings and job-specific trainings, and continuously improves safety protocols. **Its strategic objective is to reduce the number of serious workplace accidents to zero and the total number of workplace accidents to no more than two by 2030.**

*Improving supplier due diligence*

The Group is continuously improving its procurement practices with particular regard to sustainability considerations. Within the framework of the Hungarian ESG Act, the Company has already made the necessary preparations and taken the first steps. Among other things, the legislation requires the conduct of supplier risk assessments, sustainability due diligence on suppliers, and ensuring access to the complaints handling system. **The Group aims to further develop its practices year on year, and to publicly report on the results achieved to date by 2028 in accordance with regulatory requirements.**

**Summary of the sustainability focus areas of MASTERPLAST**

Product and service groups	Customer categories	Geographical areas	Engagement with stakeholders
In the manufacturing processes of its main product groups – particularly EPS and XPS products – the Company aims to improve energy efficiency, reduce greenhouse gas emissions and increase the proportion of recycled raw materials. To this end, a key objective is to develop solutions that support the energy efficiency of buildings and machinery, thereby contributing to emission reductions on the user side.	For customer segments – construction contractors, wholesale partners and DIY stores – the Group aims to support its customers in achieving their own sustainability goals through transparent product information, Environmental Product Declarations (EPDs) and life cycle assessment (LCA <sup>9</sup> ) data.	The geographical scope of the sustainability objectives covers all operating regions. However, HFP 2.0 and the Hungarocell Green Programme are specifically implemented in Hungary, taking into account the characteristics of domestic production facilities and the available support schemes.	In its relationships with stakeholders – in particular with suppliers, employees, local communities and professional organisations – the Company aims to strengthen responsible procurement practices, continuously improve occupational safety, and ensure transparent and regular dialogue.

Further, detailed objectives and activities can be found in the sub-sections covering topics relevant to the Company. ([Environment](#), [Society](#), [Corporate Governance](#))

<sup>9</sup> Life Cycle Assessment

**Interests and views of stakeholders *SBM-2*****Stakeholders**

As a responsible company, it is essential for **MASTERPLAST Plc** to maintain contact, engage in dialogue and establish effective cooperation with its internal and external stakeholders.

The Company has identified as stakeholders those individuals and groups who are affected by or have an impact on its operations, or whose interests are or may be affected by the activities of the Group. The Company aims to establish active and mutual communication with its stakeholders. With regard to the 2025 double materiality analysis, the Company has defined its stakeholders as its employees in Hungary and abroad, staff at the Budapest Stock Exchange, investors, suppliers of raw materials and services, customers, other business partners, financial institutions (banks, insurers, fund managers, etc.), analysts, risk managers, authorities, supervisory bodies, professional associations, civil society organisations, foundations, associations, local authorities, consultants, media representatives, members of the local community, educational institutions (vocational schools, universities, etc.), and environmentalists. In addition to these, the targeted stakeholders were also given the opportunity to provide feedback via an anonymous response in the 'other' category.

The key stakeholders of the Group are employees, customers, suppliers and investors. Other key stakeholders include local communities and professional organisations.

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Stakeholder engagement

Methods of communication and cooperation with the key stakeholder groups of MASTERPLAST

Key stakeholders	Focus of cooperation	Methods of cooperation and communication
<b>Employees</b>	<p>MASTERPLAST aims to create an open, supportive environment where challenges and opportunities can be discussed openly, areas for development can be identified, and innovative initiatives can be supported. The key to success is involving colleagues who think and develop in unity, in line with the Group's values, whilst taking sustainability considerations into account.</p>	<ul style="list-style-type: none"> <li>- News and programme updates via email and a closed Facebook group (regular)</li> <li>- Communication emails on key topics, e.g. green newsletter (ongoing)</li> <li>- Employee forums (annual)</li> <li>- Management meetings on performance reviews and training opportunities (at least once a year)</li> <li>- Employee focus group surveys (at least every two years)</li> <li>- NEW, 2025: HR Master closed HR system, for colleagues in Hungary (regular)</li> </ul>
<b>Customers</b>	<p>The sales team works closely with the company's customers on a daily basis to gain a deeper understanding of their needs, help them keep pace with market trends, and share with them the experience gained in nearly 40 countries. In addition, MASTERPLAST pays particular attention to identifying local characteristics and motivations so that it can offer personalised, effective solutions.</p>	<ul style="list-style-type: none"> <li>- Customer open days and training courses at MASTERPLAST (e.g. contractor trainings or trainings on the Hungarocell Renovation Programme for contracted partner building materials centres)</li> <li>- Industry conferences</li> <li>- Trade exhibitions</li> <li>- Key account manager relationships</li> <li>- B2B platform (in Hungary, Romania, Serbia, and to a lesser extent in Slovakia and Croatia, serving as the main communication channel – special offers are also published here, among other things)</li> </ul>
<b>Suppliers</b>	<p>MASTERPLAST strives to establish long-term, mutually beneficial partnerships with suppliers, based on continuous feedback and the highest standards of ethical conduct. In its collaborations, it places particular emphasis on sustainability, environmental protection and human rights considerations.</p>	<ul style="list-style-type: none"> <li>- Communication via email (regular)</li> <li>- Face-to-face communication, supplier and manufacturer visits (regular)</li> <li>- Direct consultations with supplier key account managers (regular)</li> <li>- Supplier forums, surveys, training sessions (annual)</li> <li>- Participation in international exhibitions</li> </ul>
<b>Investors, shareholders and financial market participants</b>	<p>The MASTERPLAST Group maintains continuous, active contact with investors and the capital markets. It works closely with all stakeholders – banks, bond investors and shareholders – to ensure the most efficient allocation of capital, as confirmed by rating agencies. It integrates its ESG approach and consideration of sustainability issues into its financial partnerships.</p>	<ul style="list-style-type: none"> <li>- Investor briefing forums (annual)</li> <li>- Consultations with analyst agencies (ongoing)</li> <li>- Annual General Meeting (annual)</li> <li>- Regular publications (ongoing)</li> <li>- Investor surveys (as required)</li> </ul>
<b>Local communities</b>	<p>Through active dialogue with the local communities where MASTERPLAST operates, the Group strives to become an integral part of its environment. Its aim is to better understand each other's needs and opportunities, and to support communities in achieving their goals.</p>	<ul style="list-style-type: none"> <li>- Email, telephone and face-to-face meetings, liaising (ongoing)</li> <li>- Liaising with local authorities, organisations and local leaders (regularly)</li> </ul>
<b>Professional organisations</b>	<p>The aim of cooperation with domestic and international professional organisations is to promote industry development, knowledge sharing and innovation. When defining common goals, MASTERPLAST prioritises sustainability issues and actively participates in professional dialogue.</p>	<ul style="list-style-type: none"> <li>- Professional forums (regular)</li> <li>- Professional collaborations, development of joint programmes (ongoing)</li> <li>- Individual meetings (ongoing)</li> </ul>

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**Involvement of employees**

In the first quarter of 2025 **MASTERPLAST** launched the **HR Master** app, a modern platform that offers a simple, fast and efficient solution for reaching colleagues working in various fields who do not have access to a computer and/or email address, whilst also providing an opportunity for ongoing employee feedback. The app supports employee engagement and internal communication. The development and expansion of the application is currently underway to make communications between the employer and employees even more direct and personal.

In preparing this sustainability report, **MASTERPLAST** involved its stakeholders in two stages during the DMA process:

- in the first round, consultations were held with internal stakeholders during the DMA preparation phase – the considerations formulated here were directly incorporated into the IRO identification and assessment process carried out by the sustainability project team.
- External stakeholders were engaged via an anonymous online questionnaire, primarily for validation purposes. Respondents assessed the company's sustainability performance on a linear scale against the IROs identified for the 2024 reporting year, as well as those defined by internal stakeholders and the project team, and were also able to share their suggestions for improvement via open-ended questions. The survey received 31 external responses. The higher number of respondents in the previous year was largely linked to the workforce, resulting in a more one-sided perspective. Although this is lower than the 169 participants in 2024, in 2025 the feedback came from a wider range of relevant external stakeholder groups, filtering out the distorting effect of an excessive number of employee responses. The response rate for 2025 was 10%, with a significant proportion of responses coming from suppliers, customers and local community stakeholders.

The analysis of the results was carried out by the DMA project team and approved by the Green Committee, following a detailed examination of the quantitative and qualitative data. Based on the feedback, relevant opportunities for improvement were identified, taking into account the operations and strategy of the Group. The importance of sustainability topics was ranked based on the maximum scores. The **MASTERPLAST** objective for 2024 was to incorporate stakeholder feedback to support sustainable operations, as well as to increase the participation rate in future surveys so that decisions could be based on a broader, more representative range of opinions. Although the participation rate did not increase in 2025, the survey covered a much wider range of stakeholders, which the Company regards as an improvement. The results of the stakeholder surveys are incorporated into the DMA, as detailed in [the chapter entitled 'Double Materiality'](#).

**Stakeholder interests in relation to strategy and business model**

Stakeholder feedback plays a key role in shaping strategy and business model, supported by due diligence procedures and a materiality assessment. The Company's core values – continuous development, cooperation, immediate feedback and fact-based communication – ensure a high standard of stakeholder management, which colleagues have further strengthened despite the challenges of 2025. Part of the corporate culture is the 'Code of Cooperation', which defines operations, communication and teamwork based on mutual respect. The aim is to promote open, honest and constructive dialogue, enabling **MASTERPLAST** to integrate stakeholders' expectations into strategic decisions and the business model, ensuring sustainable operations and long-term success.

Based on feedback received from stakeholders, the **Group** did not amend its strategy during the reporting period and does not plan to make any changes in the near future, as no such need has arisen. Should any relevant factors or new circumstances arise in the future, the Group will always consider them and take the feedback into account responsibly when making decisions.

**Information for administrative, management and supervisory bodies**

The full content of the Sustainability Report, including its material topics – such as the views and interests of relevant stakeholders regarding the company’s sustainability impacts – is published with the approval of the Green Committee of **MASTERPLAST**, the Group’s management, and the Chairman of the Board of Directors.

**Material impacts, risks and opportunities and their interaction with strategy and business model *SBM-3***

**MASTERPLAST** has set itself the goal of developing a concrete action plan for every material impact, risk and opportunity (IRO) relevant to sustainability, detailed in the chapters of this sustainability report. The Green Committee plays a key role in the development and implementation of these measures, ensuring that they are closely aligned with the business model and long-term strategy. The aim is for sustainability considerations not to be treated as a separate area, but to be organically integrated into operations and decision-making processes.

**Material impacts, risks and opportunities**

The following summary table sets out a brief description of the material impacts, risks and opportunities identified during the double materiality analysis, their actual, potential, positive or negative impact, their classification by risk and opportunity, the timeframe, and their relevance within the value chain (own activities, upstream and downstream).

ESRS standard	Topic	Description	Classification	Value chain	Timeframe
E1 Climate change	Climate change mitigation	Through our core business (the manufacture of high-quality insulation materials), we contribute to the long-term reduction of energy consumption and GHG emissions due to the widespread use of our products.	Actual positive impact	Downstream	Long-term
E1 Climate change	Climate change adaptation	Demand for professional insulation materials is growing as energy-efficient architecture becomes increasingly important.	Current opportunity	Own operations	Long-term
E1 Climate change	Climate change adaptation	The company manufactures and distributes insulation materials and related products, playing a direct role in facilitating adaptation to climate change.	Actual positive impact	Own operations	Short-term
E1 Climate change	Energy	Climate change: due to excessive temperature rises, solar panels already installed and those to be installed in the future will be subjected to excessive stress, resulting in reduced efficiency and output.	Potential negative impact	Own operations	Long-term
E1 Climate change	Energy	Purchasing energy from energy suppliers contributes to the company's Scope 2 emissions.	Actual negative impact	Upstream	Long-term
E1 Climate change	Energy	Introducing energy-efficient solutions into our manufacturing and commercial operations, thereby reducing energy consumption. Through investments in renewable energy, we promote the use of green energy and support the launch of EEOS projects. Thanks to effective energy management, the company's overall energy consumption is reduced. At our entities with higher energy consumption we have installed sub-meters in several stages to properly monitor our energy consumption, and we are also modernising our machinery.	Actual positive impact	Own operations	Short-term
E1 Climate change	Energy	Our customers consume less energy when they purchase suitable insulation materials and modernise their properties.	Actual positive impact	Downstream	Short-term
E1 Climate change	Energy	Our customers consume less energy when they purchase suitable insulation materials and modernise their properties. Thanks to the framework provided by the energy efficiency obligation scheme, this presents an excellent opportunity for the company to run energy efficiency projects (Hungarocell Renovation Programme, free loft insulation).	Current opportunity	Own operations	Long-term
E1 Climate change	Energy	Regulatory requirements and changes may increase the price of purchased energy.	Expected risk	Own operations	Long-term

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E1 Climate change	Energy	Unpredictable fluctuations in energy prices make it difficult for the company to plan its operating costs.	Expected risk	Own operations	Long-term
E2 Pollution	Microplastics	Production takes place in a controlled, closed system, but fine dust is generated during regrinding and recycling, which is critical in several respects.	Actual negative impact	Own operations	Long-term
E4 Biodiversity and ecosystems	Factors directly causing a decline in biodiversity	Deliveries received during the procurement of products and materials may introduce non-native pests, which can affect the local ecosystem.	Actual negative impact	Upstream	Long-term
E5 Resource use and the circular economy	Resource outflows related to products and services	Recycling (e.g. reprocessing of used materials or products, reducing resource consumption and waste volumes, promoting the circular economy)	Actual positive impact	Own operations	Medium-term
E5 Resource use and the circular economy	Resource outflows related to products and services	Recycling materials can reduce the demand for primary raw materials, thereby making the company less dependent on suppliers and the availability of natural resources.	Current opportunity	Own operations	Long-term
E5 Resource use and the circular economy	Waste	Further tightening of the regulatory environment for waste management could pose a potential risk to the company.	Expected risk	Own operations	Long-term
S1 Own workforce	Working conditions – Health and safety	Our aim is to create safe working conditions and protect the health of our employees, to comply with current legislation, and thereby prevent accidents.	Actual positive impact	Own operations	Long-term
S1 Own workforce	Working conditions – Health and safety	Accidents at work may occur during manufacturing activities, which could result in the company being fined or investigated by the authorities; this poses a significant risk to the company's reputation, as it may negatively affect its standing and also increase its operating costs.	Expected risk	Own operations	Long-term
S2 Workers in the value chain	Working conditions/ Secure employment	There is insufficient information available regarding the employment conditions of workers in the upstream value chain. This may have an actual negative impact on the secure employment of workers in the value chain, particularly if employment is unstable, unlawful or unfair.	Potential negative impact	Upstream	Long-term
S3 Affected communities	Communities' economic, social and cultural rights / Adequate housing	The energy-efficient construction products and solutions of Masterplast help to improve the sustainability and comfort of residential buildings. This indirectly supports communities' right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide	Current opportunity	Own operations	Long-term

		reputational and market advantages for the company.			
S3 Affected communities	Communities' economic, social and cultural rights / Adequate housing	Masterplast's energy-efficient construction products and solutions contribute to improving the sustainability and comfort of residential buildings. This indirectly supports communities' right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide reputational and market advantages for the company.	Actual positive impact	Downstream	Long-term
S4 Consumers and end-users	Social inclusion of consumers and/or end-users / Access to products and services	The MASTERPLAST Hungarocell renovation programme and the free loft insulation scheme provide end-users with the opportunity to access energy-efficient solutions at a lower cost.	Actual positive impact	Downstream	Medium-term
G1 Business conduct	Corporate culture	Our Group is committed to responsible, transparent and effective corporate governance and fair business practices. We conduct our business in accordance with high ethical standards and in compliance with the law. As a responsible company, we do everything we can to ensure that fundamental ethical standards are systematically integrated into our daily work, into the relationships between colleagues, and into our relationships with customers, owners, suppliers and all other stakeholders. We are committed to operating ethically and transparently, and to competing with our rivals in a purposeful yet fair manner.	Actual positive impact	Own operations	Long-term
G1 Business conduct	Management of relationships with suppliers, including payment practices	We focus on building long-term, mutually beneficial partnerships with our suppliers. To foster strong partnerships, we provide continuous feedback whilst adhering to the highest ethical standards. We pay particular attention to sustainability, environmental and human rights issues in our supplier relationships.	Real positive impact	Own operations	Long-term

G1 Business conduct	Political engagement and lobbying	Our professional memberships provide opportunities for valuable partnerships, knowledge acquisition, knowledge sharing, exchange of experience, continuous development, learning and the sharing of best practices. Domestic and international professional organisations support industry continuity, knowledge sharing and continuous development. We set objectives in close cooperation with them.	Actual positive impact	Own operations	Long-term
Company-specific topic	Product quality and product sustainability	Gaining a competitive advantage through sustainable products. E.g.: We collect clean cutting waste through our partners, transport it free of charge, and use it to produce a new thermal insulation material, Thermobeton. The Hungarocell Green Programme complies with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Kft.	Actual positive impact	Own operations	Medium-term

The impacts, risks and opportunities relevant to sustainability have a direct and indirect influence on the business model and strategy of the **MASTERPLAST Group**. A more detailed description of this can be found in [the ‘Strategy’ section of this document](#), as well as in the chapters on material topics.

The material sustainability impacts and risks of **MASTERPLAST** arise from various stages of the value chain. Environmental impacts arising from its own operations include energy consumption and GHG emissions, as well as the generation of production waste. On the upstream (supply) side, the environmental impact and availability of raw materials pose a risk, whilst on the downstream (sales) side, the energy savings achievable through the use of its products have a significant positive impact (for example, the thermal insulation materials manufactured by the Group reduce the energy requirement of buildings). Through close cooperation and sustainability requirements within its supplier network, the Group ensures that related activities are also in line with its environmental and social expectations.

The material sustainability impacts and risks arise over different time horizons. Certain risks may affect operations in the short term (within one year) – such as an immediate rise in energy costs – whilst other impacts become significant in the medium term (1–5 years) or long term (beyond 5 years). The **Group** strategy therefore responds to current challenges in the short term (e.g. through energy efficiency investments), prepares for anticipated market and regulatory changes in the medium term, and sets the goal of achieving climate neutrality and transitioning to a circular economy in the long term. The Group ensures the resilience of its business model by taking these time horizons into account.

The nature of the activities of the **Group** and its business relationships determine its exposure to sustainability impacts and the opportunities available to manage them. Its manufacturing processes are energy- and raw material-intensive; consequently, it places great emphasis on energy efficiency and waste reduction in its operations. At the same time, its products – particularly its thermal insulation solutions – enable its customers to reduce their energy consumption and carbon footprint, meaning that its business activities have a positive impact on the environment. It builds relationships with its suppliers and business partners in a way that supports its sustainability goals (for example, it gives preference to partners supplying recycled or lower-emission raw materials). In this way, **MASTERPLAST** contributes to achieving sustainability goals both through its internal processes and via its business network.

In 2025 clarifications were made to the previously defined IROs and new IROs were also identified, primarily as a result of deeper and broader stakeholder engagement. Through this expanded dialogue it was established that,

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in addition to the topics presented so far, the **Group** can have a positive impact on consumers and end-users – for example, through discounted refurbishment programmes, as well as through advocacy activities arising from its membership of professional organisations.

At the same time, further potential negative impacts have also been identified, in particular impacts on biodiversity and the risk of microplastic pollution.

The table above outlines the impacts associated with the material IRO topics on people and the environment, identified by **the MASTERPLAST Group**. The Company details the nature and classification of the IRO topics as well as the steps and objectives relating to specific measures in the chapters presenting the given material topics.

**MASTERPLAST** has assessed the material environmental, social and governance risks and opportunities that may affect the company's financial position, financial performance and cash flow. The **Group** has also assessed the expected financial impacts of these material risks and opportunities in the short, medium and long term, taking into account the Group's strategy, as well as related investment and divestment plans, financing sources and development directions. However, given that these impacts and their financial consequences involve business-sensitive information, the **Group** does not disclose detailed, quantified data regarding the effects on current or expected financial statements.

**Resilience of the company's strategy and business model**

The business model and strategy of **MASTERPLAST** has been designed to remain resilient to sustainability impacts and risks, where the opportunities outweigh the existing and anticipated risks. The Group thus seeks to capitalise on the opportunities arising in connection with sustainability (such as green technologies and new markets), thereby ensuring long-term value creation and stability.

## Double materiality

### *Description of process to identify and assess material impacts, risks and opportunities IRO-1*

The **MASTERPLAST Group** carried out its **double materiality assessment** (DMA) again in 2025 in preparation for compliance with the requirements of ESRS 2 IRO-1 and IRO-2.

This double materiality analysis is the second DMA of **MASTERPLAST** and forms the basis of its sustainability report for the 2025 financial year. The purpose of the DMA is to assess the Group's resilience in relation to sustainability issues, including impacts on environmental and social issues, as well as risks and opportunities affecting financial performance.

The **Group** prepares its analysis (or its reformulation and review) annually and strives to gradually expand the range of stakeholders involved, whilst adapting the depth of the analysis to the sustainability challenges of the given period. To this end, in 2025 the review—conducted with the involvement of internal stakeholders (subsidiaries and the Group's specialist divisions)—identified additional new IROs compared to 2024, and the company also expanded the scope of the external stakeholder survey. The main changes are as follows:

- The methodology of the questionnaire for representatives of subsidiaries has been modified compared to 2024; their involvement now took place not only across the thematic areas but also in line with the detailed IROs from the previous year, thereby significantly increasing the horizontal and vertical depth of the DMA assessment.
- Feedback from external stakeholders confirmed the priorities previously identified by the Group as material topics and also brought new perspectives to light.
- A methodology more sensitive than the materiality threshold was applied, which reinforces the selection of critically material topics. This chapter discusses the determination of the threshold in more detail below.

As part of the DMA, the Group consulted with numerous internal and external stakeholders, including employees, suppliers, customers, social players, investors and banks, to identify the material sustainability topics of **MASTERPLAST**.

### **Materiality assessment methodology**

During the materiality assessment, the Company made no distinction between the entities involved; all relevant organisations were assessed with the same level of detail and against the same criteria. The scoring method and criteria for the materiality assessment were determined in accordance with the requirements of ESRS 1. The dual materiality analysis involves taking into account both impact materiality and financial materiality. The project team members identified the relevant IROs by involving a wide range of internal stakeholders and representing the interests of the subsidiaries. The managers responsible for the relevant business areas played a particularly important role, actively contributing to the process. The final results of the assessment were prepared by the members of the sustainability project team through a consensus decision, based on the arguments put forward during their assessment and the professional considerations already applied in 2024.

As a first step, the **MASTERPLAST Group** took the 2024 DMA as its basis, comprehensively mapping all potentially relevant sustainability topics that could impact the company's operations, its stakeholders and the regulatory environment. This process was carried out taking into account the requirements of the ESRS, industry trends and corporate experience. It then identified a long list and assessed each sustainability topic according to various relevance criteria to determine their actual significance for the Group. To this end, the following factors were taken into account:

- Is the topic in question linked to the Group's business model and operations?
- Does it affect competitiveness and market position?
- Is it given particular attention in the regulatory environment and compliance requirements?

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- To what extent is it relevant to its stakeholders – investors, suppliers, customers and employees? (As part of this process, consultations were held with numerous internal and external stakeholders, including employees, suppliers, customers, social players, investors and banks, to identify the material sustainability topics of **MASTERPLAST**.)

The Company subjected the topics that proved to be material in at least one respect to further detailed examination, and these were transferred to the shortlist. This step was taken in order to exclude the topics which, based on the analysis, are not of main priority for the Group.

During the 2025 review the Company based its preparations on the evidence (long list/short list) used and audited in 2024. During the 2025 review internal stakeholders received detailed information on the DMA, after which they were able to share detailed opinions on each of the potentially relevant IRO items. During the dual materiality analysis, the **Group** examined each selected topic along two dimensions:

**Impact materiality**

- It took into account the magnitude, scope, irreversibility and likelihood of impacts – from both positive and negative, as well as actual and potential perspectives.
- In accordance with the provisions of ESRS 1 (45), in the case of impacts affecting human rights, the severity of the incident takes precedence over the likelihood of occurrence. (Topics material in terms of impact are classified according to a threshold determined by the Group; that is, a topic is considered material in terms of impact if its impact materiality score is 2, 3 or 4.)

**Financial materiality**

- The Group assessed financial risks and opportunities using a structured methodology that takes into account their type, timing, magnitude and probability of occurrence.
- The classification of financially material issues is based on a threshold value determined by the Group (i.e., an issue is considered financially material if the risk or opportunity score exceeds 2.32).

The thresholds used in the materiality assessment are based on a relative comparison of the Impact Score and the Financial Score, i.e. they examine how individual issues are positioned within the distribution of the entire issue set. The thresholds for the “High” category were determined based on the upper quartile (75th percentile) (Impact Score > 2.00; Financial Score > 2.32), which ensures that those topics are classified as material which fall within the top 25% in terms of impact or risk. (A total of 92 sub-topics were assessed during the review, in relation to which the Company considered 100 IROs on the impact side and 49 on the financial side.) This approach is consistent with the ESRS expectation that materiality is not absolute but should be interpreted based on the relative significance of the themes.

The thresholds for the ‘High’ category were determined using the mean + standard deviation method (Impact Score > 2.41; Financial Score > 2.59), which identifies those topics that represent an extremely high value relative to the entire sample. These topics require particular attention in terms of the company’s strategic decision-making and risk management, as they may have a potentially significant impact on long-term sustainability and financial stability. The combined application of the two thresholds ensures that the company is able to identify and prioritise both significant and highly critical issues in accordance with materiality requirements.

If an topic is deemed material from an impact or financial perspective, it is treated as a material topic.

When identifying impacts, risks and opportunities, the **Group** pays particular attention to production sites and regions (e.g. non-EU countries) where environmental and human rights regulations may differ from those in the EU.

**MASTERPLAST** integrates sustainability risks – including environmental, social and governance factors – into its operations through the work of the Green Committee, thereby ensuring that sustainability risks are treated on a

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par with business risks. It also incorporates identified sustainability opportunities into its strategic and investment decisions, as well as into the preparatory work for these, through the operation of the Green Committee.

During the assessment process, the **MASTERPLAST Group** uses internal (e.g. energy consumption, emissions data, workplace safety statistics, HR data) and external (e.g. international benchmarks, industry analyses) data sources, expert approaches, and also involves external experts (e.g. energy auditors), whilst processing feedback from stakeholders as well.

The **Group** assesses what financial risks and opportunities its sustainability impacts and dependencies may entail. For example, the availability and price of raw materials, such as polymer materials, have a significant impact on its operations. Tighter environmental regulations and changes in energy efficiency requirements also influence its financial performance. The company integrates these factors into its risk management and strategic planning processes to proactively address emerging challenges and capitalise on opportunities. During the analysis, the Group records in detail the basis for assessing the contribution of risks and opportunities to financial impacts. However, it does not disclose the details of this in its external communications.

**Stakeholder engagement**

During the double materiality analysis, the company incorporated the views of external stakeholders into its decision-making. To this end, it conducted **an anonymous online survey** in which the suppliers, investors and customers of the **MASTERPLAST Group** assessed the significance of sustainability issues. The questionnaire included the IRO list deemed relevant by the company for the 2024 assessment, as well as the new IRO list identified during the review. The questionnaire also provided an opportunity to make textual comments and observations, and to identify further material sustainability topics. In this regard, two textual responses were received, but no quantifiable assessment on a scale of 1 to 4 was provided.

External stakeholder assessments are available only for the 2024 material topics. (In accordance with the methodology, these external stakeholder assessments were taken into account with a 20% weighting, given the limited expertise and insight.) As no quantified external stakeholder assessment was carried out for topics not material in 2024, the result of the internal assessment in the DMA assessment table is identical (100%) to the overall assessment result in this case.)

The internal assessment of sustainability issues and consultation on the topics was carried out with the involvement of staff and experts delegated by the Green Committee. The criteria used during the stakeholder assessment were as follows:

Impact materiality	Description	Low (1)	High (4)
Scale - Degree of impact	How significant is the impact?	Although noticeable, it has a minimal impact on the lives of those affected, which is barely or not at all perceptible.	The impact is extremely severe, seriously affecting basic living conditions or civil liberties (e.g. health, livelihood, education).
Scope - Scope of the impact	What is the extent of this impact? Scope: the extent of the impact (i.e. the number of people affected or the extent of environmental damage).	The impact is minimal in scope, affecting no more than one or two sites or locations. It affects end-users' locations (e.g. the end-user's home)	The impact is extensive, going beyond the level of sites and locations, and may even extend to a global level.
Irremediability – Remediability of the impact	If the impact is negative, to what extent is it irremediable?	The negative impact is fully remediable; those affected or the environment can be quickly and completely restored to their original state.	The negative impact is of such a magnitude that it cannot be fully remedied in any way, and the consequences will persist in the long term.

Likelihood	If the impact is potential (negative or positive), what is the probability of it occurring?	An extremely rare or almost inconceivable event that can only occur under exceptional circumstances.	The occurrence of the effect is almost certain.
<b>Financial materiality</b>	<b>Description</b>	<b>Low (1)</b>	<b>High (4)</b>
Magnitude	To what extent does a given impact affect the company's financial operations? The basis for assessment is subjective, based on general consensus.	It does not affect the organisation's financial operations.	The impact is such that it could even jeopardise the financial stability of the company.
Likelihood	How likely is the risk or opportunity to occur?	The financial impact is extremely unlikely to occur and would only arise under extreme circumstances.	The financial impact is almost certain, as circumstances and market trends are already strongly pointing in this direction.

**ESRS E3 Water and marine resources**

During the dual materiality analysis conducted in 2025 the following sustainability topic did not meet the materiality threshold and is therefore not presented as a material topic in the report: ESRS E3 Water and marine resources.

**Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities E3-IRO-1**

The **MASTERPLAST Group** has reviewed its manufacturing activities and operational sites to identify water use impacts. The assessment examined water use intensity, site-specific water use data, as well as geographical location and potential exposure to water stress.

Consolidated water consumption in 2025 was 55,617 m<sup>3</sup>, of which PIMCO Ltd accounted for 11,119 m<sup>3</sup>. This figure is three times higher than the 16,227.5 m<sup>3</sup> recorded in 2024, which corresponded to the annual water consumption of approximately 90 four-person households (180 m<sup>3</sup> per household per year). Using the same calculation method, consumption in 2025 is equivalent to the annual water consumption of ~300 households, though this is still not an exceptional figure on an industrial scale. The Group monitors trends in water consumption on an annual basis, and should the level show sustained growth – not a one-off, incidental increase, but one that is noticeable at least in the medium term – it will review and adjust the materiality criteria during the annual DMA.

Water consumption data by site was available, but no location-specific factors were identified at any site that would have a significant impact on local water resources or communities.

Marine resources are not relevant to the operations of the **Group**, as the company has no connection to marine environments or their immediate ecosystems. Based on these factors, water-related environmental impacts, risks and opportunities were not identified as material.

During the current assessment, **MASTERPLAST** did not conduct direct consultations with affected communities, as its activities do not have a discernible impact on local water resources and do not affect communities' water supply or access to water.

## Material topics

The material topics of the MASTERPLAST Group in 2024	The material topics of the MASTERPLAST Group in 2025
<b>Environmental material topics</b>	
ESRS E1 Climate Change – Climate change mitigation	ESRS E1 Climate Change – Climate change mitigation
ESRS E1 Climate Change – Climate change adaptation	ESRS E1 Climate Change – Climate change adaptation
ESRS E1 Climate Change - Energy	ESRS E1 Climate Change - Energy
-	ESRS E2 Pollution – Microplastics
-	ESRS E4 Biodiversity and Ecosystems – Factors directly causing biodiversity loss / Invasive alien species
ESRS E5 Circular Economy – Resource outflows related to products and services	ESRS E5 Circular economy - Resource outflows related to products and services
-	ESRS E5 Circular Economy – Waste
<b>Social material topics</b>	
ESRS S1 Own workforce – Health and safety	ESRS S1 Own workforce – Health and safety
-	ESRS S2 Workers in the value chain – Secure employment
-	ESRS S3 Affected communities – Adequate housing
-	ESRS S4 Consumers and end-users – Access to products and services
<b>Corporate governance material topics</b>	
ESRS G1 Business conduct – Corporate culture	ESRS G1 Business conduct – Corporate culture
-	ESRS G1 Business conduct – Political engagement and lobbying
ESRS G1 Business Conduct – Management of relationships with suppliers	ESRS G1 Business Conduct – Management of relationships with suppliers
<b>Entity-specific material topic</b>	
Sustainable products	Product quality and product sustainability

# ENVIRONMENTAL PROTECTION

## Climate change

*The tangible effects of climate change – extreme weather, fluctuating energy prices and stricter regulations – also affect the construction industry. The energy consumption of buildings and the production of building materials contribute significantly to greenhouse gas emissions, so the industry plays a key role in achieving emission reduction targets. When developing its products, the **MASTERPLAST Group** takes sustainability considerations into account whilst also meeting economic and technical requirements. Its aim is to offer solutions that remain competitive in the long term, adapting to the changing challenges of the construction industry.*

### **Integration of sustainability-related performance into incentive schemes E1 GOV-3**

In 2024 climate-related considerations were not yet taken into account in the remuneration of members of the administrative, executive and supervisory bodies, nor were such criteria applied during their performance evaluations. There was no change in this area in 2025. (See also the [section on Governance](#).)

At the same time, an integral part of the company's sustainability operations is the Green Committee, established in 2023 on the initiative of the Chief Executive Officer, the primary objective of which is the strategic integration of environmental sustainability considerations into business operations and corporate governance. The committee supports senior management in achieving climate targets through regular reports.

With the professional support of the Green Committee, the Company reviewed the possibility of incorporating sustainability and climate-related performance indicators into the executive remuneration system, with particular regard to energy efficiency, GHG emission reduction and sustainable investment targets. Based on the 2025 review this has not yet been implemented; however, the Group continuously monitors the potential need for this on an annual basis.

### Transition plan to reach climate neutrality by 2050 E1-1

The **MASTERPLAST Group** is committed to mitigating climate change, and its transition plan is aligned with the objectives of the Paris Agreement, in particular the goal of limiting global warming to 1.5 °C. Its aim is to gradually steer its operations towards climate neutrality, in line with the net-zero emissions target of the European Union for 2050. The **MASTERPLAST Group** will adopt its finalised transition plan together with this report. The company's GHG reduction targets have been set in line with the climate neutrality targets set out in Regulation (EU) 2021/1119 (the European Climate Regulation) and the decarbonisation pathway of the EU Green Deal. The transition plan will be integrated into the Group's overall business strategy and financial planning in the future. The plan sets out the company's decarbonisation targets and long-term sustainability strategy, which supports the development of the business model and is integrated into financial and operational planning processes as replacement investments following the end of the useful life recorded in the depreciation accounts.

**MASTERPLAST** is one of the leading manufacturers of thermal insulation materials and a key supplier to the construction industry in Central and Eastern Europe, specialising primarily in the development, manufacture and distribution of products related to thermal insulation systems. Reducing energy intensity therefore also serves long-term business interests. This transition plan has not undergone separate external certification (such as SBTi validation<sup>10</sup>), but mandatory auditing ensures the accuracy of the data.

The Group's transition plan is approved by the General Meeting as part of this Sustainability Report; management is responsible for operational implementation, whilst the Board of Directors is ultimately responsible for strategic direction. The company intends to report annually on the results achieved in the implementation of the transition plan, with monitoring supported by the Green Committee.

The Group is continuously exploring opportunities to further increase the alignment of its economic activities with the EU Taxonomy, and in this regard, it expects to see tangible results on the CAPEX side during the implementation of the transition plan. However, the activities currently identified as alignable with the Taxonomy (EPS and XPS production) are already considered 100% aligned. A detailed description is provided in [the chapter entitled 'EU Taxonomy'](#).

Categories of investments reducing GHG emissions (t CO<sub>2</sub>e<sup>11</sup>):

- Energy efficiency upgrades to buildings
- Improving the energy efficiency of processes
- Replacement or modification of processes
- Conversion to electricity
- Development of renewable energy utilisation
- Purchasing green electricity
- Fuel switching
- Decarbonisation of transport and distribution
- Material efficiency through product reuse
- Decarbonisation of the supply chain
- Other GHG emission reductions

<sup>10</sup> Science Based Targets Initiative, see also: <https://sciencebasedtargets.org/>

<sup>11</sup> The full report covers GHGs in accordance with the GHG Protocol, thereby taking into account the seven main gas groups defined in the Kyoto Protocol:

1. Carbon dioxide (CO<sub>2</sub>)
2. Methane (CH<sub>4</sub>)
3. Nitrous oxide (N<sub>2</sub>O)
4. Hydrofluorocarbons (HFCs)
5. Perfluorocarbons (PFCs)
6. Sulphur hexafluoride (SF<sub>6</sub>)
7. Nitrogen trifluoride (NF<sub>3</sub>)

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Typical investment types:

- Modernisation of insulation, heating and cooling systems
- Modernisation of heat generation, cooling, compressed air and drive systems
- Installation of new production lines
- Replacing natural gas with electric heating
- Installation of solar panels and heat pumps
- Amendment of electricity supply contracts
- Use of electric and green fuel cars and forklifts
- Use of electric and green fuel delivery vehicles
- Increasing recycling
- Procurement of raw materials with a lower carbon footprint
- Energy storage, etc.

**The Group’s base year: 2025** (This year serves as a representative baseline, as the active operation of PIMCO Ltd is already established by then. Furthermore, no significant climate anomalies occurred in Hungary during this period, so the year does not differ significantly from the characteristics of the preceding periods.)

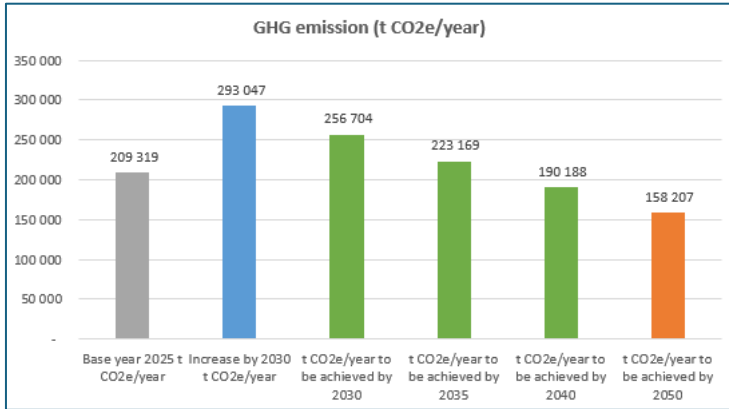
**Baseline GHG emissions: 209,319.16 t CO2e/year**

In connection with the expansion of the Group’s production capacity – based on forecasts for 2025 – greenhouse gas emissions could reach 293,047 tonnes (t CO2e) annually by 2030. At the same time, the Company is already implementing active measures to reduce emissions by 2030, as a result of which total annual GHG emissions are expected to gradually decrease.

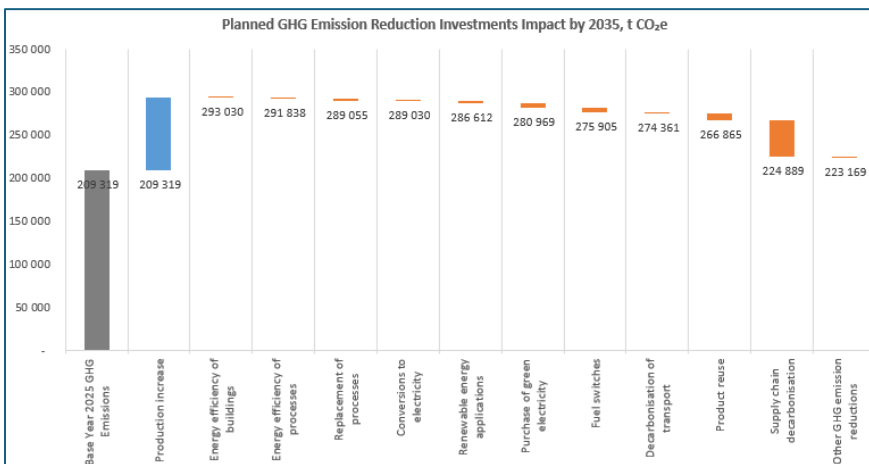
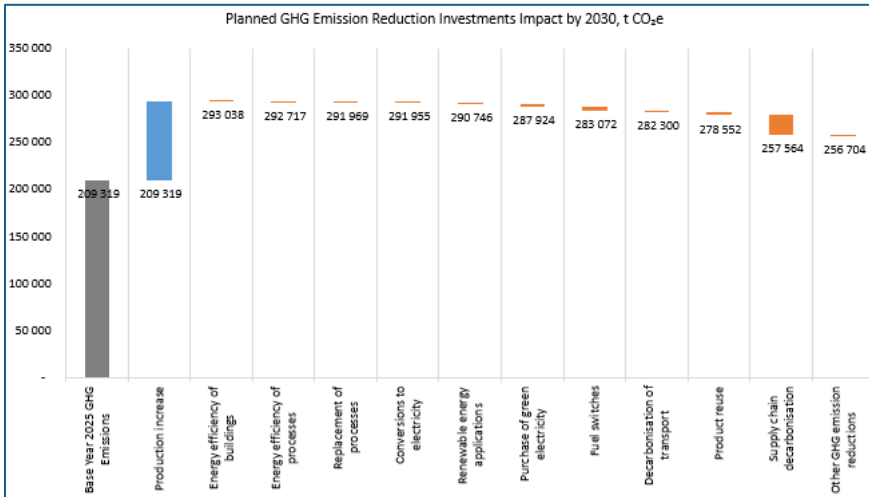
The table and diagram below summarise the projected GHG emissions for each period relative to the 2025 baseline (in line with the GHG inventory used in E1-6, on which the calculations are based):

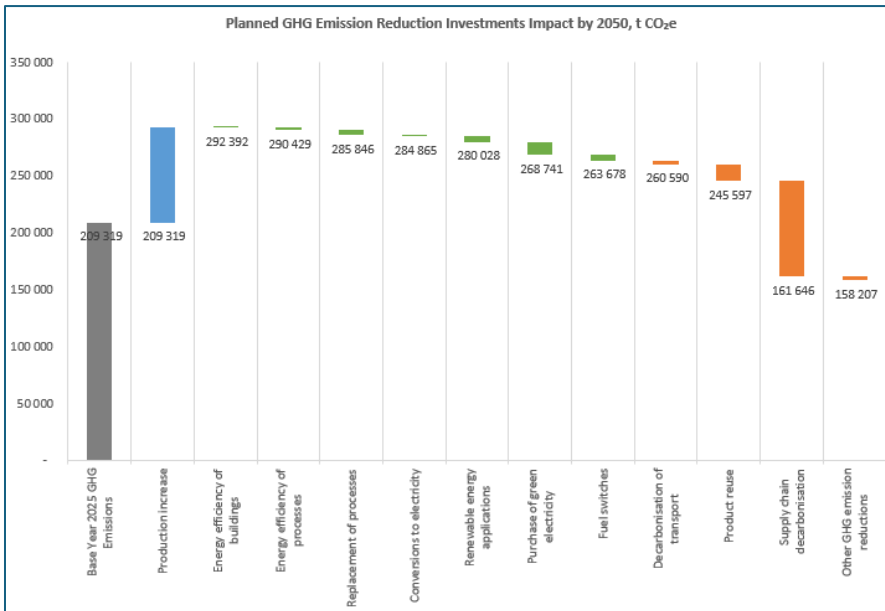
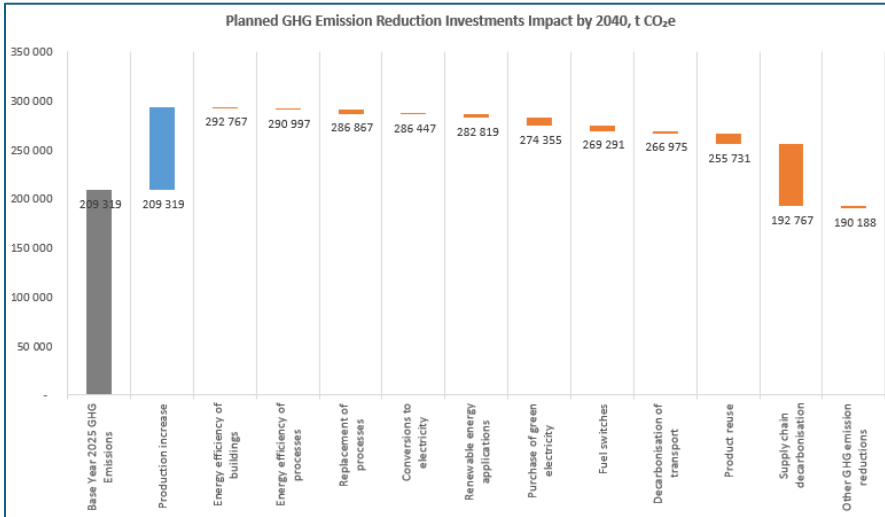
Planned GHG emission reduction investments	Projected GHG emissions						Comments
	Base year 2025 t CO <sub>2</sub> e /year	Increase by 2030 t CO <sub>2</sub> e /year	t CO <sub>2</sub> e /year to be achieved by 2030	t CO <sub>2</sub> e /year to be achieved by 2035	t CO <sub>2</sub> e /year to be achieved by 2040	t CO <sub>2</sub> e /year to be achieved by 2050	
	209,319	293,047	256,704	223,169	190,188	158,207	
<b>% compared to the base</b>	<b>100%</b>	<b>140%</b>	<b>123%</b>	<b>107%</b>	<b>91%</b>	<b>76%</b>	
Energy efficiency upgrades to buildings	468	655	645	638	374		Modernisation of thermal insulation, heating and cooling systems
Improving the energy efficiency of processes	1,403	1,964	1,643	771	194		Modernisation of heating, cooling, compressed air and drive systems
Replacement or modification of processes	3,273	4,582	3,834	1,800	452		Installation of new production lines
Conversions to electricity	701	982	968	956	562		Replacing natural gas with electric heating
Development of renewable energy applications	3,455	4,837	3,628	2,418	1,209		Installation of solar panels and heat pumps
Purchase of green electricity	8,062	11,286	8,465	5,643	2,822		Amendments to electricity contracts
Fuel switches	3,617	5,064	211	-	-		Use of electric and green fuel cars and forklift trucks
Decarbonisation of transport and distribution	5,514	7,720	6,948	6,176	5,404	4,632	Use of electric and green fuel delivery vehicles
Material efficiency in product reuse	26,772	37,481	33,733	29,985	26,236	22,488	Increasing recycling
Decarbonisation of the supply chain	149,914	209,879	188,892	167,904	146,916	125,928	Procurement of raw materials with a lower carbon footprint
Other GHG emission reductions	6,141	8,597	7,738	6,878	6,018	5,158	Energy storage, etc.
<b>Total</b>	<b>209,319</b>	<b>293,047</b>	<b>256,704</b>	<b>223,169</b>	<b>190,188</b>	<b>158,207</b>	

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The figures below illustrate the cumulative effects of the planned GHG emission reduction investments by 2030, 2035, 2040 and 2050:





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The table below summarises the planned GHG emission reductions for the periods 2030–35–40–50, broken down by Scope 1, 2 and 3, compared to the otherwise expected increase by 2030:

Planned GHG emission reduction investments	Summary of GHG emission reductions by period										
	Base year 2025 t CO <sub>2</sub> e/year			Increase by 2030 t CO <sub>2</sub> e/year	Reduction by 2030 t CO <sub>2</sub> e/year	Reduction by 2035 t CO <sub>2</sub> e/year	Reduction by 2040 t CO <sub>2</sub> e/year	Reduction by 2050 t CO <sub>2</sub> e/year	Scope 1 emission reductions	Scope 2 emission reductions	Scope 3 emission reductions
<b>Periodic reductions</b>	-	-	-	-	12.4%	23.8%	35.1%	46%	100%	100%	40%
Energy efficiency upgrades to buildings	468	0.2%	Scope 1	655	9	17	280	655	655	-	-
Improving the energy efficiency of processes	1,403	0.7%	Scope 1	1,964	321	1,192	1,770	1,964	1,964	-	-
Replacement or modification of processes	3,273	1.6%	Scope 1	4,582	748	2,782	4,130	4,582	4,582	-	-
Conversions to electricity	701	0.3%	Scope 1	982	14	25	420	982	982	-	-
Development of renewable energy applications	3,455	1.7%	Scope 2	4,837	1,209	2,418	3,628	4,837	-	4,837	-
Purchase of green electricity	8,062	3.9%	Scope 2	11,286	2,822	5,643	8,465	11,286	-	11,286	-
Fuel switches	3,617	1.7%	Scope 1	5,064	4,853	5,064	5,064	5,064	5,064	-	-
Decarbonisation of transport and distribution	5,514	2.6%	Scope 3	7,720	772	1,544	2,316	3,088	-	-	3,088
Material efficiency in product reuse	26,772	12.8%	Scope 3	37,481	3,748	7,496	11,244	14,992	-	-	14,992
Decarbonisation of the supply chain	149,914	71.6%	Scope 3	209,879	20,988	41,976	62,964	83,952	-	-	83,952
Other GHG emission reductions	6,141	2.9%	Scope 3	8,597	860	1,719	2,579	3,439	-	-	3,439
<b>Total</b>	<b>209,319</b>	<b>100.0%</b>	-	<b>293,047</b>	<b>36,343</b>	<b>69,878</b>	<b>102,859</b>	<b>134,840</b>	<b>13,247</b>	<b>16,123</b>	<b>105,471</b>

For the **MASTERPLAST Group** increasing technological energy efficiency, utilising renewable energy sources and purchasing green electricity are key to reducing its own emissions.

Among indirect emission reductions, it expects significant reductions primarily through the decarbonisation of the supply chain, product recycling and the decarbonisation of transport (mainly ships and lorries).

The table below summarises the expected emissions trends by scope up to 2050:

Summary of emissions	Base year 2025 t CO <sub>2</sub> e/year	Increase by 2030 t CO <sub>2</sub> e/year	Emissions to be achieved by 2030 t CO <sub>2</sub> e/year	Emissions to be achieved by 2035 t CO <sub>2</sub> e/year	Emissions to be achieved by 2040 t CO <sub>2</sub> e/year	Emissions to be achieved by 2050 t CO <sub>2</sub> e/year	Reduction by 2050
Scope 1 emissions	9,461	13,246	7,302	4,165	1,582	-	0%
Scope 2 emissions	11,517	16,123	12,092	8,062	4,031	-	0%
Scope 3 emissions	188,341	263,678	237,310	210,942	184,574	158,207	60%
<b>Total emissions</b>	<b>209,319</b>	<b>293,047</b>	<b>256,704</b>	<b>223,169</b>	<b>190,188</b>	<b>158,207</b>	<b>54%</b>

The Company aims to reduce its absolute greenhouse gas emissions (tCO<sub>2</sub>e) to 54% (158,207 tonnes) by 2050 in Scope 1, 2 and 3, with 2025 (209,319 tonnes of CO<sub>2</sub>/year) as the base year.

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The 2025 baseline GHG emissions of **MASTERPLAST** are as follows:

Energy and fuels	tCO2e/year
Natural gas	5,844
Petrol	143
Diesel	3,149
LPG	325
Electricity	11,517

Natural gas	tCO2e/year	Emission breakdown (%)
Buildings	1,168.88	20%
Technology	4,675.54	80%
Total	5,844.42	100%

Fuel	tCO2e/year	Emission breakdown (%)
Petrol	142.56	4%
Diesel	3 149.28	87%
LPG	325.11	9%
Total	3 616.96	100%

Buildings	tCO2e/year	Emission breakdown (%)
Energy efficiency upgrades	468	40%
Switches to electricity	701	60%

Processes - Technologies	tCO2e/year	Emission breakdown (%)
Improving energy efficiency	1,403	30%
Replacement or modification	3,273	70%

Electricity	tCO2e/year	Emission breakdown (%)
Renewable energy utilisation	3,455	30%
Purchase of green electricity	8,062	70%

Decarbonisation of transport and distribution	tCO2e/year
4. Inbound transport and distribution (fuels not covered by Scope 1 and 2)	3,094
6. Business travel (not using company vehicles)	47
7. Employee commuting (non-company vehicles)	1,016
9. Outbound deliveries and distribution	1,358
Total	<b>5,514.50</b>

Other GHG emission reductions	tCO2e/year
2. Fixed assets (tangible assets)	1,231
3. Fuel and energy-related activities (uses not covered by Scope 1 and 2)	2,944
5. Waste generated during operations	1,460
8. Leased assets during operations	233
11. Use of products sold (throughout their life cycle)	273
Total	<b>6,140.90</b>

**Capital expenditure (CapEx)**

The Company has determined the significant capital expenditure requirements necessary for the implementation of the transition plan through replacement investments following the expiry of the useful life recorded in the depreciation accounts, increased by the inflation rate estimated for the year 2050.

Planned GHG emission reduction investments	Estimated investment requirements			
	between 2025–30 EURO	between 2030–35 EURO	between 2035–40 EURO	between 2040–50 EURO
<b>GHG emissions reduction (t<sub>CO<sub>2</sub>e</sub>/year)</b>	1,243,636,175	1,852,419,656	1,327,482,494	592,358,702
<b>% compared to the baseline</b>	1,355,214	1,111,685	38,379,107	54,602,353
Energy efficiency upgrades to buildings	194,477,703	528,962,396	350,426,156	117,618,668
Improving the energy efficiency of processes	453,781,307	1,234,245,591	817,661,031	274,443,559
Replacement or modification of processes	2,032,821	1,667,528	57,568,660	81,903,530
Conversions to electricity	343,053	343,053	343,053	686,105
Development of renewable energy utilisation	63,104,488	63,104,488	63,104,488	63,104,488
Purchase of green electricity	528,541,589	22,984,914	-	-
Fuel switches	*	*	*	*
Decarbonisation of transport and distribution	*	*	*	*
Material efficiency through product reuse	*	*	*	*
Decarbonisation of the supply chain	*	*	*	*
Other GHG emission reductions	*	*	*	*
<b>Total</b>	<b>* Carried out by partners.</b>			

**2025 book values for ends of product life**

Purchase value in EUR	Between 2025 and 2030	Between 2030 and 2035	Between 2035 and 2040	Between 2040 and 2050
Buildings, parts of buildings	3,080,032	2,416,708	79,956,472	105,004,525
Production machinery and equipment	589,326,373	1,533,224,337	973,405,989	301,586,328
Vehicles	480,492,353	19,986,882	-	-
<b>Total</b>	<b>1,072,898,758</b>	<b>1,555,627,926</b>	<b>1,053,362,461</b>	<b>406,590,853</b>

The table below shows the book values for 2025, adjusted for estimated inflation, and the periods when their product life ends. Over their useful lives existing buildings, production machinery, equipment and vehicles generate unavoidable emissions; however, this does not significantly jeopardise future emission reduction plans; the transition plan anticipates a temporary increase in emissions.

Purchase value at end of useful life in EUR	Between 2025 and 2030	2030–35	2035–40	2040–50	Total
<b>Value adjusted for inflation (estimated)</b>	10%	15%	20%	30%	-
<b>Buildings, parts of buildings</b>	3,388,035	2,779,214	95,947,767	136,505,883	238,620,898
<b>Production machinery and equipment</b>	648,259,010	1,763,207,988	1,168,087,187	392,062,227	3,971,616,412
<b>Vehicles</b>	528,541,589	22,984,914	-	-	551,526,502
<b>Total</b>	<b>1,180,188,634</b>	<b>1,788,972,115</b>	<b>1,264,034,954</b>	<b>528,568,109</b>	<b>4,761,763,812</b>

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Distribution of purchase value at end of useful life (%)	Between 2025 and 2030	2030–35	2035–40	2040–50
Buildings, parts of buildings	1.4%	1.2%	40.2%	57.2%
Production machinery and equipment	16.3%	44.4%	29.4%	9.9%
Vehicles	95.8%	4.2%	0.0%	0.0%

Book values adjusted for estimated inflation:

Buildings	By 2030	By 2035	By 2040	By 2050	Total	%
Energy efficiency upgrades	1,355,214	1,111,685	38,379,107	54,602,353	95,448,359	40%
Switches to electricity	2,032,821	1,667,528	57,568,660	81,903,530	143,172,539	60%

Processes - Technologies	By 2030	By 2035	By 2040	By 2050	Total	%
Improving energy efficiency	194,477,703	528,962,396	350,426,156	117,618,668	1,191,484,924	30%
Replacement or modification	453,781,307	1,234,245,591	817,661,031	274,443,559	2,780,131,488	70%

Timelines, risks, responsibilities and financing relating to the transition plan

In assessing long-term transition risks, the Group has taken climate policy objectives into account and identified the assets and business processes that require transformation to transition to a net-zero GHG emissions economy.

In addition, the company has identified transition events that may affect its operations and assets during the transition to a low-carbon economy. As part of this:

- It assessed the exposure of energy-related systems (heating, cooling, electricity consumption) to changes in energy demand and supply chains.
- It examined the risks associated with the procurement of raw materials and commodities, with particular regard to sustainability requirements in supply chains and the stability of raw material supplies.

The table below sets out the timelines, risks, responsibilities and financing for the planned investment types:

Planned GHG reduction investments and measures	Description	Timeframe Short-, medium- and long-term objectives	Identification of risks	Responsibility	CapEx and OpEx	Financing
Energy efficiency upgrades to buildings	Modernisation of heating, cooling, compressed air and drive systems	Short, medium and long term	Low risk The necessary technologies are available. Most of the buildings are modern, well-insulated, and have up-to-date mechanical systems.	Group management, Green Committee and ISO 50001 energy management officers	Capital expenditure budget for replacement after the end of useful life recorded in the depreciation register	Own funds, state aid or green loans
Improving the energy efficiency of processes	Modernisation of heating, cooling, compressed air and drive systems	Short, medium and long term	Low risk The necessary technologies are available. Major technological equipment will be modernised by 2040.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the expiry of the useful life as recorded in the depreciation register	Own funds, state aid or green loans
Replacement or modification of processes	Installation of new production lines	Medium and long term	Low risk The necessary technologies are available.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the expiry of the useful life recorded in the depreciation register	Own funds, state aid or green loans
Switching to electricity	Replacing natural gas with electric heating	Medium and long term	Medium risk Most of the industrial technologies required to replace natural gas are available. Increased efficiency in electricity consumption of steam generation technology is required for the transition.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the expiry of the useful life recorded in the depreciation register	Own funds, state aid or green loans
Development of renewable energy applications	Installation of solar panels and heat pumps	Short, medium and long term	Low risk The necessary technologies are available.	Group management, Green Committee and	CapEx budget	Own funds, government grants or green loans

				ISO 50001 energy management officers		
Purchase of green electricity	Amendment of electricity contracts	Short, medium and long term	Low risk The necessary technologies are available.	Group management, Green Committee and ISO 50001 energy management officers	OpEx budget	Own resources
Fuel switching	Use of electric and green fuel cars and forklifts	Short, medium and long term	Low risk The necessary technologies are available. Depends on the extent of electrification and the uptake of green fuels in the transport sector, particularly the transition of cars and forklift trucks.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the accounting depreciation at the end of useful life	Own funds, state aid or leasing.
Decarbonisation of transport and distribution	Use of electric and green fuel transport vehicles	Short, medium and long term	Medium risk Depends on the extent of electrification and the uptake of green fuels in the transport sector, particularly the transition of shipping and heavy goods vehicles.	Upstream and downstream players	Carried out by external partners within the value chain	Not the responsibility of the group
Material efficiency in product reuse	Increasing recycling	Medium and long term	Low risk The necessary technologies are available. Depends on the companies involved and legal regulations after the end of the manufactured products' lifespan.	Downstream players	Performed by external partners within the value chain	Not the responsibility of the group
Decarbonisation of the supply chain	Procurement of raw materials with a lower carbon footprint	Medium and long term	Medium risk Depends on the transition of raw material manufacturers, particularly on changes in the production of polystyrene granules and glass fibre.	Upstream players	Carried out by external partners in the value chain	Not the responsibility of the group

Other GHG emission reductions	Energy storage, etc.	Medium and long term	<p>Low risk</p> <p>Industrial technologies for reducing other GHG emissions are already available.</p> <p>In particular, there is a need to improve the efficiency of electricity storage technologies.</p>	<p>Upstream and downstream players</p> <p>Group management</p>	Carried out by external partners in the value chain	Not the responsibility of the group
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There is a low to medium transition risk associated with the **MASTERPLAST Group** achieving its GHG emission reduction targets due to the modification of energy-intensive assets.

The **Group** does not engage in coal, oil or natural gas-based economic activities, nor does it make significant investments related to such industries. Consequently, it is not among the companies excluded by the European Union from green financial instruments or benchmarks due to activities incompatible with the objectives of the Paris Agreement.

**Material impacts, risks and opportunities and their interaction with strategy and business model E1 SBM-3**

In 2025 **MASTERPLAST** conducted its double materiality analysis (DMA) once again, identifying the most significant physical and transition risks as well as their potential impacts on its operations and value chain. In addition, as part of the EU Taxonomy assessment the **Group** completed its climate risk analysis in 2025, which mandatorily includes a resilience assessment regarding physical risks. It also prepared its transition plan, which addressed transition risks.

The Company conducted the resilience assessment on its main product categories, namely its own-manufactured EPS and XPS – thereby primarily examining its manufacturing bases. In practice – in line with the scenarios used by competitors – RCP 4.5 and RCP 8.5 are typically applied, so these were examined in greater detail. These pathways describe future greenhouse gas concentrations (not emissions) and have been officially adopted by the IPCC (Intergovernmental Panel on Climate Change).

A brief description of the RCPs is as follows:

- RCP 2.6 is a very stringent pathway.
- The IPCC describes RCP 4.5 as an intermediate scenario.
- In RCP 6, emissions peak around 2080 and then decline.
- In RCP 8.5, emissions continue to rise throughout the 21st century.

In addition to the commonly used scenarios, it is important to be able to provide more detailed and accurate forecasts for our country – and specifically for individual plants – compared to the general scenarios; therefore, data from the ALADIN-Climate and RegCM models were also used for Hungarian production plants. What is consistent across both models:

- Significant warming is expected: Both models clearly indicate that warming in the Carpathian Basin will exceed the global average, and the number of heatwaves will increase dramatically.
- Deterioration in precipitation distribution: Although the annual total may vary, both models indicate an increased risk of extreme events (torrential rain, flash floods), whilst the likelihood of long, hot, dry periods (droughts) is also increasing.

The risks examined are illustrated in the following table:

	Temperature-related	Wind-related	Water-related	Surface-related
<b>Chronic</b>	Changing temperature (air, freshwater, saltwater)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress		Precipitation or hydrological changeability	Soil degradation
	Fluctuations in temperature		Acidification of oceans	Soil erosion
	Permafrost melting		Saltwater intrusion	Solifluction
			Rising sea levels	
			Water scarcity	
<b>Acute</b>	Heatwave	Cyclone, hurricane, typhoon	Drought	Avalanche
	Cold spells/frost	Storm (including snow, dust and sandstorm)	Intensive precipitation (rain, hail, snow/ice)	Landslide
	Uncontrolled wildfire	Tornado	Flood (coastal as well as caused by rivers, rainwater, groundwater)	Subsidence
			Sudden flood of glacier lakes	

The cells marked in green in the table above clearly correspond to the points examined during the climate risk analysis. The contents of the cells marked in red were not taken into account, as these risks are irrelevant due to the geographical location of the manufacturing plants. The cells marked in yellow were also not taken into account for the following reasons:

- **Cold spells/frost:** Long-term forecasts clearly indicate a rise in average temperatures, which significantly reduces the likelihood of cold spells occurring. At the same time, it can be observed in the weather of Hungary that the winter periods previously associated with severe cooling have been absent over the past 10 years, alongside which the amount of snowfall has also decreased significantly.
- **Uncontrolled wildfires:** Production facilities are located in built-up or artificial environments, generally within urban areas or industrial estates, where extensive vegetation is not typical; consequently, the likelihood of uncontrolled wildfires occurring is negligible.
- **Tornadoes:** In recent years this natural phenomenon has been observed with increasing frequency in Hungary as well; however, they always form outside populated areas, and their duration is so brief that they cause virtually no economic damage.
- **Land subsidence:** As with the description of vegetation fires, it can be said here too that the plants are located in a built-up/artificial environment, where the structures have been erected on soil that is either completely undisturbed or in a consolidated state. In all cases, construction is preceded by a geotechnical report to be prepared during the design phase, and the findings of this report are taken into account during the design of the structures. Soil subsidence is possible in these areas where the soil structure contains a high proportion of clay (certain types of clay are prone to swelling or increased

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water loss, which causes a corresponding change in their volume) or sand; however, in both cases, soil replacement was necessary prior to the construction of the buildings, which was documented in an expert report as required.

The data essentially indicate climatic risks in two categories:

- Changes in precipitation conditions
- Changes in temperature

The identified physical risks are typically low or moderate. On this basis, the Group considers that it possesses sufficient resilience to mitigate the risks taking into account its financial statements, and has identified the necessary management measures in the event that the risks materialise.

The **MASTERPLAST Group** planned to develop its resilience analysis by 2025, following three previously identified steps:

- application of a recognised climate change scenario (e.g. IEA Net Zero, NGFS) – **completed**,
- assessing the financial impacts of climate risks – **completed**,
- alignment with GHG reduction targets (ESRS E1-4) and related financial planning (E1-9) – **postponed**

As the entry into force of the E1-9 application requirement has been postponed, the Company will align itself with the relevant statutory deadlines when defining and disclosing objectives relating to financial planning.

**Description of process to identify and assess material impacts, risks and opportunities E1 IRO-1**

In assessing long-term transition risks, the **MASTERPLAST Group** has taken climate policy objectives into account and identified the assets and business processes that require transformation to facilitate the transition to a climate-neutral economy. Details of this can be found in the transition plan.

In addition, the Group has identified the physical risks that may affect its operations and assets during the transition to a low-carbon economy. As part of this:

- It has assessed the exposure of its activities to environmental impacts,
- And identified potential mitigation measures in its resilience analysis.

The assessment of transition events and physical risks is consistent with the critical assumptions in the financial statements of the **Group**, thereby supporting business planning, capital allocation and investment decisions. When identifying IROs, the Company took into account the expected impacts of changes in precipitation and temperature, particularly on energy prices.

Material impacts, risks and opportunities and their interaction with strategy and business model *IRO-1, SBM-3*

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E1 Climate change	Climate change mitigation	Through our core business (the manufacture of high-quality insulation materials) we contribute to the long-term reduction of energy consumption and GHG emissions due to the widespread use of our products.	Actual positive impact	Downstream	Long-term	The company's products, such as EPS, XPS and glass wool, directly contribute to improving the energy efficiency of buildings, thereby reducing greenhouse gas emissions. Furthermore, the widespread use of insulation materials supports sustainable construction, which has a significant positive impact on the environment and the achievement of climate protection targets.
E1 Climate Change	Climate change adaptation	The company manufactures and distributes insulation materials and related products, playing a direct role in enabling adaptation to climate change.	Actual positive impact	Own operations	Short term	Our core business plays a key role in promoting sustainable architecture as our products help minimise heat loss and improve energy efficiency. We continuously monitor and document the proportion of energy-efficient products sold within total revenue, thereby ensuring the fulfilment of our sustainability goals and the reduction of environmental impacts.
E1 Climate Change	Climate change adaptation	Demand for professional insulation materials is growing as energy-efficient architecture becomes increasingly important.	Current opportunity	Own operations	Long-term	The growth in demand for professional insulation materials directly supports the Group's core business and is therefore of significant magnitude. As the opportunity has a moderate to high probability of occurring and will materialise in the medium term, it is financially significant for the <b>Group</b> .
E1 Climate Change	Energy	Climate change: due to excessive temperature rises, solar panels already installed and those to be installed in the future will be subjected to excessive stress, resulting in a reduction in their efficiency and output.	Potential negative impact	Own operations	Long-term	To reduce overloads, the Group is investigating optimisation solutions for cooling systems to maintain the efficiency of energy management based on renewable energy sources.
E1 Climate change	Energy	Purchasing energy from energy traders contributes to the company's Scope 2 emissions.	Actual negative impact	Upstream	Long-term	The strategic objective of the Company is to reduce the proportion of external procurement by increasing internal energy generation, for example through the use of solar energy.

E1 Climate change	Energy	Introducing energy-efficient solutions into our manufacturing and commercial operations, thereby reducing energy consumption. Through investments in renewable energy we promote the use of green energy and support the launch of EEOS projects. Thanks to appropriate energy management, the company's total energy consumption is decreasing. At our entities with higher energy consumption we have installed sub-meters in several stages to monitor our energy consumption effectively, and we are also modernising our machinery.	Actual positive impact	Own operations	Short-term	Thanks to appropriate energy management, the Group's total specific energy consumption is decreasing. The Group has installed sub-meters in several stages at its entities with higher energy consumption to monitor their energy consumption effectively, and is also modernising its machinery.
E1 Climate change	Energy	Our customers consume less energy if they purchase suitable insulation materials and modernise their properties.	Actual positive impact	Downstream	Short-term	The insulation materials manufactured by the Group directly contribute to reducing customers' energy consumption, thereby supporting energy efficiency targets and climate change mitigation. Furthermore, these materials facilitate the modernisation of buildings, which has a significant positive impact on the spread of sustainable construction practices and lower operating costs.
E1 Climate Change	Energy	Our customers consume less energy when they purchase suitable insulation materials and modernise their properties. Thanks to the framework provided by the energy efficiency obligation scheme, this presents an excellent opportunity for the company to run energy efficiency projects (Hungarocell Renovation Programme, free loft insulation).	Current opportunity	Own operations	Long-term	The Group generated significant revenue from the sale of CES products in 2025, and we expect demand to grow further in the coming period. The subsidy scheme has a stimulating effect on the market, helping a wider range of residential and corporate customers to take advantage of energy efficiency renovations and modern insulation solutions.
E1 Climate Change	Energy	Regulatory requirements and changes may increase the price of purchased energy.	Expected risk	Own operations	Long-term	Changes in energy regulation and market price trends affect operating costs, which in the long term pose a financial risk to the Group.

E1 Climate change	Energy	Unpredictable fluctuations in energy prices make it difficult for the company to plan its operating costs.	Expected risk	Own operations	Long-term	The expiry of contracts with energy suppliers may lead to unpredictable changes in energy prices, which could directly affect the predictability of the Group's operating costs. This situation may have a significant financial impact, as the expected increase in energy supply costs could affect a substantial portion of the Group's revenue in the medium term; therefore, it can be identified as a material financial risk.
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**Policies adopted to manage material sustainability matters E1-2, MDR-P**

The Hungarian entities of **the MASTERPLAST Group** procure energy through group procurement tenders, whilst foreign subsidiaries procure the required quantities from energy traders in their respective countries. To optimise energy supply and consumption, the Group conducts ongoing internal analyses, and the aim of its energy policy is the continuous improvement of energy efficiency, taking into account sustainability and economic considerations.

Responsible management of natural resources and improving efficiency is of key importance to the Group. Although the **MASTERPLAST Group** does not have an explicit climate policy, it holds several ISO certifications, all of which contributing to climate change mitigation and adaptation. These ISO standards support the Group in a structured and documented manner in managing climate risks and opportunities, thereby enhancing the Company's resilience and long-term sustainability. The full scope and application of the ISO standards implemented within the Group are set out in the ['Governance' chapter](#).

**The relationship between management systems of MASTERPLAST and climate change management:<sup>12</sup>**

ISO standard	Climate change mitigation	Climate change adaptation
ISO 9001: 2015 Quality management	Reduces energy and raw material consumption through effective process management. Reduces waste generation and thus environmental impact through quality control.	Ensuring process flexibility to adapt to changing conditions caused by climate change. Maintains product quality and performance stability under extreme weather conditions.
ISO 14001: 2015 Environmental management	Setting and achieving environmental targets for reducing CO <sub>2</sub> emissions. Reducing resource consumption, minimising waste and prioritising recycling.	Continuous assessment and management of environmental risks. Continuous preparedness to manage environmental impacts caused by extreme weather events.
ISO 50001: 2018 Energy Management	Continuous improvement of energy performance, measurement and optimisation of energy consumption. Supporting the integration of renewable energy sources.	Increasing the resilience of energy systems in the face of energy supply uncertainties. Adapting to changes in energy demand under extreme weather conditions.

<sup>12</sup> In addition, the Group has management systems certified to ISO 45001:2018 and ISO 13485:2016, which are not directly related to the topic of climate change.

### Environmental Policy

The **MASTERPLAST Group** sets out the details of its environmental activities in its corporate regulations. The aim of this is to define the rules, practices, procedures and areas of responsibility essential for the implementation of the environmental policy, to set out a framework for these, to ensure the conditions for activities carried out to protect the environment, and to describe the process of measures taken to reduce environmental impacts. The processes are coordinated by the environmental engineer of the central Asset Management and Operations Department.

### Actions and resources in relation to material sustainability matters E1-3, MDR-A

A key objective of **the MASTERPLAST Group** is to gradually transition to renewable energy sources in the interests of energy efficiency and sustainability. As part of this, small-scale solar power plants have been established in Sárszentmihály, Zalaegerszeg, Hajdúszoboszló and Kál. The facilities have different capacities at each site, and the projected annual output also varies. Thanks to these small power plants, **MASTERPLAST** is significantly reducing the environmental impact of its energy consumption and promoting operational efficiency. The Company is committed to sustainable projects of this kind, which contribute to environmental protection and the fight against climate change.

### Implementation of renewable energy solutions

At sites with higher energy consumption, the Company has installed sub-meters in several phases in order to monitor energy consumption effectively and obtain clear information on current consumption levels, thereby managing it in a conscious manner. The first sub-meters were installed in 2020, followed by further installations in 2023 due to stricter regulations, which increased the number of sub-meters.

In the spring of 2024 a small power plant with a capacity of 0.5 MWh was commissioned in Sárszentmihály. Following the completion of the first installation project, the Group planned a further expansion of the capacity of the Sárszentmihály solar power plant, resulting in the installation of a 400.03 kWp solar panel unit connected to the medium-voltage grid.

In 2025 an energy efficiency investment was also implemented at the Kál site, involving the design, licensing and construction of a 33.79 kWp household-scale micro-power plant (HMKE). The system operates without feeding back into the grid; its aim is to increase the share of renewable energy and reduce the Group's own energy consumption.

The Group also plans to install a 6,115 kWp solar power plant in Szerencs in the coming years, primarily to increase the proportion of renewable self-consumption and reduce energy costs. In addition, the Serbian subsidiaries MASTERPLAST YU d.o.o. and MASTERPLAST Proizvodnja d.o.o. are planning a solar panel investment with a total capacity of 2,415 MWp in the coming period. The implementation of these developments is partly dependent on potential funding opportunities.

These developments will further increase the share of renewable energy in the Group's energy supply, whilst enabling more efficient timing between energy generation and consumption.

Renewable energy sources<sup>13</sup>

Company	Electricity generated by solar panels (kWh) <sup>14</sup>		
	2024	2025	Change (%)
MASTERPLAST Plc (Sárszentmihály site)	466,880.00	559,889.00	+19.92%
T-CELL Plasztik Ltd (Zalaegerszeg)	75,890.00	69,350.00	-8.62%
T-CELL Plasztik Ltd (Hajdúszoboszló)	82,741.00	73,292.09	-11.42%
MASTERPLAST Insulation Ltd	-	718.52	-
<b>MASTERPLAST Group total</b>	<b>625,511.00</b>	<b>703,249.61</b>	<b>+12.43%</b>

Emissions avoided through the use of renewable energy sources

Company	Emissions avoided through solar panels (t CO2e) <sup>15</sup>		
	2024	2025	Change (%)
MASTERPLAST Plc (Sárszentmihály site)	170.41	204.36	+19.92%
T-CELL Plasztik Ltd (Zalaegerszeg)	27.70	25.31	-8.62%
T-CELL Plasztik Ltd (Hajdúszoboszló)	30.20	26.75	-11.42%
MASTERPLAST Insulation Ltd	-	0.26	-
<b>MASTERPLAST Group total</b>	<b>228.31</b>	<b>256.69</b>	<b>+12.43%</b>

The Company reports on its aggregate GHG emissions and the calculation methodology in the remainder of this chapter, whilst the transition plan summarises the expected future impacts. The Company treats the current financial impacts as trade secrets.

The innovative production line is also worth noting, which not only optimises energy consumption but also reduces the environmental impact of the production process, thanks to lower waste generation and more efficient use of raw materials. This enables the Group to meet increasingly stringent energy efficiency and environmental regulatory requirements more effectively, whilst improving its production costs and enhancing its competitiveness in the long term.

A particularly significant investment is planned at the MASTERPLAST YU D.o.o site (Serbia) involving the replacement of weaving machines used to manufacture glass fabric, which is expected to entail a relevant financial outlay. The Company will provide details of this in the next reporting cycle.

<sup>13</sup> The solar data for the first and second quarters of 2025 for T-Cell Plasztik Kft. are based on estimates, which were determined using meter readings. During this period, real-time tracking was not yet available, but it has since been developed and implemented. As a result, accurate real-time data will be available starting from the third quarter of 2025.

<sup>14</sup> The annual energy output of solar panels is primarily influenced by weather and sunshine conditions. Furthermore, the solar panels installed in 2025 were only partially operational during the year, as part of the installation took place in the second half of the year.

<sup>15</sup> The annual energy production of solar panels is primarily influenced by weather and sunshine conditions. Furthermore, the solar panels installed in 2025 were only partially operational during the year, as part of the installation took place in the second half of the year.

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**Other GHG emission reductions**

In September 2024 the **MASTERPLAST Group** launched the Hungarocell Renovation Programme in Hungary which, under the Energy Efficiency Obligation Scheme (EEOS), offering customers a 50% discount on Hungarocell thermal insulation materials in exchange for energy savings achieved through façade insulation. Not only did it continue this programme in 2025 but it also increased the discount from 50% to 100%. In addition, it joined a free loft insulation programme. The HFP (Hungarocell Renovation Programme) promotes increased energy efficiency and reduced carbon dioxide emissions through the thermal insulation of buildings. The energy savings achieved by users are verified and certified by auditing organisations, after which these so-called Certified Energy Savings (CES) become tradable as financial assets for energy traders. [Hungarocell Renovation Programme 2.1](#)

The combined annual primary energy savings from residential energy efficiency projects implemented in 2025 amounted to 606,065.44 GJ. The financial value of the savings – calculated on the basis of the mandatory minimum residential compensation unit price applicable in 2025 (HUF 11,705/GJ) – is HUF 7,093,995,975, which the Company intends to increase further.

The Company has not identified any actual negative climate change impacts that would justify further, supplementary protective measures in the interests of stakeholders. Although energy procurement – and the associated emissions – contribute to climate change, the Company is actively striving, through the measures outlined above, to increase the share of renewable energy sources and to implement energy efficiency projects, which together result in a positive impact.

**Tracking effectiveness of policies and actions through targets E1-4, MDR-T**

The Group aims to reduce its absolute greenhouse gas emissions (tCO<sub>2</sub>e) to 54% (158,207 tonnes) by 2050 in Scope 1, 2 and 3, using 2025 (209,319 tonnes of CO<sub>2</sub> per year) as the base year.

In line with the expansion of the Group's production capacity – based on forecasts for 2025 – greenhouse gas emissions could reach 293,047 tonnes (t CO<sub>2</sub>e) per annum by 2030. However, the Company is already implementing active measures to reduce emissions by 2030, as a result of which total annual GHG emissions are expected to gradually decrease.

To set these targets, it applies the methodology set out in the GHG Protocol, taking into account the selected scenario, data sources, and alignment with national, EU and international policy objectives. The targets and the boundaries of the greenhouse gas inventory were defined with the involvement of technical, financial and energy experts.

When setting the targets, the company took into account relevant environmental, social, technological, market and policy developments, and based on these, defined the decarbonisation measures.

**Development of renewable energy utilisation**

The objective of **the Group** is to reduce energy consumption and energy costs, as well as to minimise greenhouse gas emissions. It uses energy in various forms, primarily in the form of electricity during manufacturing processes, and as fuel in connection with commercial and logistics activities. The **MASTERPLAST Group** has completely overhauled its energy management and developed a long-term energy strategy covering all operations, which also includes comprehensive investments in renewable energy.

In relation to its use of renewable energy, **MASTERPLAST** has committed to increasing the proportion of green electricity to 10% by 31 December 2030. From 2024 to 2025 the **Group** achieved a 12.43% increase in solar power generation, and largely as a result of this, the total share of renewable energy rose from 13.50% to 15.58%. **The share of green electricity rose from 33.90% to 35.75%, representing an increase of 1.85 percentage points. The figure achieved is in line with the stated ambitions of the company.**

**Transition plan**

The objective of **the Group** is to reduce energy consumption and energy costs, as well as to minimise greenhouse gas emissions. It uses energy in various forms, primarily in the form of electricity during manufacturing processes, and as fuel in connection with commercial and logistics activities. The **MASTERPLAST Group** has completely overhauled its energy management and developed a long-term energy strategy covering all operations, which also includes comprehensive investments in renewable energy.

In 2023 the Company set a target to reduce carbon emissions and prepared a group-level, audited corporate carbon footprint report covering Scope 1 and Scope 2 for the 2023 reporting period. This laid the foundation for monitoring the emissions of **the entire Group** through measurement, with a view to defining specific commitments as soon as possible. For the years 2024 and 2025 the Group assessed its emissions not only at Scope 1 and Scope 2 levels but also at Scope 3 level with the assistance of an external energy auditor.

A further objective of the Group was to reduce its energy consumption and, consequently, its energy costs, whilst also reducing the volume of greenhouse gas emissions. To this end, during the reporting period for 2025 it drew up a comprehensive transition plan, which includes the planned schedule for reducing emissions right up to 2030. The details of the transition plan are set out earlier in this chapter.

The Company procures energy at group level from the relevant national grid. For its Hungarian entities, energy procurement is secured through a group procurement tender, whilst foreign subsidiaries procure the required quantities from energy traders in the relevant country.

As one of the tools for reducing emissions, the Group plans to implement a reforestation project as a nature-based solution.

**Other GHG emission reduction actions**

The regulation of CES in Hungary changed significantly in 2025. The current objective of the Group is to continuously monitor regulatory requirements, integrate them effectively, and adapt its operations to them in order to maintain long-term operations and increase effectiveness.

**Energy E1-5**

Within **the MASTERPLAST Group** the highest energy consumption is concentrated at the Subotica sites. Among the main energy sources, Masterplast YU D.o.o. is the largest consumer in terms of natural gas and electricity usage, followed by PIMCO Ltd, the energy consumption of which is also significant, accounting for nearly a quarter of total consumption.

**The Group's** total energy consumption in 2024 was 188,404,316 MJ. By comparison, it was 268,121,291.44 MJ in 2025 and – for the sake of better comparability – 206,361,960.90 MJ excluding PIMCO Ltd. This represents an increase of over 42% in absolute terms. The Group continuously monitors and optimises consumption levels at its higher-energy-consuming production units using sub-meters.

**In the 2024 and 2025 reporting periods, fuel consumption consisted of three main categories:**

Fuel type (litres)	2024	2025 – including PIMCO Ltd	2025 – excluding PIMCO Ltd
Petrol	44,222	63,686	57,282
Diesel	850,863	1,190,430	1,189,441
Automotive gas (LPG)	188,367	219,619	219,619
<b>MASTERPLAST Group total</b>	<b>1,083,452</b>	<b>1,473,735</b>	<b>1,466,342</b>

Fuel consumption shows a significant increase of overall 36.02% across all categories from 2024 to 2025. This change is partly attributable to the inclusion of PIMCO Ltd, which, as a newly included company, slightly increased

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the total volume of fuel consumption compared to the base year. The increase is largely attributable to the growth in business activity.

<b>Energy consumption and composition</b>	<b>2024</b>	<b>2025 – including PIMCO Ltd</b>	<b>2025 – excluding PIMCO Ltd</b>
1. Fuel consumption from coal and coal products (MWh)	0	0	0
2. Fuel consumption from crude oil and petroleum products (MWh)	0	0	0
3. Fuel consumption from natural gas (MWh)	23,126.90	28,832.60	21,351.85
4. Fuel consumption from other fossil sources (MWh) Fuel: Petrol: 566.8 MWh, Diesel: 12,737.6 MWh, Automotive LPG: 1,537.3 MWh	10,062.01	14,841.74	14,774.16
5. Consumption of electricity purchased from fossil fuel sources (MWh)	5,402.89	7,276.56	5,062.45
<b>6. Total fossil fuel consumption (MWh) (calculated as the sum of lines 1–5)</b>	<b>38,591.79</b>	<b>50,950.90</b>	<b>41,188.45</b>
<b>Share of fossil fuels in total energy consumption (%)</b>	<b>69.90%</b>	<b>67%</b>	<b>70%</b>
<b>7. Consumption from nuclear sources (MWh)</b>	<b>9,154.47</b>	<b>12,911.26</b>	<b>8,982.62</b>
<b>Share of consumption from nuclear sources in total energy consumption (%)</b>	<b>16.60%</b>	<b>17%</b>	<b>15%</b>
8. Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas and renewable hydrogen) (MWh)	0	0	0
9. Consumption of electricity, heat, steam and cooling purchased or procured from renewable sources (MWh)	6,839.93	11,080.29	7,708.78
10. Consumption of self-generated renewable energy not used as fuel (MWh)	625.51	703.25	703.25
<b>11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8–10)</b>	<b>7,465.44</b>	<b>11,783.54</b>	<b>8,412.03</b>
<b>Share of renewable energy sources in total energy consumption (%)</b>	<b>13.50%</b>	<b>15.58%</b>	<b>14.36%</b>
<b>Total energy consumption (MWh) (calculated as the sum of rows 6, 7 and 11)</b>	<b>55,211.70</b>	<b>75,645.70</b>	<b>58,583.10</b>

The breakdown of energy production was determined based on the table in Section 4.2 ‘Gross electricity production’ of the MEKH (Hungarian Energy and Public Utility Regulatory Authority) Methodological Information. The breakdown of the energy consumption of the company is summarised in the following table:

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2024	Electricity, kWh/year	Natural gas, m <sup>3</sup> /year	Petrol, litres/year	Diesel, litres/year	Automotive LPG, litres/year
Masterplast Plc	316,273	13,913	9,272	24,549	0
Masterplast Hungária Ltd	85,374	6,138	0	79,993	20,293
Masterplast International Ltd	444,331	20,870	213	7,471	27,313
Masterplast Membrane Ltd	3,897,784	0	3,303	7,458	3,595
Masterplast Modulhouse Ltd	64,957	0	1,842	3,544	0
Masterplast Insulation Ltd	227,679	143,236	781	1,057	0
Masterprofil Manufacturing and Trading Ltd	66,617	5,594	17	1,004	625
Fidelis BAU Ltd	10,614	0	0	599	0
Masterplast YU D.o.o.	7,036,492	1,360,659	523	445,219	91,356
Masterplast Proizvodnja D.o.o.	4,289,612	2,052	0	233	0
Masterplast Doel Kicevo	5,617	0	0	23,618	536
Masterplast d.o.o.	19,762	0	0	4,437	4,850
Masterplast Sp. z o.o.	18,929	4,153	7,447	20,022	10,405
Master Plast s.r.o	7,480	3,969	11	9,449	1,164
Masterplast Nonwoven GmbH	4,463,482	276,215	0	892	0
Masterplast Romania S.R.L.	87,580	9,033	0	94,524	16,021
Master Plast TOV	45,013	0	18,124	126,473	9,377
Masterplast Italia Srl.	56,495	29	0	0	0
T-CELL Plasztk Ltd (Zalaegerszeg)	90,672	160,848	0	311	2,422
T-CELL Plasztk Ltd (Hajdúszoboszló)	162,522	200,063	2,689	10	410
<b>Total</b>	<b>21,397,285</b>	<b>2,206,772</b>	<b>44,222</b>	<b>850,863</b>	<b>188,367</b>

2025	Electricity, kWh/year	Natural gas, m <sup>3</sup> /year	Petrol, litres/year	Diesel, litres/year	Automotive LPG, litres/year
Masterplast Plc	690,927	13,417	10,751	24,941	0
Masterplast Hungária Ltd	74,929	5,971	1,000	396,757	22,243.70
Masterplast International Ltd	67,665	2,052	0	6,820	26,300.70
Masterplast Membrane Ltd	3,589,975	18,751	3,864	3,936	3,966.80
Masterplast Modulhouse Ltd	21,879	838	1,801	4,208	0
Masterplast Insulation Ltd	23,890.52	8,747	15	1,350.73	588
Masterprofil Manufacturing and Trading Ltd	60,842	4,761	25.84	1,467.94	470.4
Fidelis BAU Ltd	-	0	12	0	0
Masterplast YU D.o.o.	7,375,163.00	1,405,195	533.88	486,581.82	86,573.2
Masterplast Proizvodnja D.o.o.	5,214,272	915	0	167.73	39.2
Masterplast Doel Kicevo	6,406.9	0	0	23,057	513.43
Masterplast d.o.o.	23,031	0	0	4,883.3	0
Masterplast Sp. z o.o.	17,149	6,149	13,876.05	14,025.08	2,098.86
Master Plast s.r.o	7,480	4,691	5,767	2,815	1,472
Masterplast Nonwoven GmbH	4,412,165.2	294,209.05	0	0	0
Masterplast Romania S.R.L.	89,143	6,505	0	86,378	15,879
Master Plast TOV	78,901.7	0	16,961.03	131,729.64	3,686
Masterplast Italia Srl.	321,425	0	0	0	53,393.23
T-CELL Plasztk Ltd (Zalaegerszeg)	223,286	198,737	0	323.06	1,350
T-CELL Plasztk Ltd (Hajdúszoboszló)	356,244.09	290,910	2,674.84	0	1,044.68
PIMCO Ltd	9,600,719	792,453	6,404.29	988.73	0
<b>Total</b>	<b>32,255,493.41</b>	<b>3,054,301.05</b>	<b>63,685.93</b>	<b>1,190,430.03</b>	<b>219,619.20</b>

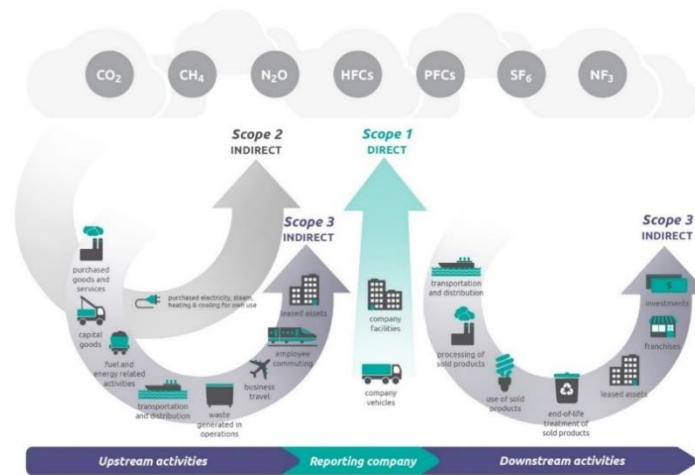
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Absolute energy consumption showed an increase in 2025. One of the key factors behind this increase is that PIMCO Ltd was included as a new entity in the sustainability report, which naturally raised the total energy consumption. The increase beyond this is primarily attributable to the expansion of business activities and the growth in operational volume.

Gross Scope 1, 2 and 3 and total GHG emissions E1-6

Determination of gross GHG emissions (Scope 1, Scope 2 and Scope 3)

The MASTERPLAST Group determines its GHG emissions in accordance with the requirements of the GHG Protocol and the ISO 14064-1:2018 Greenhouse Gas Standard. The Group measures and analyses emissions across three main scopes (Scope 1, Scope 2, Scope 3).



Source: GHG Protocol

Scope 1 – Direct emissions

Direct emissions originate from sources owned and controlled by MASTERPLAST Plc. This includes on-site natural gas consumption, emissions generated during manufacturing processes, and fuel consumption by the company’s vehicle fleet. In the calculations, the emission factors for CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are determined based on the Sixth Assessment Report of IPCC. The proportion of Scope 1 emissions arising from the regulated emissions trading scheme is reported separately.

Scope 2 – Emissions from indirect energy use

This category includes emissions resulting from the use of purchased electricity, district heating and steam. Energy consumption is determined using local and market-based emission factors, taking into account the emission factors for the electricity mix of the International Energy Agency (IEA) and the relevant country. The MASTERPLAST Group does not purchase district heating or steam from external suppliers.

Scope 3 – Other indirect emissions

The majority of the Group’s Scope 3 emissions arise from the supply chain, purchased raw materials and services, as well as emissions arising from waste management and logistics activities, and consists of greenhouse gases emitted by incoming and outgoing materials within the value chain associated with the companies’ goods production or services. Greenhouse gas emissions from business travel, employee commuting and leased assets are of a lesser magnitude.

Breakdown of the emissions of MASTERPLAST in 2025

Type of emissions	Emissions (t CO2e/year) 2024	%	Emissions (t CO2e/year) 2025	%
Scope 1 gross GHG emissions (tonnes of carbon dioxide equivalent)	6,844.80	4.8%	9,461.37	4.5%
GHG emissions in Scope 2		5.5%		5.5%
Scope 2, locally based gross GHG emissions (tonnes of carbon dioxide equivalent)	7,810.00		11,516.57	
Market-based GHG emissions under Scope 2 (tonnes of carbon dioxide equivalent)	7,810.00		11,516.57	
Significant GHG emissions under Scope 3	127,041.40	89.7%	188,341.22	90%
<b>Upstream (inbound) activities: Scope 3 emissions Inbound and manufacturing stages:</b>				
1. Goods and services purchased by the company	108,614.00	85.49%	149,913.92	79.60%
2. Capital assets (tangible assets)	605.40	0.48%	1,230.69	0.65%
3. Fuel and energy-related activities (uses not covered by Scope 1 and 2)	647.80	0.51%	2,944.45	1.56%
4. Inbound transport and distribution (fuels not covered by Scope 1 and 2)	2,834.10	2.23%	3,093.69	1.64%
5. Waste generated during operations	757.60	0.60%	1,460.49	0.78%
6. Business travel (not using company vehicles)	63.30	0.05%	46.96	0.02%
7. Employee commuting (non-company vehicles)	883.40	0.70%	1,016.21	0.54%
8. Assets leased during operations	27.10	0.02%	232.68	0.12%
<b>Downstream (outgoing) activities Scope 3 emissions Outbound, consumption and end-of-life stages:</b>				
9. Outbound transport and distribution	512.90	0.40%	1,357.63	0.72%
10. Processing of products sold	123.90	0.10%	272.58	0.14%
11. Use of products sold (throughout their life cycle)	-	-	-	-
12. Management or disposal of products sold at the end of their life cycle	11,971.90	9.42%	26,771.90	14.21%
13. Assets leased out	-	-	-	-
14. Franchise	-	-	-	-
15. Capital expenditure/Investments	-	-	-	-
<b>Total GHG emissions</b>				
<b>Total emissions (location-based)</b>	<b>127,041.40</b>	<b>100%</b>	<b>209,319.16</b>	<b>100%</b>
<b>Total emissions (market-based)</b>	<b>127,041.40</b>	<b>100%</b>	<b>209,319.16</b>	<b>100%</b>

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Emissions in 2025 show a 65% increase. A significant portion of this increase is attributable to the acquisition of PIMCO Ltd and the growth in overall business performance. The significant increase is also attributable to the fact that the Group has refined its methodology for calculating outgoing goods. It now includes not only emissions from the procurement of raw materials related to its own production, but also emissions associated with the raw materials used in the production of other sold products within Scope 3.1. In line with its transition plan, the Group aims to reduce its emissions along the defined milestones.

Scope 2 emissions from purchased energy can be calculated in two ways:

1. Location-based method – This method takes into account the average emission factors of the electricity grids supplying the electricity.
2. Market-based method – This method takes into account contractual agreements under which the organisation procures energy from specific sources, such as renewable energy.

The following types of market-based emission factors are available:

- Energy attribute certificates
- Contracts
- Supplier-specific emission factor
- Residual blending factor
- Regional emission factor
- National emission factor

For the Group, location and market-based Scope 2 emission values are identical, as there are no separate contracts for the purchase of renewable energy; consequently, the electricity procured originates exclusively from the average grid energy mix. Accordingly, the calculation of Scope 2 emissions is based on the average grid emission factor.

0% of total emissions fall under the EU ETS, which amounts to 0 t CO<sub>2</sub>e.

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Scope 1 and 2 emissions broken down by company:

Company	Scope 1, tCO <sub>2</sub> e/year			Scope 2, tCO <sub>2</sub> e/year		
	2024	2025	Change (%)	2024	2025	Change (%)
Masterplast Plc	113.00	115.64	2.34%	115.44	47.83	-58.57%
Masterplast Hungária Ltd	253.71	1,096.18	332.06%	31.16	27.35	-12.23%
Masterplast International Ltd	101.63	60.89	-40.09%	162.18	24.70	-84.77%
Masterplast Membrane Ltd	32.45	60.70	87.06%	1,422.69	1,310.34	-7.90%
Masterplast Modulhouse Ltd	13.50	16.76	24.15%	23.71	7.99	-66.30%
Masterplast Insulation Ltd	277.76	21.16	-92.38%	83.10	8.46	-89.82%
Masterprofil Manufacturing and Trading Ltd	14.29	13.72	-3.99%	24.32	22.21	-8.68%
Fidelis BAU Ltd	1.58	0.03	-98.10%	3.87	0.00	-100.00%
Masterplast YU D.o.o.	3,909.61	4,127.29	5.57%	2,568.32	2,691.93	4.81%
Masterplast Proizvodnja D.o.o.	4.53	2.25	-50.33%	1,565.71	1,903.21	21.56%
Masterplast Doel Kicevo	63.27	61.76	-2.39%	2.05	2.34	14.15%
Masterplast d.o.o.	18.92	12.92	-31.71%	7.21	8.41	16.64%
Masterplast Sp. z o.o.	92.96	83.00	-10.71%	6.91	6.26	-9.41%
Master Plast S.r.o.	34.32	31.48	-8.28%	2.73	2.73	0.00%
Masterplast Nonwoven GmbH	529.22	542.58	2.52%	1,629.17	1,610.44	-1.15%
Masterplast Romania S.R.L.	291.01	264.43	-9.13%	31.97	32.54	1.78%
Masterplast TOV	389.04	391.91	0.74%	16.43	28.80	75.29%
Masterplast Italia Srl.	0.06	79.04	131633.33%	20.62	117.32	468.96%
T-CELL Plasztik Ltd (Zalaegerszeg)	315.73	343.99	8.95%	33.10	56.19	69.76%
T-CELL Plasztik Ltd (Hajdúszoboszló)	388.26	537.55	38.45%	59.32	103.28	74.1%
PIMCO Ltd	-	1,598.11	-	-	3,504.26	-
<b>Total</b>	<b>6,844.84</b>	<b>9,461.37</b>	<b>38.23%</b>	<b>7,810.01</b>	<b>11,516.57</b>	<b>47.46%</b>

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Scope 1 and 2 emissions broken down by operational and financial control <sup>16</sup>

Entities under the operational and financial control of **MASTERPLAST Plc**:

Company	Scope 1, tCO2e/year		Scope 2, tCO2e/year	
	2024	2025	2024	2025
Masterplast Plc	113.00	115.64	115.44	47.83
Masterplast Hungária Ltd	253.71	1,096.18	31.16	27.35
Masterplast International Ltd	101.63	60.89	162.18	24.70
Masterplast Membrane Ltd	32.45	60.70	1,422.69	1,310.34
Masterplast Modulhouse Ltd	13.50	16.76	23.71	7.99
Masterplast Insulation Ltd	277.76	21.16	83.10	8.46
Fidelis BAU Ltd	1.58	0.03	3.87	0.00
Masterplast YU D.o.o	3,909.61	4,127.29	2,568.32	2,691.93
Masterplast Proizvodnja D.o.o	4.53	2.25	1,565.71	1,903.21
Masterplast Dooel Kicevo	63.27	61.76	2.05	2.34
Masterplast d.o.o.	18.92	12.92	7.21	8.41
Masterplast Sp zoo	92.96	83.00	6.91	6.26
Master Plast S.r.o	34.32	31.48	2.73	2.73
Masterplast Nonwoven GmbH	529.22	542.58	1,629.17	1,610.44
Masterplast Romania S.R.L.	291.01	264.43	31.97	32.54
Masterplast TOV	389.04	391.91	16.43	28.80
Masterplast Italia Srl.	0.06	79.04	20.62	117.32
<b>Total</b>	<b>6,126.57</b>	<b>6,968.02</b>	<b>7,693.28</b>	<b>7,830.65</b>

The group under the financial control of **MASTERPLAST Plc** is expanded to include the following entities:

Company	Scope 1, tCO2e/year		Scope 2, tCO2e/year	
	2024	2025	2024	2025
T-CELL Plasztik Ltd (Zalaegerszeg)	315.73	343.99	33.10	56.19
T-CELL Plasztik Ltd (Hajdúszoboszló)	388.26	537.55	59.32	103.28
Masterprofil Manufacturing and Trading Ltd	14.29	13.72	24.32	22.21
PIMCO Ltd	-	1,598.11	-	3,504.26
<b>Total</b>	<b>718.28</b>	<b>2,493.37</b>	<b>116.73</b>	<b>3,685.94</b>

<sup>16</sup> The Group's entities, including its fully consolidated subsidiaries and entities included in equity consolidation, as well as the Group's associates, are described in the section entitled 'About the Report'.

Breakdown of Scope 3 emissions for 2025, by category

Scope 3 category	Calculation method
<b>Upstream (inbound) activities Scope 3 emissions Inbound and manufacturing stages</b>	
1. Goods and services purchased by the company	<p>Calculated based on the EPDs (Environmental Product Declarations) of products manufactured and distributed by the <b>MASTERPLAST Group</b> and the EPDs of materials found in the EPD International Portal database, in quantities of m<sup>2</sup>/year or t/year in accordance with the Group's 2025 production and procurement records. The calculations are based on the distribution according to production ratios.</p> <p>Materials in quantities exceeding 10 tonnes were taken into account in the calculation.</p>
2. Fixed assets (tangible assets)	<p>Calculated according to the GHG Protocol's cost-based method (\$), relating to the Group's capitalised investments in 2025.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.48% in 2024, 0.65% in 2025).</p>
3. Fuel and energy-related activities (uses not covered by Scope 1 and 2)	<p>Calculated at group level based on the Scope 1–2 calculations of <b>MASTERPLAST Plc.</b></p> <p>In the calculation, the gross emission factor for purchased electricity already includes upstream emissions; therefore, only the T&amp;D (Transmission and Distribution) emission value of the energy network needs to be taken into account. The emission factor for natural gas does not include upstream emissions; in this case, both upstream and T&amp;D emissions had to be taken into account.</p> <p>The <b>MASTERPLAST Group</b> does not purchase district heating or steam from external suppliers.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.51% in 2024, 1.56% in 2025).</p>
4. Incoming deliveries and distribution (fuels not covered by Scope 1 and 2)	<p>Calculated based on the transport records database of the <b>Group</b>. For transport, the modes of ship, rail and 32–40 MT lorries were calculated separately. The database provides aggregated km/year data for the various modes of transport, which ensures the accuracy of the calculation.</p>
5. Waste generated during operations	<p>Calculated based on the environmental database of <b>MASTERPLAST</b>.</p> <p>The calculation takes into account the t/year quantities of waste intended for recycling and non-recycled waste within the classification of hazardous and non-hazardous waste.</p>
6. Business travel (not using company vehicles)	<p>Calculated based on data provided by the travel agency partners of <b>MASTERPLAST</b>.</p> <p>Air travel was included in the calculation because business trips by car were undertaken using company vehicles, which are included in Scope 1.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.05% in 2024, 0.02% in 2025).</p>
7. Employee commuting (non-company vehicles)	<p>Calculated based on the HR database of the <b>Group</b>.</p> <p>In the calculation, commutes were grouped according to distances of less than 25 km, 25–50 km and 50–100 km. This contains some inaccuracy, but it is not significant in relation to the Group's total emissions (0.7% in 2024, 0.54% in 2025).</p>
8. Assets leased during operations	<p>Calculated based on the vehicle fleet of <b>MASTERPLAST</b>.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.02% in 2024, 0.12% in 2025).</p>

Downstream (outbound) activities Scope 3 emissions Outbound, consumption and end-of-life stages:	
9. Outbound shipments and distribution	<p>Calculated based on the database of <b>MASTERPLAST</b> recording its transport operations. The database provides aggregated km/year data by transport type, ensuring the accuracy of the calculation.</p> <p>The majority of outbound shipments are carried out using the company's own vehicles, which are included in Scope 1 emissions.</p> <p>Only emissions based on the km/year data from external transport companies were taken into account in the calculation.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.92% in 2024, 0.72% in 2025).</p>
10. Processing of products sold	<p>Calculated on the basis of the EPDs for products sold by the <b>MASTERPLAST Group</b> and the EPDs for materials listed in the EPD International Portal database, in tonnes per year in accordance with the Group's 2025 sales records.</p> <p>The use of products sold by the <b>MASTERPLAST Group</b> does not require significant energy consumption.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.1% in 2024, 0.14% in 2025).</p>
11. Use of sold products (throughout their life cycle)	<p>In accordance with the relevant description in the GHG Protocol, this impact has not been included in the Scope 1-2-3 inventory but is <b>presented in a separate calculation</b>.</p> <p>The use of products sold by the <b>MASTERPLAST Group</b> (EPS and XPS thermal insulation materials, glass wool) results in significant thermal energy savings for users, which leads to a significant reduction in GHG emissions.</p> <p>The minimum service life of EPS and XPS thermal insulation materials is 25 years.</p>
12. Management or disposal of products at the end of their life cycle	<p>Calculated based on the EPDs of products sold by the <b>MASTERPLAST Group</b> and the EPDs of materials found in the EPD International Portal database, in quantities of t/year in accordance with the Group's 2025 sales records.</p> <p>Aggregated downstream data was available for calculating the waste generated during the end-of-life management of the sold roofing membrane product, which includes the C1, C2, C3 and C4 emission values.</p> <p>The calculation took into account the t/year quantities of waste intended for recycling and non-recycled waste. Based on industry forecasts, the recycling rate at the end of the product life cycle will reach or even exceed 50%.</p>
13. Assets leased out	Not relevant, as the <b>MASTERPLAST Group</b> has no leased assets
14. Franchising	Not relevant, as the <b>MASTERPLAST Group</b> has no franchise network
15. Capital expenditure/Investments	Not relevant, as the <b>MASTERPLAST Group</b> has no significant capital expenditure/investments

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The use of EPS and XPS thermal insulation materials sold by the **MASTERPLAST Group** results in significant thermal energy savings for users, which leads to significant avoided GHG emissions.

11. Use of products sold (throughout their life cycle)	2024	2025	2030
Emissions reductions from EPS and XPS thermal insulation over the entire life cycle in t CO2e/year, calculated over a 25-year life cycle	- 150,907	- 179,313	- 326,489

This impact has not been included in the Scope 1-2-3 inventory.

Emissions based on products sold in 2024 and 2025 have been taken into account.

In 2030, the quantities of products manufactured and sold are considered to be the same.

The expected lifespan of EPS and XPS thermal insulation materials is 25 years on average.

The use of EPS and XPS thermal insulation materials sold by the **MASTERPLAST Group** results in significant avoided GHG emissions.

**Uncertainty in Scope 3 estimates**

A significant proportion of the GHG emissions determined by the **MASTERPLAST Group** are based on the EPDs of the products manufactured <sup>17</sup> and procured by the Group, which contain specific emission factors relating to the manufacturing activities of the **Group** and have been calculated using the EPDs of materials found in the EPD International Portal database. The emission figures in the EPD documents are values verified and approved by an external auditor.

Employee commuting involves some estimation, but these emissions are small (0.7% in 2024, 0.54% in 2025) compared to total emissions. Employee commuting is divided into three groups: those commuting from within 25 km, those commuting from 25–50 km, and those commuting from more than 50 km away. These distance zones provide a sufficient estimate of average distances.

For products sold, the recycling rate at the end of their life cycle (after a minimum of 25 years) is projected to reach or even exceed 50% based on industry forecasts. The estimate is based on actual data from 2019 and forecasts for 2025. By 2025 the recycling rate is already 30%. Taking into account the sustainability objectives of the circular economy, this estimate can be considered realistic.

To determine emissions from capital assets, the **MASTERPLAST Group** applied an estimated breakdown of 60% steel and 40% glass for the main components of the solar panel system, which also includes the steel support structure of the solar panel system. This breakdown was estimated based on the design of the equipment.

Revenue from products distributed by the **MASTERPLAST Group** was allocated proportionally according to the defining characteristics of the product groups. GHG emissions from the distributed products were determined on this basis.

Overall, scope 3 emissions based on estimates and forecasts accounted for 21.06% in 2024 and 14.90% in 2025, which can be considered an improvement. The reason for this is that for Category 2 the Company used accurate accounting data, unlike in 2024. The end-of-life management or disposal of products sold falling under Scope 3 Category 12 can, by definition, only be based on estimates, as the products manufactured have a minimum lifespan of 25 years, meaning that for 2050 only projections can be made. Excluding the Scope 3 Category 12 emissions based on the forecast, the estimated proportion is just 0.69% compared to 12.61% in 2024.

<sup>17</sup> See the section entitled 'Sustainable products'.

**GHG intensity**

GHG intensity is calculated as the ratio of greenhouse gas emissions (expressed in metric tonnes of CO<sub>2</sub>e) falling under Scope 1, 2 and 3 categories to the Group’s total revenue, projected in million euros. Emissions data are aggregated across all relevant operational areas in accordance with the GHG Protocol standards. Revenue data are derived from the Group’s financial statements.

GHG intensity has not increased at the same rate as energy intensity. This is due to the integration of renewable energy. The Company outlines its reduction plans in the transition plan, as described earlier in this chapter, which anticipates a temporary increase.

Intensity	2024	2025	Change (%)
<b>Energy intensity</b>			
Net turnover (million EUR)	143.53	171.10	19.21%
Total energy consumption (MWh)	55,211.70	75,645.70	37.01%
Energy intensity (MWh/million EUR)	384.68	442.11	14.93%
<b>GHG intensity</b>			
GHG emissions – location-based (tCO <sub>2</sub> e)	141,696.20	209,319.16	47.72%
GHG emissions – market-based (tCO <sub>2</sub> e)	141,696.20	209,319.16	47.72%
GHG emissions intensity – location-based (tCO <sub>2</sub> e/million EUR)	987.26	1,223.37	23.92%
GHG emission intensity – market-based (tCO <sub>2</sub> e/million EUR)	987.26	1,223.37	23.92%

**GHG removals and carbon credits E1-7**

The **MASTERPLAST Group** currently does not have any self-developed GHG removal or storage projects, nor does it purchase carbon credits to finance emissions reductions outside its value chain.

**Internal carbon pricing E1-8**

Internal carbon pricing (whether in the form of shadow pricing, a carbon fund or an internal emissions charge) is not relevant to the **MASTERPLAST Group**, as it does not fall within the scope of the ETS.

**Expected financial effects from material physical and transition risks and potential climate-related opportunities E1-9**

The **MASTERPLAST Group** has identified physical and transition risks during its analysis of climate risks and opportunities, which it has taken into account in its transition plan. During the current reporting period, no quantitative, strategic assessment of the financial impacts of these risks has been carried out. The Group had planned to carry out the related financial assessment in accordance with regulatory obligations for the 2026 financial year; however, it is making use of the deferral option granted in the meantime in order to produce data that is as accurate as possible and most useful in practice.

# Pollution

## Microplastics

*In the manufacture of plastic-based insulation materials, managing environmental impacts is of paramount importance, particularly in the case of persistent pollutants that accumulate in the environment over the long term. The issue of microplastics has taken on global significance, as these particles persist in ecosystems for long periods and can potentially have a harmful effect on aquatic and terrestrial wildlife. The Group’s approach to managing environmental risks is guided by the principles of precaution and prevention, including the continuous minimisation of unintentional micro-particle formation resulting from mechanical processes.*

### Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E2 Pollution	Microplastics	Production takes place in a controlled, closed system, but fine dust is generated during regrinding and recycling, which is critical in several respects.	Actual negative impact	Own operations	Long-term	The formation of fine particles is a natural consequence of mechanical grinding and is not the result of intentional emissions. Grinding operations take place in a closed technological system, equipped with an integrated dust extractor and a high-efficiency filtration system. The separated dust fraction is recirculated back into the waste management process in a controlled manner, thereby minimising the risk of fugitive emissions and environmental impact.

### Policies related to pollution: E2-1, MDR-P

The management of fine dust generated during manufacturing processes is simultaneously an environmental, occupational health and safety, and quality management issue. The list and locations of production units are included in [the ‘Strategy’ chapter](#). To identify IROs, the Company applied the consultation process outlined in [the ‘Double Materiality’ chapter](#).

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The Group does not have a specific policy on pollution, as its management systems cover the prevention and reduction of unintentional microplastic and fine particle emissions generated during operations. The environmental management system covers regrinding and recycling processes, material handling, maintenance activities and the management of filtration systems.

The link between the management systems of MASTERPLAST and microplastic pollution

ISO 9001:2015 Quality management system	ISO 14001:2015 Environmental management system	ISO 45001:2018 Occupational health and safety management system
<p>ISO 9001 primarily focuses on ensuring that an organisation is consistently able to produce products and services that meet customer and regulatory requirements, whilst continuously improving its processes.</p> <p>In the context of microplastic formation this means that standard operating procedures are drawn up for grinding, recycling and material handling processes, which specify the precise operation of closed systems, dust extractors, filter systems and recirculation.</p> <p>As part of quality control, processes are regularly reviewed, thereby minimising accidental fugitive micro-particle emissions.</p> <p>Measures established under ISO</p> <ul style="list-style-type: none"> <li>- Development of quality management processes to reduce negative environmental impacts.</li> </ul>	<p>ISO 14001 requires the organisation to identify the environmental aspects of all activities, products and services, and to evaluate their significance.</p> <ul style="list-style-type: none"> <li>- Fine particles/microplastics generated during grinding and recycling may be considered a significant factor from the Group's perspective.</li> <li>- Targeted control measures (closed systems, dust extraction, filtration, recycling) can be applied to these factors.</li> </ul> <p>Measures established under ISO</p> <ul style="list-style-type: none"> <li>- Waste minimisation and material reuse.</li> </ul>	<p>The primary objective of ISO 45001 is to protect the safety and health of workers and to identify and manage workplace risks.</p> <p>ISO 45001 plays a key role in relation to microplastic and fine particle emissions, as these particles also pose a risk of workplace exposure.</p> <ul style="list-style-type: none"> <li>- ISO 45001 requires the assessment of workplace hazards and the evaluation of risks.</li> <li>- Inhalation of fine microparticles generated during regrinding and recycling can cause respiratory problems and irritation.</li> <li>- The standard ensures that these risks are properly identified and prioritised, and that in the event of an incident, action can be taken quickly, effectively and in a controlled manner.</li> </ul>

At the operational level, the environmental engineer in the Asset Management and Operations Department is responsible for operating the management systems relating to the control of microplastic formation. Ultimate responsibility lies with the Board of Directors via the Operations Manager: environmental performance and related objectives are reviewed on an annual basis.

Senior management is responsible for ensuring the necessary resources are provided, approving technological developments and verifying compliance. In addition, those affected by the management systems are required to complete the relevant training programme, primarily those working in production and maintenance. Although plastic, as the raw material for insulating material production, cannot currently be completely replaced, the Group continuously strives to optimise and reduce the quantity of raw materials used. In addition, it pays particular attention to full compliance with the safety and waste management regulations in force at all times.

**Pollution-related measures and targets E2-2, MDR-A, E2-3, MDR-T, E2-4, E2-5**

Fine particles generated during regrinding:

- an environmental factor (activity-related element),
- associated with environmental impacts (air pollution, deposition on soil, potential entry into water).

The **MASTERPLAST** approach is based on the principles of prevention and precaution, under which minimising particle formation resulting from mechanical shredding and material recycling is the primary objective. Technological developments and maintenance are carried out in annual, incremental cycles, ensuring the

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continuous improvement of operational processes. The Group objective is to ensure that microplastic emissions remain below the legally permitted limit year on year in the long term. With regard to this limit, it relies on the mandatory European air quality directives<sup>18</sup> which were adopted on the basis of scientific consensus.

In all areas of its operations, the Group pays particular attention to compliance with regulatory requirements and actively strives for the highest possible level of regulatory and internal compliance. In Hungary, PM particle emissions and compliance with air quality limit values (e.g. PM10 and PM2.5) are strictly regulated and monitored<sup>19</sup>. PM particles may be of natural origin (e.g. dust, pollen), but a significant proportion stems from industrial emissions. Current legislation does not treat microplastics as a separate legal category, but it does apply limit values and action requirements to emissions of fine particles (PM2.5). Hungarian law prescribes limit values for dust emissions, monitoring and action programmes based on EU air quality directives, which are supervised by the environmental authorities. In addition, the National Public Health Centre (NNK) and other specialist authorities may also be involved in monitoring workplace exposure and health risks.

To minimise pollution – in its own operations – the company applies the following measures, which serve to prevent pollution at source:

- grinding and material handling processes operate in a closed system,
- the use of multi-stage dust extraction and high-efficiency filtration systems is mandatory,
- the separated dust fraction is sent for controlled, segregated waste management,
- wet industrial cleaning is carried out,
- regular monitoring ensures the tracking of fugitive emissions.

The company applies a hierarchy of prevention: it focuses primarily on reducing generation, secondarily on technological separation, and thirdly on safe management.

Microplastic formation occurs primarily at grinding and material handling points. Although the system is closed, there is a risk of fine particle dispersion during maintenance, filter replacement or material transfer operations. Once released into the air, the particles may settle, end up on the ground, or, if not handled properly, enter the sewage system. Due to their persistent nature, microplastics can accumulate over the long term.

In operations, the formation of microplastics is not the result of intentional addition, but rather a consequence of mechanical grinding. In the case of the **Group**, the formation of microplastics is a natural by-product of technological processes, the risks of which can be managed in a regulated and controlled manner within the framework of a structured environmental management system. The majority of the resulting dust fraction is separated in industrial extraction and filtration systems and returned to the manufacturing process.

The separated fraction is treated separately, either through recycling or by transfer to a licensed waste management operator. In 2025 2,974,877 tonnes of plastic waste were recycled (shredded) at the sites.

The direct control of the **MASTERPLAST Group** does not extend to the product's use phase, and therefore does not cover any microplastic emissions that may be generated by the end-user, as these fall outside the Company's control and, according to the current scientific consensus, no effective substitute material is available. At the same time, through its product development programmes, the Group continuously strives to optimise material composition, thereby minimising future environmental risks and microplastic emissions.

The relevant industrial activities are subject to an environmental permit, under which the environmental authority requires the measurement and monitoring of air pollutant emissions, as well as the annual reporting of emission data by the group members concerned. This includes the measurement of dust emissions and the obligation to report data to the authority, but microplastics are not treated as a separate legal category. Data on emissions of fine particulate matter and airborne particulate matter are usually reported to the environmental

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<sup>18</sup>Mainly: Directive 2008/50/EC, Annex II to Regulation (EC) No 166/2006

<sup>19</sup> Decree No. 4/2011 (14 January) of the Ministry of Agriculture

authority as part of the air quality emission declaration. Measurements are taken every five years and where justified, and the Company also submits an annual declaration.

During the audit, documents relating to regulatory compliance, official permits, internal environmental records and audit reports relating to ISO 14001 certificates were analysed.

With regard to point sources (air pollutant emissions), it can be established on the basis of the available emission measurement reports that all emissions remained below the limit values specified in the legislation. There were no instances of environmental limit values being exceeded or regulatory proceedings. The continuous measurement results provide a basis for any necessary detailed target setting and management intervention.

No occupational health and safety complaints or fines were received in 2025 in relation to fine and airborne dust, and no related occupational illnesses occurred. Detailed occupational health and safety information is contained in [the chapter entitled 'Health and Safety'](#).

The Company monitors developments in EU chemical regulations, particularly restrictions and reporting obligations relating to microplastics.

Dust generated and fractions separated in the filtration system – provided they are not classified as hazardous waste – must be managed in accordance with waste management legislation, and records and supplier documentation must be maintained. Compliance with this is monitored by the environmental authorities.

## Biodiversity

The decline in biodiversity is a global challenge, as the deterioration of ecosystems affects the availability of natural resources and ecological balance in the long term. The **MASTERPLAST Group** identifies and manages direct and indirect environmental impacts in line with a value chain approach. Shipments arriving via the supply chain – for example, through packaging materials or wooden pallets – may introduce alien pests or invasive species which can threaten local ecosystems and native wildlife in the long term. The Group aims to minimise such risks and to support the long-term conservation of habitats and ecological balance.

### Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E4 Biodiversity and ecosystems	Factors directly contributing to the decline in biodiversity	Deliveries received during the procurement of products and materials may introduce non-native pests, which can impact the local ecosystem.	Actual negative impact	Upstream	Long-term	The Group has reviewed the origin of shipments and the receiving process, and has examined possible ways to prevent future negative impacts.

The **MASTERPLAST Group** carries out its industrial activities at production sites located in industrial estates which are not classified as protected natural areas or areas of high biodiversity importance. A full list of production sites can be found [in the chapter entitled ‘Strategy’](#). Land use associated with operations is largely confined to built-up, paved industrial areas, for which the Company has obtained the relevant permits. The Group’s own operational areas do not affect any Natura 2000 sites or other areas under legal protection, nor their immediate vicinity. Accordingly, the Group has not identified any significant negative impacts involving direct habitat conversion or soil degradation (soil deterioration, desertification, soil sealing). Given the nature and geographical location of its activities, the direct occurrence of these environmental risks is not typical; however, the Company monitors relevant regulatory and environmental changes and reviews its assessment where necessary.

The Group has identified a dependency on the stable functioning of ecosystem services (e.g. environmental balance, a healthy environment for employees). However, based on the current assessment, the direct, quantifiable impact of physical and transitional risks related to biodiversity is not considered material; therefore, no detailed resilience assessment or scenario analysis was conducted during the 2025 financial year. If the identified impact does not stem from a one-off, isolated event but is of a persistent nature, the Group will reassess the financial materiality of the risks and consider conducting detailed analyses in the future. The Company plans to report on the results of such investigations and any measures taken in its forthcoming sustainability reports.

In the upstream section of the value chain, however, it has been identified that supplier shipments – particularly through packaging materials and wood-based pallets – may carry the risk of introducing alien pests or invasive species. In the long term, this may affect the state of local ecosystems. In 2025 an actual negative impact on biodiversity was identified at the Group’s site in Sárszentmihály. Rodents were introduced to the site via a supplier’s consignment; they proliferated and caused a local ecological imbalance. The incident can be assessed as an indirect impact linked to the upstream section of the value chain.

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**Integration of biodiversity and ecosystem considerations into the strategy and business model E4-1**

As a result of the aforementioned incident, the protection of biodiversity and ecosystems has become a material sustainability issue. One of the sites was affected; there was no direct damage to a protected area. Based on the 2025 incident, the following potential consequences and risks have been identified:

- potential disturbance to local wildlife,
- potential public health and environmental risks,
- operational disruption,
- reputational risk,
- damage to raw materials.

Based on the Group's assessment, its activities do not directly contribute to the drivers of land-use change, changes in freshwater use or changes in marine area use. Accordingly, the Company has not identified any relevant indicators that would measure a direct contribution to these impacts or justify their disclosure.

**Policies relating to biodiversity and ecosystems E4-2, MDR-P**

To date, the Group has not had a direct policy on the protection of biodiversity and ecosystems, as it did not consider this relevant within the scope of its own activities. In the future, however, the Group will consider introducing such a policy, particularly to identify risks arising in the value chain and to define intervention procedures. Furthermore, the ISO 14001 environmental management system ensures that prudent and environmentally responsible practices are always upheld during operations.

**Measures related to biodiversity and ecosystems E4-3, MDR-A**

The **MASTERPLAST Group** is not currently implementing any specific measures in the area of biodiversity, as no significant or direct connection with surrounding ecosystems has previously been identified; however, it is committed to introducing environmental monitoring on the basis of which specific objectives can be implemented in the future. The Company is currently examining possible measures and directions, as well as the potential scope of impact. The Company does not plan to apply a biodiversity offset mechanism, as it has not identified any significant direct habitat conversion that cannot be managed by other means.

However, the investigation into the sole isolated incident mentioned was carried out within the framework of internal environmental management and occupational health and safety procedures. The investigation covered:

- the origin of the shipment,
- the reception and inspection processes,
- any additional on-site monitoring,
- an immediate rodent eradication programme, and the localisation of the infested area.

Based on this incident, the supplier and logistics risk assessment process will be updated. No direct harm to the affected communities has been identified; however, due to the potential impact on the local environment, the matter requires close monitoring.

**Biodiversity and Ecosystem Targets E4-4, MDR-T**

The **MASTERPLAST Group** has not currently set any quantified targets in relation to the protection of biodiversity given that it has not previously identified this as a material area; however, it is committed to strengthening its preventive and control mechanisms based on the lessons learnt from the identified incident to ensure that similar cases do not occur in the future.

The Company pledges to consider the identification of potential focus areas and resilience related to biodiversity in its 2026 sustainability report, drawing on the latest DMA results. The Group is also exploring options for measures to support the conservation of swallows' natural habitats, both during thermal insulation works on residential buildings and at the Sárszentmihály site, supporting biodiversity conservation.

## Circular economy

### Resource outflows and waste associated with products

The Group pays particular attention to optimising material use, increasing the efficiency of waste management, and developing recycling. Product-related resource outflows include waste generated during production, emissions released during manufacturing processes, and the management of end-of-life demolition waste.

### Material impacts, risks and opportunities and their interaction to strategy and the business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E5 Resource use and the circular economy	Resource outflows associated with products and services	Recycling (e.g. reprocessing of used materials or products, reducing resource consumption and waste volumes, and promoting the circular economy)	Actual positive impact	Own operations	Medium term	The introduction and expansion of recycling practices directly contribute to reducing resource consumption and minimising waste generation, which has a positive environmental impact. Furthermore, such practices help the Company achieve its sustainability objectives by supporting the development of a circular economy, which enhances the Group's long-term competitiveness and meets increasingly stringent regulatory requirements.
E5 Resource use and the circular economy	Resource outflows associated with products and services	Recycling materials can reduce the demand for primary raw materials, thereby making the company less dependent on suppliers and the availability of natural resources.	Current opportunity	Own operations	Long-term	The use of recycled materials can reduce the costs associated with sourcing raw materials, whilst reducing dependence on suppliers. These measures contribute to improving the efficiency of manufacturing processes and reducing waste, which can have a positive impact on financial performance even in the short term.
E5 Resource use and the circular economy	Waste	Further tightening of the regulatory environment regarding waste management could pose a potential risk to the company.	Expected risk	Own operations	Long-term	The Group continuously monitors changes in the regulatory environment and strives to stay ahead of regulations through its own voluntary waste minimisation measures.

### Policies relating to circular economy E5-1, MDR-P

The **MASTERPLAST Group** does not have specific regulations regarding the circular economy, as its ISO standards – with particular reference to ISO 14001:2015 and ISO 50001:2018 – already have a direct or indirect impact on the circular economy. Operating in accordance with the requirements of these standards also supports the **MASTERPLAST Group** in preventing, mitigating or, where necessary, taking corrective action against the actual and potential negative impacts caused by the Group. Furthermore, the standards assist in managing risks and exploiting opportunities.

The scope of the ISO systems is set out in the [‘Governance’ chapter](#). Processes related to the circular economy are coordinated by the environmental engineer in the central Asset Management and Operations Department of the **MASTERPLAST Group**. During operations, feedback received as part of the annual certification process is

continuously incorporated, whilst the development of management systems takes place step by step, based on the professional observations of external certification experts and colleagues working in the field.

**The relationship between the MASTERPLAST Group’s management systems and the circular economy**

ISO	ISO 9001:2015 Quality management system	ISO 14001:2015 Environmental management system	ISO 50001:2018 Energy management system
Description of the relationship between the circular economy and the ISO system	<p>Although it focuses primarily on quality management, it contributes to the implementation of circular economy principles through extending product lifespans, reducing material loss and optimising processes.</p> <p>It has an indirect impact by monitoring the incorporation of recycled materials and ensuring quality compliance.</p> <p>Measures established under ISO</p> <ul style="list-style-type: none"> <li>- Extending product lifespan and minimising material loss.</li> <li>- Use of sustainable raw materials</li> <li>- Developing quality management processes to reduce negative environmental impacts.</li> </ul>	<p>The standard, which aims to reduce negative environmental impacts, is closely linked to the circular economy.</p> <p>Measures set out within the ISO framework</p> <ul style="list-style-type: none"> <li>- Waste minimisation and reuse of materials.</li> <li>- Sustainable resource management and a life-cycle approach.</li> <li>- Integration of environmental considerations into the supply chain.</li> </ul>	<p>Increasing energy efficiency, using renewable energy sources and optimising energy consumption support the circular economy through the sustainable use of resources and the reduction of emissions.</p> <p>Measures established under ISO</p> <ul style="list-style-type: none"> <li>- Introduction of technologies to improve energy efficiency. Reduction and optimisation of energy consumption in production processes.</li> <li>- Increasing the share of renewable energy sources.</li> <li>- Reducing CO<sub>2</sub> emissions by optimising energy use.</li> </ul>

**Measures related to the circular economy E5-2, MDR-A**

In line with the principles of the circular economy, the **MASTERPLAST Group** implemented comprehensive measures in 2025 to ensure the proper management of identified IROs, namely to optimise material usage, improve the efficiency of waste management and develop recycling opportunities. These measures are ongoing, resulting in a year-on-year increase in the proportion of recycled materials.

The recycling process not only brings environmental benefits but also yields significant results in terms of cost reduction and efficiency improvement. The incorporation of materials recovered in this way reduces raw material procurement costs, as well as waste management and disposal fees. Furthermore, optimised material usage leads to more efficient manufacturing processes, reducing production losses. On-site processing of film waste also helps to reduce occupational safety risks by minimising hazardous material handling operations.

These measures contribute to improving sustainability indicators and strengthen the Group’s position in the field of green certifications and sustainable building classifications. The use of recycling solutions not only facilitates the practical implementation of circular economy principles but also creates new business opportunities in the long term in markets based on sustainable and recycled raw materials.

The Hungarocell Green Programme remained at the heart of the sustainability strategy in Hungary in 2025, and was not only continued but also extended to glass wool products. Through the Programme, the Company collects (in cooperation with its downstream value chain) the clean polystyrene cutting waste generated during thermal insulation work, recycles it, and uses it to produce Thermobeton thermal insulation material. This solution reduces the burden on landfills, contributes to reducing carbon emissions from buildings, and provides a sustainable alternative to the use of primary raw materials. In 2025 the number of Eco Points rose by 3.6%, whilst

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the number of bags taken back increased by 23.49% compared to the previous year. Eco Points accurately reflect resource expenditure, as recycling in 2025 did not entail any further, significant use of resources.

Trends in Eco Points of the MASTERPLAST Group and collected bags between 2021 and 2025

	2021	2022	2023	2024	2025
Number of Eco Points	111	124	139	140	145
Number of bags returned (capacity of 1 bag: 0.6 m <sup>3</sup> )	4,688	7,414	10,394	10,475	12,936

95% of the waste generated during manufacturing processes can be recycled or reused, and the company continuously documents both the volume of this waste and the proportion of materials recycled. The volume of film scrap processed by the recycling system and the proportion of it reused can be accurately tracked during production planning, enabling optimised material flow and a more efficient use of resources. Digital records of waste generation, processing and recycling ensure transparency and the measurability of sustainability performance. In addition, the Company conducts analyses that facilitate the continuous improvement of waste management. The **Group’s** commitment to sustainable operations is also evidenced by the ISO 14001 environmental management system and other sustainability certifications.

During XPS production in 2025 approximately 1,988,904 kg of internal recycled material (generated during the company’s own production) was incorporated into the products. Of the external recycled material, which the company purchased in the form of regranulate from the upstream value chain, 962,503.6 kg was incorporated into manufactured products.

To optimise packaging materials, the company prepared for the introduction of the EEOS system in 2023 and, accordingly, submitted its first mandatory data report in 2024. During the review of packaging practices, the focus was on the conscious use of packaging materials which contributes to waste reduction and sustainable operations. The Company monitors developments in the regulatory environment relating to waste management and, thanks to the increasing proportion of recycled materials and the decreasing volume of waste, is becoming less and less exposed.

**Circular economy and resource use targets E5-3, MDR-T**

The Company aims to reduce material loss and specific energy consumption arising from production, increase the proportion of recycled raw materials and the use of renewable energy sources, and promote the principles of the circular economy both in its own operations and throughout the supply chain.

It planned to publish more specific targets relating to resource outflows from the 2025 financial year onwards. As part of its green innovation initiatives, the company plans to use 500 tonnes of recovered cutting waste in XPS production by 31 December 2026, which will contribute to waste reduction and a reduction in the use of primary resources. The current objective does not directly cover the promotion of circular product development, the increase in the proportion of circular material use, or the promotion of sustainable procurement practices. In 2025 the MASTERPLAST Group used 1,988,904 kg of recovered cutting waste in XPS production. In doing so, it exceeded the original target and is exploring opportunities for further improvement. The target is primarily linked to the ‘prevention’ level of the waste hierarchy.

The definition of the target is based on practical, operational experience and internal performance evaluation; it does not rely on a science-based methodology. Internal stakeholders were involved in defining the objective, with

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particular regard to staff from the central Asset Management and Operations Department of **MASTERPLAST** who possess the necessary professional insight and expertise to set well-founded and realistic targets.

**MASTERPLAST** defines its sustainability targets in a company-specific and practice-oriented manner, in line with international and EU policy guidelines, taking into account the broader context of sustainable development and local environmental conditions. When weighing up the targets, it applies the following methodologies and assumptions:

- **Scenario-based planning:** The Group develops its long-term sustainability strategy by taking into account future trends in climate change, the circular economy and waste reduction.
- **Data sources:** The Group's objectives have been defined on the basis of internal business analyses, feedback from stakeholders, reports by independent experts and the requirements of EU directives.
- **Policy alignment:** Its sustainability initiatives have been developed in line with the European Union's climate strategy, the objectives of the Green Deal and the EU's requirements regarding the circular economy.
- **Consideration of local conditions:** Environmental regulations applicable in the Group's areas of operation and the sustainability needs of local communities also play a role in defining the objectives.

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Resource flows assessed against sustainability objectives:

Resource flow	MASTERPLAST's practice	Link to sustainability	Measurability / Traceability
Resource inflow	MASTERPLAST is using an increasing proportion of recycled plastics and secondary raw materials in the manufacture of insulation materials and roofing membranes.	This reduces the use of virgin raw materials, minimises environmental footprint and supports the circular economy.	<b>Indicator:</b> Proportion of recycled raw materials compared to total raw materials used (%) <b>Measurement method:</b> Analysis of supplier data and internal material usage reports
Production waste	Recycles insulation and film scraps generated during production into new products and optimises manufacturing processes to minimise waste.	Internal recycling reduces production losses, meaning less waste is sent to landfill or incinerated.	<b>Indicator:</b> Volume of production waste (tonnes/year) <b>Measurement method:</b> Regular monitoring of waste generated during manufacturing processes and analysis of internal reports
Product use phase	The insulation materials of MASTERPLAST contribute to improving the energy efficiency of buildings, thereby reducing energy requirements for heating and cooling.	Lower CO <sub>2</sub> emissions can be achieved during the operation of buildings, ensuring more sustainable operation in the long term.	<b>Indicator:</b> Energy savings in buildings through the use of MASTERPLAST insulation materials (kWh/m <sup>2</sup> ) <b>Measurement method:</b> Data collection based on independent expert studies and customer feedback
End of useful life	MASTERPLAST Group products (e.g. thermal insulation systems) can be selectively collected and partially recycled after demolition, and the company is developing its take-back systems.	By reducing demolition waste and keeping materials in circulation, it mitigates the environmental impact of construction waste.	<b>Indicator:</b> Proportion of recycled construction waste from recovered materials (%) <b>Measurement method:</b> Analysis of the results of the company's own collection programmes

The results for 2025 are exemplary, as 23.16% of the raw materials used in production came from recycled sources (in the form of internal and external recycled materials) – compared to 18% in 2024, this represents an improvement of 5.16 percentage points in a single year. Excluding PIMCO Ltd this ratio is 21.23% in 2025. The Group aims to further increase this ratio in line with the EU's circular economy guidelines. The **MASTERPLAST Group** therefore plans to set specific circular economy targets – for example, regarding the proportion of recycled raw materials used – and will also develop the necessary action plans. Through these steps, the Group will further reduce the volume of materials sent to landfill and increase material efficiency, thereby contributing to the sustainable use of resources.

As part of its internal sustainability measures, the Group has commenced the preparatory work necessary to define further specific environmental commitments and targets, in conjunction with the ongoing development of Group-level data collection and processing.

The **Group's** sustainability objectives consist of legal obligations and voluntary commitments. It manages the collection of construction waste and the reduction of CO<sub>2</sub> emissions in accordance with legal requirements, whilst voluntarily committing to, for example, an increased use of recycled raw materials and the development of a sustainable supply chain.

Through the continuous development of the Hungarocell Green Programme, **MASTERPLAST** aims to expand the network of Eco Points and significantly increase the volume of collected offcuts, whilst exploring new applications

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and planning to use recycled material in its own XPS production. In 2025 the Group extended the Hungarocell Green Programme to include glass wool products.

As the Group has committed to communicating a quantitative target by 2025, it will be able to report on further measurable results from the next report onwards.

**Resource outflows E5-5**

In raw material procurement **MASTERPLAST** gives preference to suppliers who ensure stable quality and operate with low scrap rates. Non-conforming fleece and trilaminate materials generated during production are processed on the Group's own recycling line, converting them into 100% recyclable recycled granulate. This granulate is reintroduced into the production process at a rate of 0–40%, whilst any surplus is sold to partners who use recycled materials. To reduce the environmental impact of auxiliary materials, the Group uses water-based inks, which are reused after dilution. In packaging, the Company recycles half-rolls, reuses pallets and uses uncoated labels.

The product range includes 2- and 3-layer films, fleeces (in natural and coloured versions), as well as their UV-resistant and flame-retardant variants. The company fully recycles or reuses materials that are not of saleable quality. Recycled material produced during the manufacturing process is also fed back into the production line, whilst Linopore and polypropylene raw materials ensure the products' durability and reusability. Auxiliary materials, such as water-based dyes, UV and FR additives, minimise the environmental impact. Among the packaging materials paper tubes, pallets, strapping, films, labels and edge protectors all offer opportunities for recycling and reuse, meeting the requirements of ISO 9001, 14001, 13485 and 50001 standards.

Key products in the production process of Masterprofil Gyártó és Kereskedelmi Ltd are plasterboard profiles (UW/CW 50-75-100, CD 27/60 and UD 22-27) manufactured by cold-forming galvanised sheet metal of various thicknesses. These profiles are manufactured in accordance with the principles of durability, dismantlability and reusability, ensuring a long service life and easy installation. 100% of the technological waste and defective profiles generated during the manufacturing process are collected and recycled through external partners. The product packaging is made entirely from recyclable materials (wood, PP plastic strapping, steel strapping), thereby reducing the environmental impact.

The skirting board starter profiles are made from pre-cut aluminium (ALU) strips, available in various thicknesses and widths (50–250 mm). From a circular economy perspective, these products are also manufactured with durability and reusability in mind. Defective ALU profiles and production waste generated during manufacturing are 100% returned to the circular economy via external recycling partners. The profiles are also packaged sustainably, using only recyclable materials (wood, stretch film), optimising material usage and reducing the environmental footprint of production.

Proportion of recycled materials used in production in 2024 and 2025

Relevant sites within the MASTERPLAST Group	Proportion (%) 2024	Proportion (%) 2025
Masterplast Membrane Ltd	2.20	7.00
Masterplast Insulation Ltd	100.00	n.a.
Fidelis BAU Ltd	100.00	n.a.
Masterplast YU D.o.o	100.00	100.00
Masterplast Nonwoven GmbH	63.50	2.52
Masterplast Italia Srl.	~ 5.00	10.00
T-CELL Plasztk Ltd (Zalaegerszeg)	11.00	0.00
T-CELL Plasztk Ltd (Hajdúszoboszló)	9.00	9.00
PIMCO Ltd	-	7.5
Masterprofil Manufacturing and Trading Ltd	n.a.	0.00
Masterplast Proizvodnja D.o.o.	n.a.	100.00

Product groups and related quality certificates<sup>20</sup>

2-layer films, fleeces (natural and coloured)	ISO 9001, 14001, 13485, 50001
2-layer films, fleeces (natural and coloured) materials of non-saleable quality	ISO 9001, 14001, 13485, 50001
3-layer films, trilaminates (natural, coloured, with UV and/or FR additives)	ISO 9001, 14001, 13485, 50001
3-layer films, trilaminates (natural, coloured, UV- and/or FR-modified materials of non-marketable quality)	ISO 9001, 14001, 13485, 50001
Linopore	ISO 9001, 14001, 13485, 50001
Recycled material	ISO 9001, 14001, 13485, 50001
Raw materials (polypropylene)	ISO 9001, 14001, 13485, 50001
Colourants (water-based)	ISO 9001, 14001, 13485, 50001
UV additives	ISO 9001, 14001, 13485, 50001
FR flame retardant additives	ISO 9001, 14001, 13485, 50001
Paper tubes	ISO 9001, 14001, 13485, 50001
Pallets	ISO 9001, 14001, 13485, 50001
Strapping	ISO 9001, 14001, 13485, 50001
Films (shrink and stretch, half-tube)	ISO 9001, 14001, 13485, 50001
Labels (paper, self-adhesive)	ISO 9001, 14001, 13485, 50001
Edge protectors	ISO 9001, 14001, 13485, 50001

The scope of the ISO certificates of the MASTERPLAST Group is set out in the ‘Governance’ section.

Expected service life of products marketed by the MASTERPLAST Group compared to the industry average for each product group

	Expected service life of product groups (industry average) <sup>21</sup>	Expected service life of products manufactured by MASTERPLAST (compared to the industry average)
EPS	>50 years	>50 years*
XPS	>50 years	>50 years*
Glass fibre	>50 years	>50 years*
Roofing membrane	30 years (>25 years)	30 years (>25 years) *
Glass wool	> 50 years	> 50 years*

\*When installed correctly, based on available data. In accordance with industry standards.

<sup>20</sup> The MASTERPLAST Hungarocell Green Programme is a circular economy model operating within a certified system in accordance with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Ltd in the Hungarian construction industry. This solution has also been recognised with several sustainability awards granted by objective, external parties.

<sup>21</sup> The industry-average expected service life was determined on the basis of the Environmental Product Declarations (EPDs) available for construction products, taking into account the reference values provided by individual manufacturers.

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The product is 100% recyclable in its pure form in the case of EPS, XPS and fleece. In the case of insulation materials, the concept of reparability is not logically applicable. Based on practical experience, packaging materials are 100% recyclable, whilst manufacturing by-products are approximately 95% recyclable. However, end-of-life management of products currently poses challenges, primarily due to cement and other construction material residues adhering to the products during the demolition process, which limit their material recovery potential.

The Company expects improvements in this area from technological advancements and progress in industry-wide solutions. Furthermore, the long service life of the products in itself contributes to the prevention of waste generation and the reduction of waste volumes.

Self-reported data on waste is available on a quarterly basis for the entire Group, broken down by waste categories (hazardous, recyclable, and disposal), and data collection is also carried out by waste type. In 2024 there were still entities for which data broken down by waste type was not available. As comprehensive and detailed data reporting is guaranteed from 2025, meaningful comparability between categories is possible from that year onwards. To ensure comprehensive data reporting based on a uniform methodology, 2025 is to be considered the base year for future trend analysis.

In 2025 the Group generated a total of 1,956,560 kg of waste, representing a 32.7% reduction compared to the 2,905,588 kg of waste generated in 2024<sup>22</sup>.

The volume of non-recycled waste in 2024 was 1,552,013 kg, representing 53% of the total waste generated. In 2025 1,216,524 kg of waste was not recycled, representing 62.2% of the total waste generated. Although the total amount of waste has essentially decreased, the recycling rate has fallen. Recycling is carried out by an external partner, without the direct involvement of the Group.

Among the main waste types, 111,818 kg of municipal waste was generated in 2024<sup>23</sup>, accounting for nearly 4% of the total waste volume. In 2025 105,023 kg of municipal waste was generated, accounting for 5.4% of the total waste volume.

The total weight of **non-hazardous waste generated** in 2025 was 1,886,397 kg, with packaging paper (465,957 kg) and wood (591,754 kg) waste standing out. In addition, 390,367 kg of non-hazardous waste was classified under the 'Other non-hazardous waste' code. A significant proportion of this category can be attributed to manufacturing processes, as the edges of the material generated from cutting waste during the use of glass fibre cannot be recycled.

Other significant non-hazardous waste includes plastic packaging waste (147,629 kg<sup>24</sup>), iron and steel waste (102,938 kg) and office paper waste (7,710 kg<sup>25</sup>). In 2025 nearly 38% of non-hazardous waste (715,281 kg) was recycled in some form, which, however, represents a 10 percentage point decrease compared to the 48% recorded in 2024. In addition, 1,171,116 kg of non-hazardous waste was disposed of through various processes in 2025.

The total weight of **hazardous waste generated** was 70,163 kg, which accounted for less than 4% of the total waste generated, similar to the previous year. More than 35% of the hazardous waste was recycled (24,755 kg), whilst 64.72% was disposed of (45,408 kg). The recycling rate for hazardous waste in 2024 was nearly 25%, which also decreased. In 2025 of the recycled hazardous waste, 110 kg was prepared for recycling, whilst 24,645 kg was

<sup>22</sup> No data is available for Masterplast Dooel Kicevo for the year 2024. From 2025 onwards, their data will also be included in the report.

<sup>23</sup> No data is available for Masterplast Italia Srl. and Masterplast Dooel Kicevo for the year 2024. From 2025 onwards, their data will also be included in the report. The municipal waste data of PIMCO Kft. is based on estimates derived from the weight of the containers, which result in the best available data.

<sup>24</sup> No data is available for 2024 regarding Masterplast Italia Srl. and Masterplast Dooel Kicevo. From 2025 onwards, their data will also be included in the report.

<sup>25</sup> No data is available for 2024 for Masterplast Italia Srl and Masterplast Nonwoven GmbH. From 2025 onwards, their data will also be included in the report.

recycled in other ways. Of the disposed hazardous waste, 44,079 kg was disposed of by incineration and 1,329 kg by landfill.

The total volume of hazardous waste generated by the entire Group was 70,163 kg in 2025.

The total amount of radioactive waste generated by the entire Group was 0 kg in 2025.

The significant volume of waste disposed of/landfilled can be attributed to manufacturing processes, as it is not possible to recycle the edges of the material from the cutting waste generated during the use of glass fabric.

Waste generated by the organisation is transported by a contracted third party for all Group companies, and waste management is carried out in accordance with legal requirements. The recovery and disposal of waste always takes place off-site.

MASTERPLAST Group waste data <sup>26</sup>

Type and quantity of waste (kg)	2024	2025
<b>A. Waste intended for recovery</b>	<b>1,353,575.24</b>	<b>740,036.00</b>
- A.1. Hazardous waste	20,036.00	24,755.00
- A.1.1. Preparation for recycling	5,536.00	110
- A.1.2. Other recovery operations	14,500.00	24,645.00
- A.2. Non-hazardous waste	1,333,539.24	715,281.00
- A.2.1. Preparation for recycling	1,032,572.24	n.a.
- A.2.2. Other recovery operations	0.00	n.a.
<b>B. Waste disposed of</b>	<b>1,552,013.00</b>	<b>1,216,524.00</b>
- B.1. Hazardous waste	61,757.00	45,408.00
- B.1.1. Disposed of in landfill	6,599.00	1,329.00
- B.1.2. Disposed of by incineration	55,523.00	44,079.00
- B.2. Non-hazardous waste	1,448,477.00	1,171,116.00
- B.2.1. Disposed of in landfill	1,431,255.00	n.a.
- B.2.2. Disposed of by incineration	322.00	n.a.
<b>Other</b>		
Quantity of radioactive waste	0.00	0.00
Total quantity of non-recycled waste	1,552,013.00	1,216,524.00
Proportion of non-recycled waste relative to the total amount of waste generated	53.41%	62.2%

In the case of non-hazardous waste, sufficient information was not available in 2025 to confirm that it had been prepared for recycling or subjected to other recovery operations. The Group is not aware of any disposal methods other than those mentioned above.

There were no significant changes in 2025 compared to 2024 regarding major waste categories.

<sup>26</sup> The 2024 data were provided in accordance with the following methodology: Data were collected at the various sites of the MASTERPLAST Group; the measured data were provided by the data managers of the responsible departments based on the annual waste report, resulting in group-level data. The 2024 data on raw materials and finished products used in production, scrap and recycled quantities are derived from the following production units:

MASTERPLAST Plc, Masterplast Hungária Ltd, Masterplast International Ltd, Masterplast Membrane Ltd, Masterplast Modulhouse Ltd, Masterplast Insulation Gyártó és Ker. Ltd, Masterprofil Gyártó és Kereskedelmi Ltd, Fidelis BAU Ltd, Masterplast YU D.o.o. Masterplast d.o.o., Masterplast Proizvodnja D.o.o., Masterplast Doel Kicevo, Masterplast Sp. z o.o., Masterplast s.r.o., Masterplast Nonwoven GmbH, Masterplast Romania S.R.L., Masterplast Ukraine, Masterplast Italia Srl., T-Cell Plasztk Ltd Zalaegerszeg, T-Cell Plasztk Ltd Hajdúszoboszló. The 2025 data reporting was carried out using software, during which the data of all relevant entities were recorded.

## Sustainable products <sup>27</sup>

The **MASTERPLAST Group** is committed to developing sustainable construction solutions, as these not only play a key role in reducing environmental impact but also offer more sustainable solutions for the long term to the users of our products.

### Material impacts, risks and opportunities *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information
Product quality and sustainability	Gaining a competitive advantage through sustainable products. E.g.: We collect clean cutting waste through our partners, transport it free of charge, and use it to produce a new thermal insulation material, Thermobeton. The Hungarocell Green Programme complies with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Kft.	Actual positive impact	Own operations	Medium term	The <b>MASTERPLAST Group</b> places particular emphasis on ensuring that its products meet the most stringent quality and sustainability requirements. The practices implemented under the Hungarocell Green Programme comply with the requirements of the MSZ EN ISO 14001:2015 standard, thereby ensuring environmentally friendly operations. In addition, the quality of the insulation materials manufactured by the <b>MASTERPLAST Group</b> is continuously monitored and certified to ensure they comply with energy efficiency and construction industry standards, thereby reinforcing sustainability considerations and customer confidence.

### Policies relating to sustainable products *MDR-P*

ISO standards support professional operations relating to sustainable products. Systems compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 ensure the consistent and reliable quality of sustainable products. In addition, the **MASTERPLAST Group** applies a strict quality management system (ISO 13485:2016) for medical devices, whilst the Hungarocell Green Programme complies with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Kft.

<sup>27</sup> This section has been identified as a company-specific material topic for which there is no corresponding ESRS standard element. The information and key performance indicators (KPIs) presented here have been defined and monitored at company level.

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The following products have an EPD declaration:

- EPS
- XPS
- glass fibre mesh
- fleece (Fleece, Bilaminate, Trilaminat) products.

EPDs ensure that environmental impacts are minimised during the manufacturing, use and waste management stages in the coming years. For each product range, the EPD and LCA documents certify that hazardous substances subject to notification under the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals, EC 1907/2006) are not used, and that a significant proportion of the recovered cutting waste generated during manufacturing processes is recyclable or suitable for energy recovery. The best practices employed and continuous environmental performance monitoring enable the effective achievement of sustainability goals, whilst the **MASTERPLAST Group** further strengthens its market position in the EU's eco-friendly building materials market.

It is worth noting that, in addition to all this, during the reporting period Masterplast Membrane Ltd was awarded the Hungarian Innovator Trademark which recognises its contribution to long-term sustainable and innovative Hungarian economic activity. This recognition is awarded to domestic companies that make a significant contribution to the development of the Hungarian economy through their outstanding innovation achievements, export performance and high productivity. The Thermomaster Facade Thermal Insulation System, meanwhile, holds the ÉVOSZ Premium Hungarian Building Material trademark.

**Measures relating to sustainable products MDR-A**

- In its 2023 ESG Report the Company informed its stakeholders of its plan to obtain Environmental Product Declarations (EPDs) for its strategic products. Following the commencement of preparatory work, it took active steps in 2024 to obtain the EPDs. During the preparation of this sustainability report, the registration of five EPDs for the Group was completed, thereby transparently verifying the environmental performance of the products. EPDs verify the environmental performance of products throughout their entire life cycle, whilst LCAs provide detailed data on the environmental impacts of the manufacturing, use and end-of-life stages. In 2024 the EPD documents were completed for the white and grey (graphite) EPS (expanded polystyrene) and XPS (extruded polystyrene) thermal insulation products of **MASTERPLAST**. In 2025 the Group obtained further EPD documents for glass fabric mesh products (LENO, KNITTING) and for fleece products (Fleece, Bilaminate and Trilaminat products).
- In 2024 the Company placed particular emphasis on ensuring that its products were included in the ÉMI (Non-profit Limited Company for Quality Control and Innovation in Building) Database of Key Construction Products in Hungary. Consequently, within the framework of the Home Renovation Programme, the presence of **MASTERPLAST Group** products reached a wider circle of renovators and also served as a guarantee of quality, as products had to meet the environmental certification criteria of ÉMI to be included in the database, thereby confirming their quality and environmentally friendly properties. All this increased the credibility and appeal of the **MASTERPLAST** products among conscious consumers. The commitment to sustainable products was also confirmed by the ÉMI Simplified Environmental Certification (EKM) awarded to numerous products<sup>28</sup>. The aim of the certifications issued by ÉMI is to provide transparent and easily accessible information on the environmental impacts of construction products, thereby supporting users in selecting sustainable building materials and contributing to the spread of sustainable construction practices.
- The Group is exploring the possibilities of introducing products bearing a green logo (certification), taking into account the Hungarian GVH Green Marketing regulations and EU regulations. No specific measures were launched in 2025 beyond this.

<sup>28</sup> Further details: <https://www.termekinfo.emi.hu/epitesi/termekek?filter%5Bmanufacturerid%5D%5BisAnyOf%5D%5B0%5D=17&ps=50>

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Key performance indicators and targets in the field of sustainable products MDR-M, MDR-T

The **MASTERPLAST Group** focuses on the introduction of products that meet sustainability criteria, thereby supporting the promotion of responsible consumption alongside environmental indicators. EPD certificates ensure the publication of accurate environmental data in line with sustainability targets, which is essential for compliance and competitiveness in European markets.

Key Performance Indicator (KPI)	Result achieved in 2025	Target
Products with an EPD	Obtaining 5 Environmental Product Declarations (EPDs) <i>Further details:</i> Grey EPS (expanded polystyrene) thermal insulation sheet <a href="https://www.environdec.com/library/epd20110">https://www.environdec.com/library/epd20110</a> White EPS (expanded polystyrene) thermal insulation sheet <a href="https://www.environdec.com/library/epd10011">https://www.environdec.com/library/epd10011</a> XPS (extruded polystyrene) thermal insulation product <a href="https://www.environdec.com/library/epd20112">https://www.environdec.com/library/epd20112</a> Glass fibre mesh (KNITTING) <a href="https://www.environdec.com/library/epd20112">EPD-IES-0021549:001 Glass fibre mesh (KNITTING)   EPD International</a> Glass fibre mesh (LENO) <a href="https://www.environdec.com/library/epd20112">EPD-IES-0021520:001 Glass fibre mesh (LENO)   EPD International</a> Bilaminate Process data set: Bilaminate (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts Trilaminate Process data set: Trilaminate (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts Fleece Process data set: Fleece (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts	The aim is for the Company to hold an environmental product declaration for all insulation materials used in its own manufactured products by 2030.

The Group’s flagship products, EPS (expanded polystyrene) and XPS (extruded polystyrene) insulation materials, play a significant role in reducing energy consumption in buildings. These products deliver energy savings of up to 90% by reducing heating and cooling costs, thereby directly contributing to the reduction of CO<sub>2</sub> emissions.<sup>29</sup> Glass fibre meshes (LENO and KNITTING) contribute to the durability and energy efficiency of buildings by reinforcing facade insulation systems. Their use reduces heat loss from buildings, thereby lowering energy requirements for heating and cooling, which results in lower carbon dioxide emissions and cost savings. Fleece products (Bilaminate, Trilaminate, Fleece) minimise heat transfer through walls and structures, thereby reducing energy requirements for heating and cooling.

The associated Environmental Product Declarations (EPDs) and Life Cycle Assessments (LCAs) are in line with the **Group’s** sustainability and EU net-zero emission targets, the principles of the circular economy, and the sustainable fulfilment of market demand.

The environmental impacts of **MASTERPLAST** sustainable products are primarily linked to the energy requirements of the manufacturing processes, the types of materials used, and the life-cycle impacts arising from their use in the construction industry. According to the LCA documents, the greatest environmental impacts of the manufacturing process stem from energy consumption and the processing of raw materials. However, the products’ long service life, durability and recyclability provide long-term environmental benefits. The EPDs highlight that the products have a minimised environmental impact throughout their entire life cycle, whilst complying with the strictest European environmental regulations.

<sup>29</sup> Source: <https://galiandras.hu/hoszigeteles-vastagsagok>

### Quantitative data and their explanation

**EPS products** have a thermal conductivity of 0.038 W/mK and a lifespan matching that of buildings, which can be up to 100 years.

Both white and grey (graphite) EPS products – such as EPS 30, EPS 70, EPS 80, EPS 80G and EPS 100N – contribute to improving the energy efficiency of buildings thanks to their excellent thermal insulation properties. During the manufacture of EPS products, the most significant environmental factor is the production of raw materials, which accounts for 42 per cent of the global warming potential (GWP). The EPD highlights that these products retain their technical properties for up to 100 years, whilst minimising carbon dioxide emissions from buildings. In the production of EPS, the **MASTERPLAST Group** strives to optimise energy consumption, recycle collected off-cuts and continuously reduce environmental emissions.

**XPS products** are mainly used for the thermal insulation of basements, cellar walls, plinths, and low- and medium-load floors. XPS boards have outstanding mechanical strength and water resistance, making them ideal for areas where the use of conventional EPS is not recommended. The global warming potential (GWP) of XPS products<sup>30</sup> is 6.51 kg CO<sub>2</sub> equivalent/m<sup>2</sup> during the manufacturing process.

**Glass fibre mesh** products are primarily used in external wall insulation systems to reinforce cement-based levelling and bedding layers, where they indirectly contribute to improving the energy efficiency of buildings and reducing heating and cooling requirements. A modern external thermal insulation system can reduce the heating energy demand of an average building by 44%<sup>31</sup>. Although they are not currently recyclable at the end of their life cycle, their 50-year design life supports the long-term structural durability of buildings and reduces greenhouse gas emissions during operation.

For the LENO type, the GWP value during production is 3,270 kg CO<sub>2</sub>-equivalent per thousand kilograms, whilst for the KNITTING product it is significantly higher at 5,580 kg CO<sub>2</sub>-equivalent per thousand kilograms, which is mainly due to the more material- and energy-intensive production process. For both products, the greatest environmental impact is linked to the production of raw glass fibre, whilst at the end of the life cycle, disposal contributes to a further, albeit smaller, GWP contribution.

**Fleece, bilaminate and trilaminate** products are polymer-based, functional building materials primarily used in roof and façade structures. Although they do not possess direct thermal insulation properties, they indirectly contribute to the energy efficiency of buildings and the reduction of energy consumption during operation by ensuring the functionality and durability of thermal insulation systems.

- Fleece products act as a separating, protective or levelling layer. Their role is to provide mechanical protection, ensure compatibility between layers, and, in certain cases, regulate vapour flow. They help maintain the physical integrity of the insulation, reducing performance degradation caused by damage or moisture.
- A bilaminate is a two-layer membrane that typically performs a waterproofing and/or vapour-retardant function. By controlling moisture ingress into the structure and providing protection against external precipitation, it contributes to the long-term stability of the layer system. The presence of moisture can significantly impair the thermal conductivity of insulation materials; therefore, proper moisture control has a direct impact on maintaining energy efficiency.
- Trilaminate is a three-layer, typically waterproof yet vapour-permeable membrane. The outer layers provide mechanical protection, whilst the intermediate functional layer ensures controlled vapour transmission. This design is particularly important in roof and façade systems, where keeping the thermal insulation dry is a fundamental requirement for optimal thermal performance.

<sup>30</sup> GWP: Global Warming Potential

<sup>31</sup> Source: [How to stay warm and save energy: Insulation opportunities in European homes < BPIE - Buildings Performance Institute Europe](#)

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Based on EPD-based life cycle assessments, the most significant environmental impact for all three products is linked to the manufacturing stage, primarily due to the production of fossil-based polymer raw materials and energy consumption. The majority of the global warming potential (GWP) stems from this phase, whilst the end-of-life stage – typically energy recovery or landfill – accounts for a smaller proportion of the additional impact.

**Environmental characteristics of products**

The **MASTERPLAST Group** determines the environmental characteristics of its products in accordance with the ISO 14025:2006 and EN 15804:2012+A2:2019 standards. The EPDs and LCAs for glass fibre mesh, EPS and XPS products provide detailed information on emissions, energy consumption and waste management during the manufacturing processes. These documents ensure that the products comply with EU environmental requirements throughout their entire life cycle.

The quality management system ensures the environmental compliance of products at every stage of the manufacturing process. In the manufacture of ISO 13485-certified medical devices, the **MASTERPLAST Group** pays particular attention to minimising waste and reducing environmental impacts.

EPD and LCA documents help to facilitate the implementation of the circular economy within the **MASTERPLAST Group**. Life cycle assessments enable the optimisation of manufacturing processes, increased energy efficiency and reduced material consumption, whilst EPDs ensure the transparent presentation of products' environmental impacts. This data helps to increase recycling rates and the incorporation of secondary raw materials, thereby contributing to a more closed-loop material cycle and the spread of sustainable construction practices.

**Modular construction solutions and sustainability**

The **MASTERPLAST** modular building system is an outstanding example of sustainable product development, as it minimises the environmental impact of construction whilst offering energy-efficient and long-lasting solutions. The prefabricated modules reduce the labour and material required for on-site construction, thereby minimising the amount of construction waste and ecological footprint. Sustainability considerations permeate the entire manufacturing process: the modules are produced in an optimised environment, independent of weather conditions, which contributes to the efficient use of resources and the fulfilment of high-quality standards. Furthermore, the compact design, optimised for road transport, helps to reduce the carbon footprint of logistics processes. Further information:

<https://masterhouse.hu/>

## EU Taxonomy

Disclosure under the EU Taxonomy refers to the information reporting requirements set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (hereinafter: Taxonomy Regulation), and also encompasses the regulations set out in the delegated Commission Regulations governing the content and format requirements for such disclosures.<sup>32</sup> The detailed rules on disclosure are set out in Delegated Regulation (EU) 2021/2178, more commonly known as the Disclosure Regulation (2021). With regard to the scope of disclosure relating to the EU Taxonomy, this covers the full consolidation scope of the **MASTERPLAST Group** and does not extend to other companies within the capital consolidation scope. Pursuant to Article 8 of the Taxonomy Regulation, non-financial undertakings must disclose information on the proportion of their revenue derived from products or services related to economic activities classified as environmentally sustainable under Articles 3 and 9; as well as the proportion of their capital expenditure and operating costs relating to assets or processes associated with environmentally sustainable economic activities as defined in Articles 3 and 9.

### The purpose of the EU Taxonomy framework and its application by companies

The European Union Taxonomy Regulation (2020/852/EU) establishes a uniform classification system for identifying environmentally sustainable economic activities. Its aim is to promote sustainable investment and the green transition, and to increase the transparency of corporate activities by defining precise criteria for activities that make a significant environmental contribution. Accordingly, the **MASTERPLAST Group** analysed its own activities for the 2025 financial year and prepared its EU Taxonomy report as part of the sustainability report to be published in the financial statements following the process outlined below.

In determining the relevant activities, in accordance with the European Union regulation, those economic activities are considered environmentally sustainable which contribute significantly to the achievement of at least one specific environmental objective, whilst not causing significant harm to any of the remaining five environmental objectives. It is also a requirement that the Company meets minimum social safeguards.<sup>33</sup>

### Identification of taxonomy-aligned activities and the alignment process

To comply with the EU Taxonomy disclosure requirements the **MASTERPLAST Group** assessed its operations in several stages. In doing so, it carried out the following main analytical steps:

- Identification of activities (alignability assessment): The company identified its economic activities that potentially fall within the scope of the EU Taxonomy. The assessment focused on the manufacture of thermal insulation materials (3.5. Manufacture of energy efficiency equipment for buildings), as EPS (expanded polystyrene) and XPS (extruded polystyrene) products contribute significantly to improving the energy efficiency of buildings. These in-house product ranges were identified as economic activities relevant from a taxonomy perspective. The identification of activities relevant from a taxonomy perspective was based on the company's TEÁOR/NACE codes and the contribution of each activity to turnover. To examine the TEÁOR/NACE codes, the Company used the general ledger account numbers. As a result, the manufacture of EPS and XPS thermal insulation materials was identified as relevant from a taxonomy perspective, i.e. an economic activity that can be aligned with the taxonomy. The Company also examined solar panel installations from the perspective of adaptation to climate change (4.1).

<sup>32</sup> (EU) 2021/2178 Commission Delegated Regulation – Disclosure Delegated Act; (EU) 2021/2139 Commission Delegated Regulation – Technical Assessment Criteria Regulation (Climate Delegated Act); 2023/2485 Commission Implementing Regulation – Technical Criteria Update Regulation, amending the previous Commission Delegated Regulation (EU) 2021/2139; (EU) 2023/2486 Commission Delegated Regulation – Environmental Policy Delegated Act

<sup>33</sup> Six environmental objectives set out in the EU Taxonomy: 1. climate change mitigation; 2. climate change adaptation; 3. sustainable use and protection of water and marine resources; 4. promoting the transition to a circular economy; 5. prevention and reduction of pollution; 6. protection and restoration of biodiversity and ecosystems.

However, sufficient data was not available for a comprehensive assessment of the SC and DNSH criteria – particularly regarding the recyclability and degradation of the panels – so this will be obtained next year.

- Assessment of alignment with the taxonomy: The **MASTERPLAST Group** compared the activities identified in this way with the technical screening criteria of the EU Taxonomy. The **Group** identified two economic activities aligned with the taxonomy: the manufacture of EPS and XPS thermal insulation materials. These activities contribute significantly to the EU Taxonomy's environmental objective of climate change mitigation. An assessment was carried out to determine whether the manufacture of EPS and XPS insulation materials meets the criteria for climate change mitigation. The Group assessed the technical parameters (e.g. thermal conductivity) and areas of application of the products to verify that they significantly reduce the energy demand of buildings.
  - Analysis of environmental contribution: It has been established that EPS/XPS production as an activity makes a significant contribution (Significant Contribution – SC) to climate change mitigation out of the six environmental objectives defined by the EU Taxonomy. It does not make a direct significant contribution to other environmental objectives (e.g. climate change adaptation, water and marine resources, the circular economy, pollution prevention, biodiversity); therefore, for the activities under review, the Company primarily applied the SC criteria in relation to climate mitigation.
  - Assessment of DNSH criteria: In accordance with the requirements of the Taxonomy<sup>34</sup>, the Company assessed whether the listed activities cause significant adverse impacts on the achievement of other environmental objectives (Do No Significant Harm – DNSH principle). The assessment covered the environmental impacts of EPS/XPS production, including energy consumption, emissions, waste management and other potential impacts of the manufacturing processes. It was confirmed that, provided relevant environmental regulations are complied with, the production of insulation materials does not cause significant harm to the achievement of any other environmental objectives. For example, the technologies used in the production of EPS in Kál and EPS and XPS in Szabadka comply with EU regulations (e.g. the use of blowing agents with a lower environmental impact in the case of XPS), ensuring that the activity does not come at the expense of water, the circular use of raw materials, pollution prevention or biodiversity.
  - Assessment of Minimum Social Safeguards: The Group also examined compliance with minimum safeguards in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights (Minimum Social Safeguards – MSS). As part of this, the policies and practices of the **MASTERPLAST Group** relating to labour rights, occupational health and safety, business ethics, taxation and anti-corruption measures were reviewed. Internal regulations and control mechanisms ensure that sustainability goals are achieved in a socially and governance-responsible manner, in line with the minimum requirements of the Taxonomy. The **Group** demonstrates responsible business conduct in accordance with international conventions on human rights. This is set out in its Human Rights Policy, Code of Ethics and Supplier Code of Conduct and Ethics.

Further details: <https://www.masterplastgroup.com/vallalatiranyitas/>

- Calculation of financial indicators: Finally, the **Group** has determined the proportion of revenue, capital expenditure and operating expenses compatible with the Taxonomy for the year 2025. The calculations

<sup>34</sup> The activity's compliance with the technical screening criteria was assessed on the basis of the relevant points in Annex I to Commission Regulation (EU) 2021/2139.

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were prepared in accordance with the methodology set out in the relevant EU regulations (2021/2178/EU). Accordingly, net revenue from EPS and XPS products has been separated within consolidated revenue, and capital expenditure (CapEx) and operating expenditure (OpEx) related to these activities and serving their sustainability have been identified. These indicators form the basis of the Taxonomy report in the financial statements.

**MASTERPLAST** prepared its report in accordance with the EU Taxonomy following strict internal processes and controls. The relevant data was collected by the company's financial and sustainability experts, who ensured its accuracy, comparability and auditability during the consolidation process. The compilation of the statements underwent internal audit, and the finalised report was approved by the company's management, guaranteeing compliance and credibility. It is important to note that the calculations and background data contained in the report were subject to external audit, thus ensuring the reliability of the information provided.

The analysis concluded that the identified eligible activities of the **MASTERPLAST Group** are fully aligned with the requirements of the EU Taxonomy. The manufacture of EPS and XPS insulation materials has been shown to make a significant contribution to the environmental objective of climate change mitigation, does not cause significant harm to any other environmental objective, and the Company's operations comply with the requirements for minimum social safeguards. This compliance forms the basis for the publication of the following financial indicators for 2025.

#### 2025 financial indicators in accordance with the EU Taxonomy

The **MASTERPLAST Group** calculates and reports the ratio indicators in accordance with the Taxonomy Regulation in 2025 for the second time, based on its consolidated financial data. Below, we present the relevant revenue, capital expenditure (CapEx) and operating expenditure (OpEx) figures, both in aggregate and broken down by product range, for EPS and XPS manufacturing activities. These figures demonstrate the proportion of the Group's financial performance attributable to activities that are sustainable (aligned) from a Taxonomy perspective.

- Revenue: Of the consolidated net revenue for 2025, revenue aligned with the Taxonomy amounts to approximately €25 million, representing around 15% of total revenue. This amount derives entirely from the sale of the Group's own-manufactured EPS and XPS thermal insulation products. Broken down by product range, the EPS product family contributed ~€17.3 million, whilst XPS products accounted for ~€8.1 million of the 2025 revenue. These two product lines together constitute the Taxonomy-compliant revenue reported in the statement, as revenue from the Group's other products did not meet the technical criteria in 2025 and was therefore not taken into account for Taxonomy purposes.
- Capital expenditure (CapEx): During 2025 the **MASTERPLAST Group** made a total investment of approximately €188,000 that meets the EU Taxonomy criteria (this represents approximately 9% of total capital expenditure for the period under review). The majority of Taxonomy-compliant CapEx was related to the development of XPS production. Broken down by product range: investments related to XPS production amounted to approximately €173,000, whilst sustainability investments affecting EPS production reached around €15,000 in 2025. The lower investment amount allocated to EPS production lines can be explained by the fact that in this year new capacity expansions and technological developments were primarily aimed at XPS production. The aim of every identified aligned investment was to increase the energy efficiency contribution of the company's products or to reduce the environmental footprint of production.
- Operating expenditure (OpEx): Of the relevant operating costs recognised in 2025 as defined by the Taxonomy, approximately €79,000 can be directly attributed to the sustainable production of EPS and XPS products (representing 6.3% of the total OpEx category examined). These include, for example, maintenance costs associated with these production areas, operational expenditure aimed at improving energy efficiency, and research and development and training expenditure designed to further improve the environmental performance of EPS/XPS products. In the case of **the MASTERPLAST Group**, the individual subsidiaries'

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Taxonomy-aligned OpEx figures were calculated by dividing the annual subsidiary-level total operating costs (Total OpEx) by the companies' Taxonomy-aligned revenue. These figures were aggregated to determine the Group's Taxonomy-aligned operating costs. The OpEx indicator shows that in 2025, the company spent nearly a quarter of its operating budget on activities that contribute to the achievement of Taxonomy-based objectives (such as improving the efficiency of production equipment and reducing waste). By product group, OpEx expenditure is also linked to EPS and XPS production, but the report does not provide a further breakdown of these, as the majority of them are general operating costs relating to shared resources (e.g. energy consumption) that serve both product groups.

Based on the above financial indicators, a significant portion of the 2025 revenues, capital expenditure and operating expenses of **MASTERPLAST** is already in line with the requirements of the EU Taxonomy. EPS and XPS production, however, is already 100% taxonomy-compliant for companies within the financial consolidation scope of the **Group**. All aligned values presented in the report meet the conditions set out in the Regulation: for the relevant activities, a significant contribution to the climate objective has been demonstrated, the DNSH principle is fully applied (there is no material adverse impact on other environmental objectives), and operations meet the criteria for minimum social safeguards. Compliance with these criteria is essential to ensure that the reported financial indicators are presented in a verifiable and substantiated manner within the sustainability report.

**Future prospects and opportunities for expansion**

The strategic considerations of the **Group** include the further expansion and development of its classification under the EU Taxonomy in the future. The Company continuously monitors the expansion of the Taxonomy framework and the emergence of future criteria relating to new environmental objectives (e.g. circular economy, decontamination) or potential social objectives. Accordingly, we plan to incorporate further activities and assess the sustainability of new product innovations as soon as they comply with EU regulations.

In the future, **MASTERPLAST** aims to increase the proportion of revenue aligned with the taxonomy, for example by developing new products with a high recycled content or a lower carbon footprint. In addition, it is considering implementing further green investments (such as the installation of renewable energy sources at production sites or manufacturing technology developments to reduce emissions), which may result in a higher proportion of aligned items appearing in future CapEx figures. These efforts contribute to ensuring that **MASTERPLAST** meets sustainability expectations in the long term and further strengthens its market position among companies leading the green transition.

The Company's management is committed to ensuring that the sustainability report, and within it the EU Taxonomy report, always provides an up-to-date, accurate and comprehensive picture of the **Group's** environmental performance. The 2025 report is an important milestone in this regard and provides a solid foundation for future expanded reporting. The **MASTERPLAST Group** will continue to communicate the progress of its taxonomy compliance in a transparent manner, thereby strengthening trust among its partners, investors and society at large.

MASTERPLAST Group statement regarding activities related to nuclear energy and fossil fuels

Item	Activities related to nuclear energy	
1.	The company conducts, finances or has exposures to research, development, demonstration and practical implementation activities relating to innovative electricity generation facilities that produce energy from nuclear processes and in which a minimal amount of waste is generated in the nuclear fuel cycle.	NO
2.	The undertaking is engaged in the construction and safe operation of new nuclear facilities using the best available technologies, or in the safety-related modernisation of such facilities, or has exposures to such activities, with the aim of generating electricity or process heat, including district heating and energy production for industrial processes such as hydrogen production.	NO
3.	The undertaking is engaged in the construction and safe operation of existing nuclear facilities or the safety-related modernisation of such facilities, or holds exposures to such activities, the purpose of which is the generation of electricity or process heat using nuclear energy, including district heating and energy production for industrial processes, such as hydrogen production.	NO
<b>Activities related to fossil fuels</b>		
4.	The undertaking constructs or operates electricity generation facilities, finances such facilities, or holds exposures to such activities, which generate electricity through the use of fossil gas fuels.	NO
5.	The undertaking engages in, finances or holds exposures to the construction, conversion and operation of combined heat and power or cooling and power generation facilities utilising gaseous fossil fuels.	NO
6.	The undertaking constructs, converts or operates, or finances, or has exposures to such activities, relating to heat generation facilities that produce heating or cooling energy using gaseous fossil fuels.	NO

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Revenue

Economic activities (1)	Code(s) (2)	Absolute amount of turnover (3)	Proportion of turnover (4)	Material contribution criteria						DNSH criteria (Compliance with the principle of avoiding significant harm)						Minimum safeguards (17)	Proportion of turnover aligned with taxonomy, year N-1 (18)**	Category (supporting activity) (20)	Category (transition activity) (21)
				Climate change mitigation (5)*	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)				
Text		EUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	S	T
<b>A. ACTIVITIES CLASSIFIABLE UNDER TAXONOMY</b>			<b>17.13%</b>																
A.1. Turnover from environmentally sustainable (taxonomy-aligned) activities																			
3.5. Manufacture of energy-efficient equipment for buildings		25,363,351.00	15 %	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	S	
Revenue from environmentally sustainable (taxonomy-compliant) activities (A.1)		25,363,351.00	15%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	100%	0%
A.2 Revenue from activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy)																			
Revenue from activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0.00	0%																
Total (A.1+A.2)		25,363,351.00	15%																
<b>B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY</b>																			
Revenue from activities not classified under the taxonomy		145,787,575.00	85%																
Total (A+B)		171,150,926.00	100%																

In 2024 sales of EPS and XPS products (in-house manufactured items) generated total revenue of EUR 20,267,629, accounting for 15% of total annual revenue.

In 2025 revenue of EUR 25,363,351 was generated from these two product groups, which also corresponded to 15% of total revenue. It can be said that the results for the two years are identical.

CapEx

Economic activities (1)	Code(s) (2)	Absolute amount of CapEx (3)	CapEx ratio (4)	Material contribution criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Minimum safeguards (17)	Proportion aligned with the CapEx taxonomy N-1 years (18)**	Category (supporting activity) (20)	Category (transition activity) (21)
				Climate change mitigation	Climate change	Climate change (21)	Water and marine resources	Pollution (8)	Circular economy (9)	Biodiversity and	Climate change	Climate change (14)	Water and marine resources (14)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)					
<i>Text</i>		EUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	S	T		
<b>A. ACTIVITIES THAT CAN BE CLASSIFIED UNDER TAXONOMY</b>				15%																	
A.1. CapEx for environmentally sustainable (taxonomy-aligned) activities																					
3.5. Manufacture of energy-efficient equipment for buildings		187,784.00	9%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	S			
CapEx for environmentally sustainable (taxonomy-compliant) activities (A.1)		187,784.00	9%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	100%	0%		
A.2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) CapEx																					
CapEx for activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0.00	0%																		
Total (A.1+A.2)		187,784.00	9%																		
<b>B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY</b>																					
CapEx for activities not aligned with the taxonomy		1 837 580,00	91%																		
Total (A+B)		2 025 364,00	100%																		

In 2025 a total of EUR 187,784.00 in CAPEX was identified as eligible for alignment with the taxonomy, all of which fully met the alignment criteria. This amount represented 9% of total capital expenditure for the year.

In 2024 CAPEX amounting to EUR 416,483.00 was classified as eligible for alignment with the taxonomy and was also fully compliant, accounting for 15% of total annual CAPEX. Sustainable CAPEX showed a slight decrease in 2025.

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OpEx

Economic activities (1)	Code(s) (2)	Absolute amount of OpEx (3)	OpEx ratio (4)	Material contribution criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Minimum safeguards (17)	Proportion aligned with the OpEx taxonomy N-1 years (18)**	Category (supporting activity) (20)	Category (transition activity) (21)
				Climate change mitigation	Climate change	Climate change (21)	Water and marine resources	Pollution (8)	Circular economy (9)	Biodiversity and	Climate change	Climate change	Climate change (13)	Water and marine resources	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)				
Text		EUR	%	Y/N	Y/N	Y/N	Y/N	Yes/No	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	S	T		
<b>A. ACTIVITIES THAT CAN BE CLASSIFIED UNDER TAXONOMY</b>				6%																	
A.1. OpEx of environmentally sustainable (taxonomy-aligned) activities																					
3.5. Manufacture of energy-efficient equipment for buildings		78,743.00	6%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	6%	S			
Operating expenditure (OpEx) for environmentally sustainable (taxonomy-aligned) activities (A.1)		78,743.00	6%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	6%	100%	0%		
A.2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) OpEx																					
Operating expenses (OpEx) of activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		0.00	0%																		
Total (A.1+A.2)		78,743.00	6%																		
<b>B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY</b>																					
Operating expenditure for activities not aligned with the taxonomy		1,171,948.00	94%																		
Total (A+B)		1,250,692.00	100%																		

In 2024 a total of EUR 80,472 in OPEX was identified as items eligible for alignment with the taxonomy, all of which fully met the alignment criteria. This represented 6% of total OPEX.

In 2025 items amounting to EUR 78,743 met the criteria under the EU Taxonomy, also representing 6% of total OPEX. It can be said that the results for the two years are identical.

# SOCIETY

## Own workforce

*As Central Europe's largest Hungarian-owned building materials manufacturing group, the **MASTERPLAST Group** operates in 10 countries and works with its nearly 1,300 employees<sup>35</sup> to ensure the successful operation of the company. Its employees represent the company's greatest asset, which is why it places particular emphasis on occupational health and safety and the creation of a safe working environment as part of corporate culture. The Group believes that open and regular dialogue with employees is essential for building a strong, committed community.*

### Strategy, business model and value chain SBM-2, SBM-3

It is relating to health and safety within the context of 'own workforce' where material impacts and risks have been identified. These are presented in detail [in the following sub-section](#).

A central element of the Group's business strategy is the promotion of energy-efficient and sustainable construction, with a particular focus on increasing the insulation material production capacity of the region. To achieve this goal, continuous expansion of production capacity is necessary, which entails increasing the workforce and modernising technology, with a particular focus on recycling (grinding) equipment. Although the objective is fundamentally focused on increasing efficiency and the application of environmentally friendly technologies, the technological transition and workforce expansion require continuous occupational safety measures and training. Although occupational safety measures have a direct positive impact on the workforce, any shortcomings or failures in these measures may pose a potential risk. The Company continuously manages and seeks to prevent these risks in accordance with the best available professional knowledge, but they do not warrant a change to the business model.

As a key stakeholder group, employees can share their suggestions and comments directly with management via a suggestion box, thereby contributing to the shaping of strategy and the incorporation of their own perspectives, with particular attention paid to occupational health and safety considerations. In addition, the Group has a Complaints Reporting System described in more detail later in this chapter.

Although [the 'Own Workforce' chapter](#) of this sustainability report covers all employees, the operations of the **MASTERPLAST Group** have the greatest impact on its own employees *working in manufacturing*, as they are directly affected by the working environment and occupational safety measures. **The Group's** own manual workforce is in a direct employment relationship with the company, typically with workers on permanent contracts and employed on a full-time basis.

No serious, systemic or widespread adverse impacts or risks relating to human rights, including the risk of child labour or forced labour, have been identified in the areas of operation of **MASTERPLAST** – covering both EU and non-EU countries.

The significant positive impacts of **the Group** on its own workforce relate primarily to ensuring a safe working environment, occupational health and safety measures, and training and development programmes. These activities particularly affect employees in manual roles. This is reflected in the system of occupational health and safety training, the provision of personal protective equipment, regular inspections, and measures aimed at first aid and prevention, all of which are designed to safeguard the health and safety of employees.

<sup>35</sup> The discrepancy compared to the financial report is due to the inclusion of the scope of capital consolidation, which the Company explains in detail below.

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The Group’s operations depend to a significant extent on the availability of a skilled and committed workforce, particularly in manufacturing areas; therefore, maintaining workplace safety and motivation is of key importance. Any accidents could pose financial and reputational risks.

**MASTERPLAST** is committed to climate-neutral operations, which includes achieving emission reduction targets. Planning and preparing for such transition processes currently do not result in any material negative impact on our own workforce, as they are expected to involve technological developments and energy efficiency investments. At the same time, the Group will monitor the potential effects of transition measures on the workforce.

The **Group** has not currently taken any specific measures to mitigate the negative labour market impacts arising from the transition to a climate-neutral economy, as the preparations for the transition and the steps taken so far have not affected employees’ employment or job roles. Accordingly, there has been no need for retraining or redeployment. However, the Company is monitoring future regulatory and market changes and stands ready, if necessary, to introduce programmes that support employees’ adaptation to the green transition.

The **Group** does not currently have a systematic assessment that links the material impacts, risks or opportunities on its own workforce to specific employee groups (e.g. age group, site, country). The identified impacts and measures currently relate primarily to the entire workforce, and within that, mainly to manual workers.

Overview of employees of the **MASTERPLAST Group**<sup>36</sup> SBM-1, S1-6

Number of female and male<sup>37</sup> employees by country as at 31 December 2024 and 2025

COUNTRIES	MASTERPLAST Group – scope of full consolidation								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
NORTH MACEDONIA	5	0	5	6	0	6	20.00%	0.00%	20.00%
CROATIA	8	6	2	7	5	2	-12.50%	-16.67%	0.00%
POLAND	19	4	15	20	5	15	5.26%	25.00%	0.00%
HUNGARY	306	75	231	313	78	235	2.28%	4.00%	1.73%
GERMANY	43	4	39	41	5	36	-4.65%	25.00%	-7.69%
ITALY	7	1	6	5	2	3	-28.57%	100.00%	-50.00%
ROMANIA	38	10	28	34	7	27	-10.53%	-30.00%	-3.57%
SERBIA	706	260	446	659	223	436	-6.66%	-14.23%	-2.24%
SLOVAKIA	8	2	6	8	2	6	0.00%	0.00%	0.00%
UKRAINE	64	23	41	63	19	44	-1.56%	-17.39%	7.32%
<b>Total</b>	<b>1204</b>	<b>385</b>	<b>819</b>	<b>1156</b>	<b>346</b>	<b>810</b>	<b>-3.99%</b>	<b>-10.13%</b>	<b>-1.10%</b>

COUNTRIES	MASTERPLAST Group – scope of full + capital consolidation <sup>38</sup>								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
NORTH MACEDONIA	5	0	5	6	0	6	20.00%	0.00%	20.00%
CROATIA	8	6	2	7	5	2	-12.50%	-16.67%	0.00%
POLAND	19	4	15	20	5	15	5.26%	25.00%	0.00%
HUNGARY	364	84	280	482	106	376	32.42%	26.19%	34.29%
GERMANY	43	4	39	41	5	36	-4.65%	25.00%	-7.69%
ITALY	7	1	6	5	2	3	-28.57%	100.00%	-50.00%
ROMANIA	38	10	28	34	7	27	-10.53%	-30.00%	-3.57%
SERBIA	706	260	446	659	223	436	-6.66%	-14.23%	-2.24%
SLOVAKIA	8	2	6	8	2	6	0.00%	0.00%	0.00%
UKRAINE	64	23	41	63	19	44	-1.56%	-17.39%	7.32%
<b>Total</b>	<b>1262</b>	<b>394</b>	<b>868</b>	<b>1325</b>	<b>374</b>	<b>951</b>	<b>4.99%</b>	<b>-5.08%</b>	<b>9.56%</b>

<sup>36</sup> The data is collected by Masterplast’s HR department, reported in terms of headcount, and includes both active and inactive staff.

<sup>37</sup> Other category: not applicable

<sup>38</sup> The scope of capital consolidation includes, in addition to the scope of financial consolidation, the data of T-CELL Plasztik Ltd, Masterprofil Gyártó és Kereskedelmi Ltd. and PIMCO Ltd.

**Number of female and male employees<sup>39</sup>, broken down by type of employment contract and form of employment, as at 31 December 2024 and 2025**

CATEGORY	MASTERPLAST Group – scope of full consolidation								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>By type of employment contract</b>									
- Number of permanent employees with indefinite contracts	1,204	385	819	938	294	644	-22.09%	-23.64%	-21.37%
- Number of fixed-term, temporary employees	0	0	0	218	52	166	n.a.	n.a.	n.a.
<b>By type of employment</b>									
- Number of full-time employees	1,180	371	809	1,133	333	800	-3.99%	-10.24%	-1.11%
- Number of part-time employees	24	14	10	23	13	10	-4.17%	-7.14%	0%
<b>Total</b>	<b>1204</b>	<b>385</b>	<b>819</b>	<b>1156</b>	<b>346</b>	<b>810</b>	<b>-3.99%</b>	<b>-10.13%</b>	<b>-1.10%</b>

CATEGORY	MASTERPLAST Group – scope of full + equity method consolidation <sup>40</sup>								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>By type of employment contract</b>									
- Number of permanent employees with indefinite contracts	1079	338	741	1,107	322	785	2.59%	-4.73%	5.94%
- Number of fixed-term, temporary employees	183	56	127	218	52	166	19.13%	-7.14%	30.71%
<b>By type of employment</b>									
- Number of full-time employees	1,233	378	855	1,298	359	939	5.27%	-5.03%	9.82%
- Number of part-time employees	29	16	13	27	15	12	-6.90%	-6.25%	-7.69%
<b>Total</b>	<b>1262</b>	<b>394</b>	<b>868</b>	<b>1325</b>	<b>374</b>	<b>951</b>	<b>4.99%</b>	<b>-5.08%</b>	<b>9.56%</b>

In 2025 the Group employed a total of 1,325 people, of whom 374 were women (28.2%) and 951 were men (71.8%). 36.4% of employees were employed in Hungary, whilst 63.6% were employed outside Hungary. 1,107 people, or 83.5% of employees, were employed on permanent contracts, whilst 218 people (16.5%) on fixed-term contracts.

Of its employees, 952 were manual workers and 373 were white-collar workers. In Hungary the number of manual workers was 295, and the number of white-collar workers was 187. There were 1,298 full-time employees, of whom 359 were women and 939 were men. 27 people were employed part-time, of whom 15 were women and 12 were men. There were no employees working on a non-contractual basis.

In 2025 a total of 418 new employees joined the group, whilst 411 employees left the company. The staff turnover rate, calculated on the basis of those leaving, was 31.02%.

During the reporting period new projects, capacity expansions and technological developments necessitated the recruitment of new staff; at the same time, the rapidly changing operating environment naturally also had an impact on the composition of the workforce. A specific, temporary surplus demand for labour justified the employment of fixed-term, temporary staff. It is important to note that staff turnover is partly a consequence of

<sup>39</sup> Other category: not applicable

<sup>40</sup> The scope of capital consolidation includes, in addition to the scope of financial consolidation, the data of T-CELL Plasztik Ltd, Masterprofil Gyártó és Kereskedelmi Ltd and PIMCO Ltd.

the Group's continuous adaptation to market, organisational and labour market challenges. Many of those who left did so due to internal transfers, external career opportunities or family reasons, which is a natural consequence of the operations of an active company engaged in diverse activities.

A key objective of **MASTERPLAST** is to increase stability and retain employees in the long term; to this end, it has also prioritised the development of internal training, motivational tools and leadership programmes.

#### **Guidelines and policies relating to the Group's own workforce S1-1, MDR-P**

The Organisational and Operational Regulations, the Human Rights Policy and the Code of Ethics serve as the key regulatory guidelines for the Group's policies concerning its entire workforce. Due to their content, these regulations apply exclusively to the Group's own operations and do not extend to other parts of the value chain. The **MASTERPLAST Group** regards the protection of human life and safety, equal treatment and the right to a healthy environment and mental health as core values; it respects these rights in its business decisions, in accordance with the UN Guiding Principles on Business and Human Rights. It pays particular attention to the cultural and social environments, which vary from country to country, as well as to the diversity of its workforce. It places great emphasis on non-discrimination and ensuring equal treatment. At an operational level, the HR department is responsible for implementing these policies, which are made available internally to all relevant employees. Knowledge of the Code of Ethics is refreshed and tested annually through mandatory training, thereby ensuring continuous awareness and compliance.

The Group has not identified any risks relating to human trafficking, forced labour or child labour, and therefore does not explicitly address these issues in its policies. However, it refers to these issues indirectly in its policies on the general protection of human rights. Complaints relating to human rights can be reported anonymously via the whistleblowing system.

<https://sites.google.com/view/mpishu>

In 2025 the Company did not identify any complaints relating to human rights impacts. Further information can be found later in this chapter and in the [chapter entitled 'Corporate Governance'](#).

#### *Equal opportunities, diversity*

The Human Rights Policy and Code of Ethics of **MASTERPLAST** stipulate the requirement for equal treatment, prohibit direct or indirect discrimination, and place particular emphasis on respecting cultural and social diversity. The whistleblowing channels provided for employees also offer the opportunity to report any form of harassment or discrimination anonymously.

The EU directive on gender quotas, formally known as the "Women on Boards Directive" (Directive (EU) 2022/2381), came into force in November 2022 and gives Member States and the companies concerned until 30 June 2026 to comply. The aim of the directive is to improve gender balance on the boards of listed companies. The Group is preparing to meet the requirements within the deadline.

#### *Data processing*

Since the entry into force of Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), no complaints from data subjects, data theft, data loss or data breaches have occurred within the Group's sphere of influence. The privacy policy is publicly available on the website.

#### *Health and safety*

The Group holds an ISO 45001 certification, which is the internationally recognised standard for occupational health and safety management systems. This ensures that health and safety measures are continuously improved and that risks arising from work are minimised.

Further details regarding occupational health and safety can be found in the [chapter entitled 'Health and Safety'](#).

### Engaging with own workforce and employee representation S1-2

The **MASTERPLAST Group** bases its cooperation with its workforce on open dialogue and continuous feedback; therefore, ongoing and open dialogue with employees is of paramount importance, and the Company ensures communication at multiple levels. For day-to-day employee relations and HR-related matters, responsibility lies primarily with the HR managers or managers performing HR-specific functions within each entity, whilst for management and strategic issues affecting the Group as a whole – such as employee forums – managers and the CEO ensure opportunities for direct dialogue. During performance reviews, the relevant managers are responsible for providing feedback, thereby ensuring continuous development and the involvement of employees in achieving shared goals.

The **MASTERPLAST Group** communicates with its employees on an ongoing basis – in person, via email, by telephone, and through a closed social media (Facebook) group – as well as at events. It also maintains contact with colleagues on maternity leave. By setting up a suggestion box, it collects ideas and suggestions from employees. At an operational level, maintaining contact with employees is primarily the responsibility of the HR department.

Employees are entitled to elect a representative or representatives from among themselves to represent their rights and interests relating to safe working practices that do not endanger health. Among the Group's member companies, those where the presence of an occupational safety representative is mandatory under statutory requirements have such representatives in place or are in the process of qualifying them.

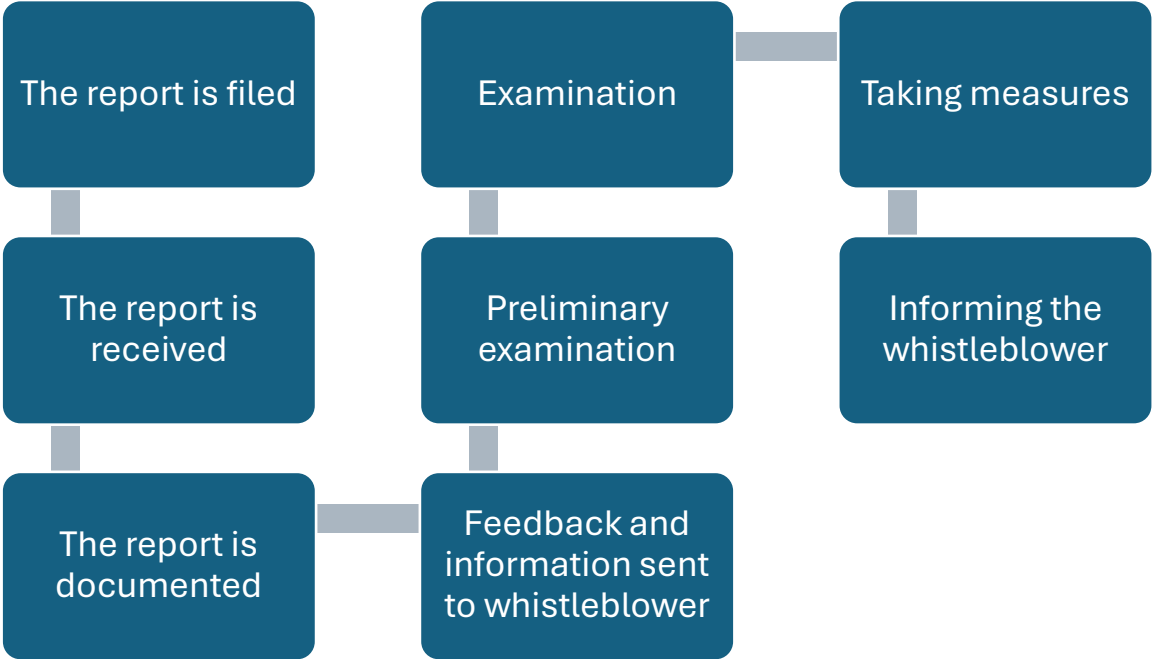
### Whistleblowing system S1-3

The companies belonging to the **MASTERPLAST Group**, as employers, jointly operate the internal whistleblowing system established by the Company to ensure lawful operations, in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons reporting breaches of Union law and on complaints, Act XXV of 2023 on complaints, reports in the public interest and rules relating to the reporting of misconduct, and the **MASTERPLAST Group's** Whistleblowing Policy. The purpose of the whistleblowing system is to investigate reported information concerning unlawful or suspected unlawful acts or omissions, or other misconduct, in accordance with the requirements set out in the relevant legislation. New entrants are informed of the options for lodging complaints. The monitoring and investigation of reports of misconduct, the determination of the results of investigations, and the taking of any further measures based on the report fall within the remit and powers of the Committee for the Investigation of Reports of Misconduct. Where possible, given the nature of the communication channel, the Committee maintains contact with the whistleblower via the whistleblowing system; in doing so, it may ask the whistleblower to supplement or clarify the report, to clarify the facts of the case, or to provide further information. In 2024 and 2025, no complaints relating to human rights impacts among the Group's own employees were identified. Further information can be found [in the 'Corporate Governance' section](#).

<https://sites.google.com/view/mpishu>

Should the **MASTERPLAST Group** become aware that its own activities have had a significant adverse impact on its employees, it will launch an internal investigation and, depending on the severity of the case, take remedial or preventive measures. The Company does not currently carry out regular assessments of the extent to which its employees are aware of or trust the available grievance mechanisms.

How the Whistleblowing Scheme works and the process for investigating reports



Measures affecting our own workforce

The **MASTERPLAST Group** is committed to ensuring that its operating practices have a positive impact on its own workforce and to avoiding or preventing any material negative impacts on employees. To this end, it implements various measures that help maintain a safe and fair working environment, support the well-being of employees, and contribute to the continuous development of the organisational culture. Through its training programmes, it focuses on developing occupational safety, accident prevention, ethical conduct, values, corporate culture, leadership and sales skills, manufacturing expertise, agile operations, collaboration, digital competencies and ESG knowledge, thereby ensuring the continuous development of its employees.

Based on the Double Materiality Analysis (DMA), health and safety is of particular significance among the impacts on our own workforce and involves material impacts, risks and opportunities (IROs). Accordingly, our company focuses primarily on mitigating health and safety risks and implements targeted measures in this area, a detailed description of which can be found [in the chapter entitled 'Health and Safety'](#).

## Health and Safety

The **MASTERPLAST Group** is committed to creating a safe and healthy working environment. Its aim is to provide its employees with conditions that comply with occupational health and safety regulations and support long-term health maintenance. Through regular training, inspections and improvements, it strives to minimise workplace risks, whilst also encouraging its employees to adopt a safety-conscious mindset. Health and safety are an integral part of corporate culture, contributing to sustainable operations and the well-being of employees.

**Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1, SBM-3**

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other
S1 Own workforce	Working conditions – Health and safety	Our company’s aim is to create safe working conditions and protect the health of our employees, to comply with current legislation, and thereby prevent accidents.	Actual positive impact	Own operations	Long-term	Ensuring a safe working environment and preventing accidents directly influences the well-being and satisfaction of employees, which contributes to the continuity and efficiency of the company’s operations. Furthermore, compliance with legislation and the implementation of health and safety measures help to avoid fines and reputational risks that could adversely affect the company’s image and long-term sustainability.
S1 Own workforce	Working conditions – Health and safety	Workplace accidents may occur during manufacturing activities, which could result in the company being fined or investigated by the authorities; this poses a significant risk to the company’s reputation, as it may negatively affect its standing and also increase its operating costs.	Expected risk	Own operations	Long-term	In addition to the financial burden of potential fines and legal proceedings, the stock market impacts resulting from reputational damage are factors of non-negligible financial significance that may affect the Group’s competitiveness in the short term.

**Health and safety policies *MDR-P***

The Organisational and Operational Regulations, the Human Rights Policy and the Code of Ethics serve as our guiding principles.

- <https://www.masterplastgroup.com/emberi-jogi-politika/>
- [https://www.masterplastgroup.com/wp-content/uploads/2024/10/mpg\\_sz\\_hr\\_010\\_v-6-0-etikai-kodex\\_honlapra\\_alairas-nelkul.pdf](https://www.masterplastgroup.com/wp-content/uploads/2024/10/mpg_sz_hr_010_v-6-0-etikai-kodex_honlapra_alairas-nelkul.pdf)

**Human Rights Policy**

The Human Rights Policy ensures the creation of a healthy and safe workplace in accordance with the guiding principles of the United Nations.

The **MASTERPLAST Group** is committed to maintaining and improving the physical and mental health of its employees. When establishing working conditions, it takes into account the fundamental requirements of human dignity, hygiene and a healthy environment. It ensures a clean, safe and healthy working environment.

It respects human rights, whether in relation to its employees, partners, stakeholders, or any interns or students who may join the company.

The **Group's** policies regarding its own workforce – in particular the Human Rights Policy and the Code of Ethics – expressly exclude all forms of human trafficking, forced labour, compulsory labour and child labour, both within the company's own operations and throughout the supply chain. The Group is committed to respecting human rights and conducts its operations in accordance with the UN Guiding Principles on Business and Human Rights.

**Code of Ethics****Occupational Health and Safety**

All employees are required to take into account the safety and well-being of their colleagues in the course of their work. All employees are required to comply with and act in accordance with the applicable mandatory health and safety rules and procedures. Accidents, injuries and malfunctions of tools and equipment must be reported immediately in the manner specified in the regulations.

**Health Protection**

The Company's fundamental aim is to protect people as its highest value. In pursuing this aim, its objective is to safeguard both physical and mental health and to promote their development wherever possible. The details of this are set out in its Human Rights Policy.

**Expectations during working hours**

Employees are required to be available and fit for work during working hours, and to perform their duties with the utmost care and professional competence. The employer reserves the right to carry out random checks to ensure employees are fit for work.

The consumption of alcohol is prohibited in the workplace and at official events. An exception to this may be made for moderate alcohol consumption at company events authorised by the employer.

All employees are required to cooperate, support one another and share the information necessary for effective work.

**Occupational health and Safety**

Employees are required to comply with the applicable mandatory health and safety rules and procedures. Accidents, injuries and malfunctions of tools and equipment must be reported immediately in the manner specified in the regulations.

**Health and safety measures S1-4, MDR-A**

The substance of the Group's health and safety measures remained unchanged in 2025. Any changes were made on a case-by-case basis in nature and primarily involved fine-tuning and process improvements. The Group has not identified any actual negative impact, but is monitoring the development of anticipated risks with particular attention and managing them proactively. Given that safety is a fundamental human right, it takes precedence over all business priorities, and ensuring it must be a primary objective in all activities.

**Occupational health and safety training, induction and assessment**

The **MASTERPLAST Group** pays particular attention to ensuring that its employees possess the theoretical and practical knowledge necessary for safe and healthy working practices throughout their entire period of employment. A case-based occupational safety training may also extend to external partners. To ensure the effectiveness of the training, the training materials contain both theoretical and – depending on the nature of the role – practical elements, in line with the training topics set out in the Health and Safety Regulations. At the end of the training, employees take an exam to demonstrate the knowledge they have acquired.

The **MASTERPLAST Group** is committed to ensuring that its operations do not have any significant negative impact on its own workforce. The Company strives to ensure that workload, working hours, and procurement or sales practices do not have any negative impact, even indirectly, on the safety and well-being of its employees. The Group takes HR and occupational health and safety considerations into account before making decisions regarding material impacts.

Occupational health and safety management systems (e.g. ISO 45001), responsible procurement and sales practices, and data processing in compliance with the GDPR all serve this purpose. Should a conflict arise between business pressures and employee wellbeing, the company prioritises safety and health above all else.

**Types of health and safety training:**

- Pre-employment training
- On-the-job training and induction
- Annual health and safety and fire safety training
- Training required in the event of changes to the workplace or job role
- Training provided when new technologies are introduced
- Training provided when workplaces are refurbished or new work equipment is commissioned
- Special training in exceptional circumstances

**Content of training and induction:**

- Health and safety legislation, employees' rights and obligations
- Relevant provisions of the Health and Safety Regulations
- Identification and prevention of accident hazards
- Use of protective equipment and the consequences of failing to use it
- Technical, operational, handling and maintenance regulations
- Handling hazardous substances and minimising environmental impact
- Procedures and obligations to be followed in the event of an accident
- Traffic and route safety, health, fire safety and environmental protection regulations

**Workplace safety representation**

Employees are entitled to elect an occupational health and safety representative to protect their interests and safety, a person who participates in the development and monitoring of occupational health and safety measures. Among the Group’s member companies, those where the presence of an occupational health and safety representative is mandatory under statutory requirements have such representatives in place or are in the process of qualifying them.

**Occupational Health**

The **MASTERPLAST Group** requires mandatory occupational health examinations for all employees, which must be carried out prior to employment and then annually thereafter. This ensures the maintenance of health in the workplace, compliance with legislation and the effective operation of prevention measures.

**Managing hazardous situations**

The **MASTERPLAST Group** places a high priority on the prevention, identification, professional management and rectification of hazardous situations. In the interests of the safety of our employees and partners, we must always act in accordance with the relevant regulations and guidelines.

- In the event of a fire alarm, staff must act in accordance with the Fire Alarm Plan, the Fire Safety Regulations, and the procedures outlined in regular fire safety training sessions.
- In the event of an accident, appropriate measures shall be taken in accordance with the protocol set out in the Health and Safety Regulations and the procedures outlined in health and safety training sessions.

The occupational health and safety and fire safety regulations apply to all work areas, employees, student workers and external contractors, as well as to the employees of subcontractors and partners visiting the Group’s sites.

**Development of protective equipment and health protection**

**MASTERPLAST** places particular emphasis on protecting the safety and health of its employees; to this end, it continuously improves its occupational safety and health measures, which may, on a case-by-case basis, also extend to external partners:

- Provision of personal protective equipment: The Group provides all relevant employees with the necessary personal protective equipment, which is regularly reviewed and improved. In 2025 we provided 4,258 items of personal protective equipment for our staff and visitors.
- Increasing the number and training of first aiders: To improve workplace safety, the company is continuously increasing the number of staff trained as first aiders. In 2025 78 people across the group received first aid training.
- Development of health promotion programmes: To protect the long-term health of employees, the company carries out preventive health checks and provides mental health programmes.
- In 2025 one screening and mental health programme was in operation.

In 2025 the MASTERPLAST Group delivered 934 hours of training to its employees, attended by 1,371 people. Of this, occupational safety training accounted for 169 hours and involved 1,050 people. Given the high attendance figures, there were only 5 serious accidents in 2024 and 2025. Although the Group aims to further reduce the number of such accidents, it considers these figures to be fundamentally low relative to the total workforce. No serious deficiencies were identified during the annual certification of the management system.

**Health and safety objectives S1-5, MDR-T**

The annual target of **the Group** is to achieve zero fatal and serious workplace accidents, whilst continuously striving to reduce accidents resulting in lost time (LTI). Its objective is to reduce the number of serious workplace accidents across its entire operations from the 5 cases recorded in the base year of 2024 to an annual average of

no more than 2 cases between 2025 and 2030, by achieving a zero-accident level where possible and eliminating any negative reputational consequences that may arise from this.

Although the Code of Ethics sets out the current requirements for safe working practices and expects strict compliance with them, five serious accidents were again recorded in 2025. All of these accidents occurred in manual labour roles and accounted for 17.2% of all accidents. The majority of accidents are typically linked to machine operation or inattention. Although the **Group** fully complies with occupational health and safety regulations and requires employees to apply them consistently, completely eliminating risks arising from the human factor remains a challenge. Nevertheless, year on year, the Group pays particular attention to ensuring that occupational safety requirements are emphasised in training from the moment of joining, including the incorporation of lessons learnt from past accidents. In addition, it carries out regular inspections with particular focus on production units to continuously strengthen safe working practices. The target figure remained unchanged for the 2025 reporting year. The Group continues to strive for zero accidents, and within that, aims to reduce the number of serious accidents to a maximum of two per year during the period 2025–2030.

Currently, the setting and evaluation of the **Group's** objectives takes place primarily at management and expert level, drawing on their experience, without a dedicated process or formal consultation with employees or their representatives. At the same time, the company considers it important to take into account the experiences and feedback of employees in the field of occupational safety and health.

**MASTERPLAST** aims to implement the ISO 45001 standard at those manufacturing sites where this has not yet been done by 2030. The scope of existing ISO certificates is detailed in the table in [the 'Governance' section](#).

#### ISO 45001 51-14

The Group complies with occupational health and safety legislation and the requirements of the MSZ ISO 45001 Occupational Health and Safety Management System standard (MEBIR), ensures hazard management and risk reduction by defining objectives and responsibilities, and supports compliance with current regulations and the improvement of health and safety performance. The Company regularly renews its certification. This system ensures the protection of employees' health and safety as well as the continuous identification, assessment and reduction of risks in the working environment. A total of 368 employees work at the sites covered by MEBIR, accounting for 27.78% of the total workforce.

The proportion of employees audited through external and internal audits is 27.78% among the companies participating in the reporting. This exceeds the 2024 figure of 24.33% by 3.45 percentage points. The aim is for this proportion to rise to over 80% by 2030.

In 2025 a total of 26 accidents occurred. The Group recorded 31 accidents in 2024 and 38 in 2023. Of the 26, 5 were serious workplace accidents<sup>41</sup>. During the 2025 reporting period, the **MASTERPLAST Group** – just like in previous years – continued to record no fatal accidents, and the number of work-related illnesses also remained at zero. In 2025 the **Company** did not receive any health and safety fines. The most common types of workplace accidents were injuries resulting from the use of machinery and inattention. The decreasing number of accidents shows a positive trend towards the zero-accident target.

<sup>41</sup> Pursuant to Act XCIII of 1993 on Occupational Safety and Health (Mvt.).

Workplace accidents								
Company	2024				2025			
	Number of working days lost	Number of illnesses	Number of fatal accidents	Number of workplace accidents	Number of working days lost	Number of illnesses	Number of fatal accidents	Number of workplace accidents
Masterplast Nonwoven GmbH	32	0	0	1	23	0	0	10
Masterplast d.o.o.	0	0	0	0	0	0	0	0
Masterplast Italia Srl.	0	0	0	0	0	0	0	0
Masterplast Sp. z o.o.	0	0	0	0	3	0	0	1
Masterplast Proizvodnja D.o.o.	62	0	0	4	11	0	0	1
Masterplast Romania S.R.L	0	0	0	0	0	0	0	0
Master Plast s.r.o	0	0	0	0	0	0	0	0
Masterplast Dooel Kicevo	0	0	0	0	0	0	0	0
Masterplast YU D.o.o	539	0	0	22	130	0	0	9
Fidelis BAU Ltd	128	0	0	1	0	0	0	0
Masterplast Insulation Ltd	0	0	0	0	0	0	0	0
Masterplast Hungária Ltd	32	0	0	1	52	0	0	1
Masterplast International Ltd	0	0	0	0	0	0	0	0
Masterplast Membrane Ltd	225	0	0	1	266	0	0	2
Masterplast Modulhouse Ltd	0	0	0	0	0	0	0	0
Masterplast Plc	12	0	0	1	0	0	0	0
MasterPlast TOV	n.a.	n.a.	n.a.	n.a.	0	0	0	0
<b>Masterplast Group consolidation scope Total</b>	<b>1030</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>485</b>	<b>0</b>	<b>0</b>	<b>24</b>
Masterprofil Manufacturing and Trading Ltd	0	0	0	0	21	0	0	1
T-CELL Plasztk Ltd	0	0	0	0	0	0	0	0
PIMCO Ltd	-	-	-	-	0	0	0	1
<b>Masterplast Group capital consolidation group <sup>42</sup> Total</b>	<b>1030</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>506</b>	<b>0</b>	<b>0</b>	<b>26</b>

<sup>42</sup> The scope of capital consolidation includes, in addition to the scope of financial consolidation, the data of T-CELL Plasztk Kft., MASTERPROFIL Gyártó és Kereskedelmi Kft. and PIMCO Kft.

In 2024 the number of recorded workplace accidents was 31 which, relative to the year-end headcount of 1,262, equated to 2.46 accidents per 100 employees. In 2025 the number of workplace accidents fell to 26, which, based on the year-end headcount of 1,325, equated to 1.96 accidents per 100 employees. This equates to 10.38 workplace accidents per 1,000,000 working hours. It should also be noted that the number of working days lost due to workplace accidents fell significantly, by more than 50%, compared to the previous year.

### **Incidents, complaints and serious human rights impacts S1-17**

During the reporting period, there were no serious human rights issues or incidents involving our own workforce that would have constituted a breach of the UN Guiding Principles or the OECD Guidelines for Multinational Enterprises. Accordingly, no fines, penalties or compensation were imposed, nor did any related financial liabilities arise.

During the 2025 reporting period the company received no official reports of cases involving discrimination or harassment, and no such cases were recorded.

The above data are derived from the records of the internal ethics reporting and complaints handling system of **MASTERPLAST**. The Group's aim is to ensure anonymity and to thoroughly investigate reports; however, no incidents occurred during 2025 that required intervention or sanctions.

## Workers in the value chain

The working conditions and job security of those working within the value chain are central to sustainable business practices. Secure and lawful employment promotes the well-being of workers, reduces workplace risks and supports the social responsibility of the value chain as a whole. Uncertainties in the supply chain, as well as unstable or unfair forms of employment, can have a negative long-term impact on workers’ safety and the enforcement of their rights – though this is not always apparent.

### Material impacts, risks, opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
S2 People working in the value chain	Working conditions / Secure employment	There is insufficient information available regarding the employment conditions of workers in the upstream value chain. This may have an actual negative impact on the secure employment of workers in the value chain, particularly if employment is unstable, unlawful or unfair.	Potential negative impact	Upstream	Long-term	The <b>MASTERPLAST Group</b> is taking active steps to collect relevant data and information from the value chain as widely as possible. It carries out these activities within the framework of the Hungarian ESG Act and in accordance with its provisions.

In the **Group’s** operations the transparency of employment conditions for workers in the upstream value chain linked to key strategic products is a critical social consideration; among them, manual workers are the most exposed to potential negative impacts. The Group primarily seeks to minimise the potential negative impacts to which it may contribute as a customer; however, it has limited insight into and influence over specific working conditions. To ensure appropriate management, it has introduced a risk assessment and management system in accordance with the Hungarian ESG Act, which it continued to actively operate in 2025. During the reporting period the Company did not identify any risks related to child labour or forced labour across its entire value chain. The assessment was carried out taking into account the available information, the nature of supplier relationships and geographical exposure, which the Company reviews on a regular basis.

### Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities S2-4

The Group applies the following approach to managing risks:

- Firstly, at critical points in the value chain, primarily in raw material supply, it conducts data collection and supplier surveys to map working conditions. The Hungarian ESG Act provides an appropriate basis for this.
- Subsequently, additional requirements are set out in supplier contracts and in the Supplier Code of Conduct and Business Ethics, including lawful and fair employment and the provision of a safe working environment.
- In the event of an incident, it applies the measures specified in the risk management system.

A material shortcoming identified during the assessment is that there is insufficient data available on the employment conditions of employees at upstream suppliers. The data gap is systemic, the Company has not

identified any especially vulnerable social groups. When determining material topics, the Company did not consult directly with employees working in the supply chain. The assessment was carried out with the involvement of internal experts and based on available industry and regulatory information.

**Policies relating to workers in the value chain:** *S2-1, MDR-P, S2-5*

The Group is committed to continuously improving the transparency of the upstream value chain by reducing data gaps, thereby minimising potential negative social impacts. Through the continuous collection of data, the involvement of suppliers and regular monitoring, the Company aims to ensure that the employment conditions provided to workers in the supply chain comply with the current OECD requirements regarding ethical business conduct. The **Group's** guidelines on supplier relations are set out in **the Supplier Code of Conduct and Business Ethics**. Detailed information on the Supplier Code of Conduct and Business Ethics is contained in [the chapter entitled 'Business Conduct'](#)

**Processes for engaging with value chain workers about impacts** *S2-2, S2-3*

Workers in the value chain may at any time make use of the Company's whistleblowing system, the operation of which is set out in **the Whistleblowing Policy**. Detailed information regarding the whistleblowing system is contained in [the chapter entitled 'Own Workforce'](#).

## Affected communities and end-users

Respecting and promoting the economic, social and cultural rights of the communities concerned, i.e. the end-users of the **MASTERPLAST Group**, is one of the key pillars of the Group’s corporate social responsibility activities. These rights include the right to adequate housing, which encompasses ensuring access to a safe, healthy, affordable and sustainable living environment. The activities of **MASTERPLAST** can contribute directly to the realisation of this right, as properly designed and installed insulation solutions can significantly reduce heating costs, thereby improving households’ financial flexibility and quality of life. Furthermore, through the available subsidy schemes, the products are in some cases accessible with a significant subsidy intensity of up to 100%, further strengthening the conditions for affordable housing.

**Material impacts, risks, opportunities and their integration with business model and sustainability strategy**  
 IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
S3 Affected communities	Economic, social and cultural rights of communities / Adequate housing	MASTERPLAST’s energy-efficient construction products and solutions contribute to improving the sustainability and comfort of residential buildings. This indirectly supports communities’ right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide reputational and market advantages for the company.	Actual positive impact	Downstream	Long-term	Through supported renovation programmes and continuous product development, the <b>MASTERPLAST Group</b> contributes to the widespread adoption of cost-effective, low-energy and sustainably operated homes.
S3 Affected communities	Economic, social and cultural rights of communities / Adequate housing	MASTERPLAST’s energy-efficient construction products and solutions contribute to improving the sustainability and comfort of residential buildings. This indirectly supports communities’ right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide reputational and market advantages for the company.	Current opportunity	Own operations	Long-term	For the Group, social responsibility towards communities is not merely a social commitment, but one of the fundamental principles of its business operations, which also shapes its strategic decisions in the long term. The fundamental aim of its business strategy is the widest possible scale of production and distribution of

						insulation materials.
S4 Consumers and end-users	Social inclusion of consumers and/or end-users / Access to products and services	The MASTERPLAST Hungarocell renovation programme and the free loft insulation scheme provide end-users with the opportunity to access energy-efficient solutions at a lower cost.	Actual positive impact	Downstream	Medium term	The Group initially provided insulation materials to households with a 50% subsidy intensity, which has now increased to 100%. The Group generates a financial benefit from the resulting CES. As a result, beneficiaries are not only able to significantly reduce the initial costs of the investment, but also, through proper thermal insulation, operating and running costs are substantially reduced in the long term.

Due to overlaps between the identified IROs and the relief provided by the deferral of mandatory disclosure, the Company publishes the information in an aggregated form for topics S3 and S4 to avoid duplication.

The Company classifies as affected communities and end-users all retail customers whom it indirectly serves in its Central and Eastern European markets. Consequently, the affected communities and end-users include:

- the local population living in the Group’s areas of operation,
- the wider communities of households using the products,
- in particular, those social groups for whom the affordability of energy-efficient housing is of paramount importance.

The Group primarily influences these communities through its downstream value chain, as its products reach end-users via its sales partners.

Based on the results of the assessments, the Group has not identified any significant adverse impacts affecting localised or specific social groups that could be attributed to its activities. Its operations are typically situated in industrial environments where its activities do not cause any disturbance to the local population, and the Group fully complies with the environmental regulations in force at all times. At the same time, the identified positive impacts extend to all end-users served, with particular regard to the beneficiaries of the HFP (Hungarocell Renovation Programme) programme with 100% funding intensity, for whom the solutions provide direct, tangible benefits. Although the positive impacts are evident across all of the Group’s areas of operation, their intensity and social significance are felt most strongly in Hungary due to the Hungarian EEOS system.

HFP 2.0 was established in 2025 building on the experience of the previous Hungarocell Renovation Programme. The programme provides an opportunity for domestic households to implement full façade thermal insulation under a subsidised scheme. Whilst the Hungarocell 1.0 programme provided a 50% subsidy intensity – which was

already significant at the time – this has risen to 100% under the 2.0 scheme, meaning that the cost of materials is now fully subsidised. Households are only required to cover the labour costs associated with the installation.

Through this scheme, beneficiaries can achieve significant cost savings at the time of the investment, followed by further, long-term reductions in running costs during the operational phase. Properly installed thermal insulation thus contributes significantly not only to improving energy efficiency but also to strengthening the financial stability of households.

#### **Policies relating to affected communities, consumers and end-users: S3-1, S4-1, MDR-P**

The **MASTERPLAST Group** does not currently have a separate policy specifically focused on affected communities and end-users. However, its operations are governed by several management systems based on international standards (ISO 9001, ISO 14001, ISO 50001, ISO 45001), which indirectly help the Company to prevent or minimise any potential negative impacts arising from its operations on affected communities.

The Group's business activities focus on improving social living conditions, particularly through energy-efficient insulation solutions. The ethical standards set out in relation to society are laid down in the **Code of Ethics**. In addition, the Group has several internal policies – notably **the Product Recall Policy, the Complaints Handling Policy and the Corporate Principles** – which serve to protect the interests of end-users. These documents set out:

- respect for human rights,
- product safety and compliance requirements,
- compliance with legislation,
- ethical business conduct.

The Group's policies are consistent with internationally recognised human rights principles, in particular the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In the future, the Group will consider developing a unified policy regarding affected communities and consumers, particularly in relation to HFP. However, the relevant principles and commitments are already set out in grant agreements and the relevant internal procedures.

#### **Processes for engaging with affected communities, consumers and end-users about impacts S3-2, S4-2**

The Group maintains contact with affected communities and consumers through multiple channels:

- via its customer service system,
- through commercial partners,
- through the administration of support programmes,
- through market research and feedback mechanisms.

Feedback from stakeholders is incorporated into product development and quality assurance processes. The effectiveness of engagement is assessed based on the feedback and complaints received and the effectiveness of their handling.

#### **Processes aimed at remedying negative impacts S3-3, S4-3**

The Group operates a multi-channel complaints handling system, the details of which are set out in [the chapter entitled 'Business Conduct'](#).

Complaints are treated confidentially, in full compliance with data protection rules. Anonymous reporting is also possible. The prohibition of retaliation is laid down in internal regulations.

Incoming cases are tracked using a structured system, and the analysis of recurring issues leads to improvement measures.

**Measures relating to affected communities, consumers and end-users S3-4, S4-4, MDR-A**

To reinforce positive social impacts, the Group actively participates in supported refurbishment programmes, strives to improve energy efficiency through continuous product development, and pays particular attention to ensuring product quality and regulatory compliance.

To prevent potential negative impacts the Group operates a rigorous quality control system, has a formalised product recall procedure in place, and regularly reviews and improves its compliance processes. In developing its operating practices the Group's fundamental aim is to ensure that its activities do not cause or exacerbate significant negative social impacts.

Social responsibility is thus not merely a matter of corporate social engagement, but one of the defining principles of the Group's business strategy. The strategic objective is to manufacture and make available insulation materials on as wide a scale as possible, thereby promoting the widespread adoption of cost-effective, low-energy homes.

The **MASTERPLAST Group** employs product safety and quality control processes to assess the impact on consumers and end-users. Feedback received during sales helps to understand this stakeholder group with sustainability in mind. Product certifications, as well as any complaints, responses to them, and subsequent feedback, provide further useful background information.

**Objectives relating to affected communities, consumers and end-users: S3-5, S4-5, MDR-T**

Performance is assessed based on the number of projects implemented within the EEOS framework, which approached ~12,000 in 2025. The estimate is based on the amount of money spent on the projects.

At present no separate, quantified targets have been set for consumers, end-users and affected communities; in these areas, the direction is currently set by the business strategy and the associated business objectives. However, the Group is exploring the possibility of setting specific and measurable targets for future use, which could support the monitoring and assessment of social impacts in a more structured manner.

# CORPORATE GOVERNANCE

Material impacts, risks and opportunities and their interaction with strategy and business model *IRO-1, SBM-3*

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy
G1 Business Conduct	Corporate culture	Our Group is committed to responsible, transparent and effective corporate governance and fair business practices. We conduct our business in accordance with high ethical standards and in compliance with the law. As a responsible company, we do everything we can to ensure that fundamental ethical standards are fully integrated into our day-to-day work, into the relationships between colleagues, and into our relationships with customers, owners, suppliers and all other stakeholders. We are committed to operating ethically and transparently, and to competing with our rivals in a purposeful yet fair manner.	Actual positive impact	Own operations	Short-term	Responsible and transparent corporate governance as well as fair business practices ensure long-term trust from customers, suppliers and other stakeholders, which directly influences our company's business results. The application of high ethical standards reduces legal and reputational risks, ensuring sustainable growth and competitive operations.
G1 Business Conduct	Political engagement and lobbying	Our professional memberships provide opportunities for valuable partnerships, knowledge acquisition, knowledge sharing, exchange of experience, continuous development, learning and the sharing of best practices. Domestic and international professional organisations support industry continuity, knowledge sharing and continuous development. We set objectives in close cooperation with them.	Actual positive impact	Own operations	Long-term	The <b>MASTERPLAST Group</b> primarily conducts its lobbying activities through professional advocacy organisations. The company is a member of the National Association of Building Contractors (ÉVOSZ); representing the company, Dávid Tibor is Vice-President of ÉVOSZ and Chairman of the Domestic Building Materials Manufacturers' Section.
G1 Business Conduct	Management of relationships with suppliers, including payment practices	We focus on building long-term, mutually beneficial partnerships with our suppliers. To foster strong partnerships, we provide continuous feedback whilst adhering to the highest ethical standards. We pay particular attention to sustainability, environmental and human rights issues in our supplier relationships.	Actual positive impact	Own operations	Medium term	Addressing sustainability, environmental and human rights issues in the supply chain has a direct impact on the company's reputation and legal compliance. Furthermore, establishing ethical business practices and mutually beneficial partnerships promotes long-term stability and the smooth operation of the supply chain, which is essential for maintaining the company's competitiveness.

## Business Conduct

*For the **MASTERPLAST Group** business conduct and corporate culture are fundamental pillars of sustainable growth and long-term success. The Company believes that responsible and ethical conduct not only entails compliance with legal and regulatory requirements but also serves to embody corporate values and social responsibility. The guidelines on business conduct and corporate culture apply at every level of day-to-day operations, and their aim is to contribute to the achievement of corporate objectives whilst respecting the interests of employees, partners and society.*

### The role of the governing body of **MASTERPLAST** with regard to business conduct GOV-1

The Board of Directors, the governing body of **the MASTERPLAST Group**, is responsible for defining, communicating and enforcing the high ethical standards upheld by the organisation. The Board of Directors not only represents the organisation in dealings with third parties, but also assumes responsibility for the statements made and conduct of employees within the organisation. The Audit Committee and the Supervisory Board have no direct influence on business conduct, but they perform a supervisory function and set an example to underpin the expectations placed on employees. Ethical business conduct must, after all, be upheld in day-to-day operations by the Group's more than 1,300 employees.

The Company's Code of Ethics [https://www.masterplastgroup.com/wp-content/uploads/2024/10/mpg\\_sz\\_hr\\_010\\_v-6-0-etikai-kodex\\_honlapra\\_alairas-nelkul.pdf](https://www.masterplastgroup.com/wp-content/uploads/2024/10/mpg_sz_hr_010_v-6-0-etikai-kodex_honlapra_alairas-nelkul.pdf) is issued by the Group's Chief Executive Officer. All employees conducting business on behalf of the **MASTERPLAST Group** must confirm their compliance with the Code upon taking up their post, whenever the Code is amended, and by signing it once a year. The person designated at the relevant subsidiary of the Group, or the Human Resources department, is responsible for keeping a record of the declarations of compliance. Compliance checks relating to the Code of Ethics are carried out in accordance with the provisions of the internal audit policy. The Code of Ethics, issued in 2009, was reviewed in February 2024. Version 6.0 of the **MASTERPLAST** Code of Ethics includes significant updates and expansions. The new version places greater emphasis on anti-money laundering and counter-terrorism measures, data protection, and action against harassment and discrimination, whilst also introducing an anonymous ethics reporting system. It also takes into account the principles of the UN Global Compact, whilst further strengthening the Group's responsible and ethical business practices.

The members of the Board of Directors are committed to transparent business conduct and ethics, as well as to fostering a corporate culture free from corruption. Their careers, spanning several decades, underpin their professional expertise in business conduct. The Board of Directors includes experts with extensive experience in corporate law, risk management, ESG strategy and compliance. There is an overlap between the membership of the Audit Committee and the Board of Directors, meaning that the members' expertise in business conduct is consistent.

One member of the Board of Directors is an internationally recognised expert in compliance and corporate governance. Several members have a background in finance and law, with a particular focus on managing ethical risks.

Further information: <https://www.masterplastgroup.com/igazgatotnacs/>

<https://www.masterplastgroup.com/vallalatvezetes/>

During the Green Committee meetings in 2025, the Group's management continued to pay close attention to familiarising themselves with international and domestic regulations relating to sustainability, as well as preparing for compliance with these obligations.

### The foundations of ethical business conduct and corporate culture:

### 1. Code of Ethics and corporate guidelines

The Code of Ethics defines fair business practices, prohibits corruption and conflicts of interest, sets out rules governing gifts, invitations and business relationships, and establishes ethical standards for internal and external communication. The provisions of the Code of Ethics are updated from time to time and are accepted by all employees.

### 2. Internal control system and risk management

To minimise risks, the company operates an internal control system:

**Internal audit:** Regular internal audits ensure the compliance of financial and operational processes.

**Risk analysis:** Continuous monitoring of critical points and the prevention of potential misconduct are key. Through all this, the Group also ensures compliance with the Hungarian ESG Act.

### 3. Corporate governance and management accountability

**Independent Board:** Objective decision-making is ensured through the participation of independent members on the Board.

**Responsible executive decision-making:** The leadership's exemplary conduct and transparent decision-making processes set an example in relation to the expected ethical standards.

### 4. Reporting channels and handling of misconduct

### 5. Anonymous whistleblowing system: ensures the protection of whistleblowers.

### 6. Sustainability and Corporate Social Responsibility (ESG)

To maintain the Group's long-term credibility and stability, it must operate with due regard to ESG (Environmental, Social, Governance) considerations:

**Sustainable business practices:** Integrating environmental and social responsibility objectives into the business strategy. (Details of this are set out in the ['Strategy' chapter](#).)

**Transparency and disclosure:** Preparing regular ESG reports (Sustainability Report, ESG Report) that outline the Group's ethical and sustainability commitments.

**Fair supply chain:** Collaborating with partners who also adhere to ethical and sustainable principles.

### The MASTERPLAST corporate culture and regulations governing business conduct: G1-1, MDR-P

The **Code of Ethics of the MASTERPLAST Group** sets standards for relationships with employees as well as with customers, suppliers, competitors, shareholders, external stakeholders, communities, governments and other business partners, defining the principles that ensure ethical and fair operations and business relationships. The Code does not cover every possible situation or circumstance, but provides guidance, highlighting key issues. As a general rule, the interests of the Group and its Partners must be taken into account in all cases; for matters not covered by the Code, the responsible manager should be consulted.

The provisions of this Code are binding and apply to all employees of **the MASTERPLAST Group**, as well as to those who have a business relationship with or work with any company within the **Group**.

Respect for human rights is a fundamental value. The details of this are set out in our **Human Rights Policy**. Further details: <https://www.masterplastgroup.com/emberi-jogi-politika/>

The guidelines governing the supplier relationships of the **Group** are set out in **the Supplier Code of Conduct and Business Ethics**. Details of this are presented [in the chapter entitled 'Supplier Relationships'](#).

The Chief Executive Officer is responsible for the compilation, promulgation and implementation of the ethical guidelines (Codes of Ethics), as well as for informing employees.

Those concerned are informed in writing of any changes to the codes. The revised, current codes are also available on our website: <https://www.masterplastgroup.com/vallalatiranyitas>

When updating the codes of ethics, the Company also supports the relevant parties with training where appropriate.

Although the policies were developed at management level, the **MASTERPLAST Group** also took into account insights derived from practical experience and internal feedback when drafting and reviewing the policies.

The **Group** recognises the ten principles of the UN Global Compact and supports and pledges to embed the OECD Guidelines for Multinational Enterprises across its entire business operations. By applying strict ethical and moral business standards, it actively supports these principles in the areas of human rights, labour standards, environmental protection and the fight against corruption.

The Company operates a whistleblowing system to ensure the effective identification and management of ethical risks. A detailed description of the system is provided in [the chapter entitled 'Own Workforce'](#) and in the remainder of this chapter, and all employees are briefed on how the system works upon joining the Company.

Apart from the whistleblowing channel required by law, the Company does not operate a separate, dedicated system for the prevention of corruption and bribery, given that it has not identified any areas of particular risk in this regard. In carrying out the related detection and control tasks, the work of the governing body is supported by the internal audit function, in addition to the reporting of misconduct.

### Shaping and developing the corporate culture of the **MASTERPLAST Group**

Part of the corporate culture is the so-called '**Principles of Cooperation**', a code developed jointly with employees and management, which sets out how colleagues communicate with one another, how they operate the organisation and its systems, a code which supports teamwork based on mutual respect. The Company's aim is to ensure that communication is open, honest and constructive at all levels.

The cornerstone of the success of **MASTERPLAST** is a corporate culture that prioritises market focus, individual accountability and an entrepreneurial spirit. **MASTERPLAST** is a company built on the value creation of its employees and is committed to maintaining long-term working relationships and individual development. The Group is committed to responsible, transparent and effective corporate governance and fair business practices.

The Company's **Articles of Association** are publicly available and provide a detailed description of its operations.

The Articles of Association place great emphasis on the implementation of responsible corporate governance recommendations and guidelines, taking into account the structure and characteristics of the Group formed by the Company and its subsidiaries. Under the guidance of the Board of Directors, management continuously develops its operational and control practices, and the principles applied are regularly reviewed to ensure compliance with the constantly evolving best international practices in this area.

The corporate governance practices of the **MASTERPLAST Group** are in line with the requirements of the Budapest Stock Exchange and current capital market regulations. The Group pays particular attention to the BSE recommendations on responsible corporate governance in its day-to-day operations and regulations.

The Group's [Code of Ethics](#) also sets out expectations regarding managers (Section 1.5), namely that members of management, directors and managers are obliged to continuously monitor for any signs of unethical behaviour or actions contrary to the company's interests and values, and must report such incidents without delay. Employees who become aware of behaviour contrary to the provisions of the Code or other breaches of the rules are obliged to report this to their immediate superior, the internal auditor, or via the **MASTERPLAST Group Whistleblowing Portal**. (Section 1.7)

Incoming reports – whether submitted via the Code of Ethics or the Whistleblowing Portal – are investigated in accordance with the Whistleblowing Policy, and the protection of the rights of those involved is treated as a priority within the framework of an impartial procedure.

**Whistleblowing Investigation Committee:** The Whistleblowing Investigation Committee is responsible for monitoring and investigating reports of misconduct, determining the outcome of such investigations, and taking any further action deemed necessary based on the report. The Whistleblowing Investigation Committee is an organisational unit within **the MASTERPLAST Group** which, in the course of its proceedings, ensures the proper investigation of reports, careful follow-up, the protection of the whistleblower (and any third parties potentially involved in the report) and fair proceedings throughout the operation of the system. The committee consists of three members, who elect a chairperson from among themselves.

Compliance with the principles set out in the Code of Ethics and the operation of the system in accordance with these principles is monitored by the internal auditor. During an investigation, all employees are expected to be fully available and to cooperate. In the event of an ethical breach, the circumstances must be investigated and the perpetrator held accountable. Any employee who breaches the rules of the Code of Ethics will be subject to disciplinary proceedings. Depending on the severity of the breach, proceedings under labour law or criminal law must be initiated. In the event of a criminal offence, the Company will file a report with the police and may terminate the employment of the employee(s) concerned.

Reports regarding breaches of legislation or ethical standards, or the detection of significant risks, may be made anonymously via **the MASTERPLAST Group Whistleblowing Portal** (<https://sites.google.com/view/mpishu>). The whistleblower shall not suffer any disadvantage as a result of making a report, except in cases of bad faith. No reports of misconduct were received in 2025.

### **Training**

To ensure compliance with ethical standards, the Company organises mandatory annual training on the content of the Code of Ethics. The aim of the training is to ensure that all relevant employees are familiar with and understand the principles of conduct expected by the Company, with particular regard to integrity, the management of conflicts of interest, and the prevention of corruption and other misconduct. Regular updates to the training ensure that changes in the regulatory environment or internal policies are incorporated into practice, and participation is tracked in a documented manner.

## Political engagement and lobbying activities

G1-5

The **MASTERPLAST Group** does not engage in lobbying in the traditional sense either independently or in an organised form, and does not provide financial or non-financial support to political parties or political organisations. The **MASTERPLAST Group** primarily conducts its lobbying activities in Hungary through professional interest groups. Through these positions it actively participates in policy consultations on the construction industry and energy efficiency, with particular regard to the modernisation of building energy systems, the promotion of building renovations, and the development of the regulatory environment for energy efficiency.

The Company's professional advocacy activities are primarily carried out through its membership of domestic and international professional organisations, notably the Sustainability Section of the National Association of Building Contractors (ÉVOSZ) and the Domestic Building Materials Manufacturers' Section. The Company participates in the work of the Sustainability Section through a representative delegated by the Chief Executive Officer, with the aim of accessing up-to-date professional information, sharing relevant experiences, and actively contributing to industry dialogue and the shaping of sustainability initiatives.

Further information: <https://evosz.hu/szervezet/szakmai-tagozatok/1103-fenntarthat%C3%B3s%C3%A1gi-tagozat>

Other professional memberships (BCSDH, KÖVET Association, ESG Club Hungary) provide opportunities beyond the industry for valuable partnerships, knowledge sharing, exchange of experiences, and the identification and application of best practices. These organisations support cross-sector professional dialogue and continuous development. Within the framework of these collaborations the Company participates in defining common professional objectives, with particular regard to sustainability, environmental protection and quality assurance issues.

The EU Transparency Register is a system in which organisations that seek to influence EU decision-making are required (or advised) to register. The Group's role in professional organisations is not aimed at directly influencing legislative processes, and so it is not registered; the primary purpose of participating in industry dialogue is to gain an understanding of professional viewpoints, share industry information, and monitor changes in the regulatory environment, whilst facilitating the sharing of proposals in an organised and controlled manner. All such activities undertaken by the Company are conducted in accordance with the principles of integrity and transparency set out in the Code of Ethics.

## Supplier relations

The **MASTERPLAST Group** integrates sustainability as a key element into its business model and strategy through its procurement decisions. The Company pays close attention to selecting energy-efficient and low-carbon production processes. Another important consideration is taking into account suppliers' ethical and social responsibility. The Company uses certifications and accreditations to ensure that its suppliers meet global sustainability standards. Taking into account suppliers' recycling and waste management practices helps to reduce environmental impacts. Through these measures, the **MASTERPLAST Group** ensures that procurement decisions are aligned with its sustainability objectives. The long-term sustainability of the business model contributes to the Company's competitiveness and success.

### Management of supplier relationships G1-2

The **MASTERPLAST Group** has set out its policy on the prevention and management of late payments in its Organisational and Operational Regulations. During the reporting period, a separate receivables management policy is being prepared to provide detailed regulations.

The payment of supplier invoices is primarily governed by the terms set out in the contract, and the payment deadline stated on the invoice is binding.

The **MASTERPLAST Group** recognises that supply chains are globally fragile systems that may carry significant environmental and social risks. For this reason, the Company attaches particular importance to conducting its operations in an ethical, socially responsible and environmentally sustainable manner. Its aim is to exert a positive influence on its business environment and value chain through the establishment of long-term, stable partnerships. It is committed to ensuring that its relationships with suppliers are characterised by fair business conduct. In its procurement activities, it strives for effective collaboration, long-term relationships and optimised processes in order to establish a sustainable and responsible supply chain for the Group.

The **MASTERPLAST Group Supplier Code of Conduct and Ethics** sets out the principles and expectations that the Group imposes on its suppliers to ensure ethical, socially responsible and environmentally sustainable business practices. The document, currently available in six languages on the website (<https://www.masterplastgroup.com/vallalatiranyitas>), covers social and environmental standards, corporate governance requirements, legal compliance and ethical business practices. By adhering to the expectations set out in the Code, the company aims to ensure that its suppliers contribute to sustainable and responsible business operations.

The **MASTERPLAST Group** reserves the right to verify compliance with the Supplier Code of Conduct and Ethics using the following methods:

- supplier self-declaration,
- third-party reporting,
- submission of certificates, and
- on-site inspections.

The [Supplier Code of Conduct and Ethics](#) forms an integral part of the contracts between the **MASTERPLAST Group** and its suppliers.

The **MASTERPLAST Group** reserves the right not to enter into a supply contract with parties found to be in breach of the Supplier Code of Conduct and Ethics, or to suspend such a contract until compliance with the Code is achieved. The **MASTERPLAST Group** is entitled to verify compliance through audits. Further information in Hungarian:

[https://www.masterplastgroup.com/wp-content/uploads/2024/11/hu\\_mpg\\_sz\\_besz\\_002\\_v-1-0-beszallitoi-magatartasi-es-etikai-kodex-withou-sign.pdf](https://www.masterplastgroup.com/wp-content/uploads/2024/11/hu_mpg_sz_besz_002_v-1-0-beszallitoi-magatartasi-es-etikai-kodex-withou-sign.pdf)

The **MASTERPLAST Group** focuses on establishing long-term, mutually beneficial partnerships with its suppliers. To foster strong partnerships, it provides feedback whilst adhering to the highest ethical standards. It pays particular attention to sustainability, environmental and human rights issues in its supplier relationships.

**Communication between the MASTERPLAST Group and its suppliers**

Method of communication	Frequency
Communication via email	Regularly
Face-to-face communication, visits to suppliers and manufacturers	Regularly
Direct consultations with supplier key account managers	Regularly
Supplier forums, surveys, training sessions	Annually, subject to business decisions
Participation in international trade fairs	Annually, subject to business decisions

**Optimal supply chain**

The **MASTERPLAST Group** is committed to shortening the supply chain. Fossil-based raw materials are sourced from the Middle East as well as from the countries where our production sites are located. In the case of non-fossil-based raw materials – glass fibre – the Far East also features as a supplier, currently representing the most advantageous procurement option.

Packaging materials, both fossil-based and non-fossil-based, are sourced from the countries where the sites are located via a short supply chain.

The Group has prepared its first ESG report in accordance with the Hungarian ESG Act and established a documented risk management system in relation to this. Although the first reports are not yet public, the disclosure requirement will come into force from 2028. We will provide comprehensive information on the details of this in our sustainability reports following 2028.

**Payment Practices G1-6**

Responsible and reliable business conduct is of paramount importance to the **MASTERPLAST Group**, which includes timely financial settlements with suppliers. The Group pays particular attention to ensuring that small and medium-sized enterprises (SMEs) are not disadvantaged by late payments.

In its contracts, the **MASTERPLAST Group** typically undertakes to pay its partners within 60–90 days.

For service providers:

- logistics 15–30 days,
- other services 8–30 days,
- for SMEs, 8–15 days is the typical payment term agreed in the contract.

75% of the **Group’s** payments to its partners were made within the agreed timeframes, in accordance with the general terms and conditions, during the period under review. The average number of payment days: 41

Payments are typically made on the due date or 1–2 days prior to it; however, delays of approximately 5–10 days have occurred. In the case of SMEs, the Group pays particular attention to ensuring that they are not disadvantaged. In such situations active consultation and communication support the prioritisation of payments. In the case of sole traders, payment deadlines are met precisely.

In 2025 no legal proceedings were initiated against the **MASTERPLAST Group** for late payment.

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# Appendix

The relationship between the ESRS standard and EU legislation

Disclosure requirement and related data point	Reference to the Regulation on sustainability-related disclosures <sup>43</sup>	Reference to Pillar 3 <sup>44</sup>	Reference to the Regulation on benchmarks <sup>45</sup>	Reference to the EU Climate Pact <sup>46</sup>	Page	Note
<b>ESRS 2 GOV-1</b> Board's gender diversity Paragraph 21(d)	Indicator No 13 in Table 1 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816 <a href="#">[27]</a>		9	
<b>ESRS 2 GOV-1</b> Percentage of board members who are independent Paragraph 21(e)			Annex II to Delegated Regulation (EU) 2020/1816		9	
<b>ESRS 2 GOV-4</b> Statement on due diligence, paragraph 30	Indicator No 10 in Table 3 of Annex I				16	
<b>ESRS 2 SBM-1</b> Involvement in activities related to fossil fuel activities Paragraph 40(d)(i)	Indicator No 4 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 <a href="#">[28]</a> Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II to Delegated Regulation (EU) 2020/1816		18	
<b>ESRS 2 SBM-1</b> Involvement in activities related to chemical production (Paragraph 40(d)(ii))	Indicator No 9 in Table 2 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816"		18	
<b>ESRS 2 SBM-1</b> Involvement in activities related to controversial weapons Paragraph 40(d)(iii)	Indicator No 14 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1818 <a href="#">[29]</a> , Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		18	
<b>ESRS 2 SBM-1</b> Involvement in activities related to the cultivation and production of tobacco Paragraph 40(d)(iv)			Delegated Regulation (EU) 2020/1818, Article 12(1) of Delegated Regulation (EU) 2020/1816 on , Annex II		18	

<sup>43</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council

<sup>44</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council

<sup>45</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council

<sup>46</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council

<b>ESRS E1-1</b> Transition plan to reach climate neutrality by 2050, Paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	39	
<b>ESRS E1-1</b> Undertakings excluded from the Paris-aligned Benchmarks, Paragraph 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Banking book – Climate transition risk: Credit quality of exposures by sector, emissions volume and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2).		49	
<b>ESRS E1-4</b> GHG emission reduction targets Paragraph 34	Indicator No 4 in Table 2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 3: Banking book – Climate transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		57	
<b>ESRS E1-5</b> Energy consumption from fossil sources, disaggregated by sources (only high climate impact sectors) Paragraph 38	Indicator No 5 in Table 1 and Indicator No 5 in Table 2 of Annex I					<i>Not material</i>
<b>ESRS E1-5 Energy consumption and mix</b> , paragraph 37	Indicator No. 5 in Table 1 of Annex I				59	
<b>ESRS E1-5</b> Energy intensity in associated with activities in high climate impact sectors, paragraphs 40–43	Indicator No 6 in Table 1 of Annex I					<i>Not material</i>
<b>ESRS E1-6</b> Gross Scope 1, 2 and 3, and total GHG emissions Paragraph 44	Indicators 1 and 2 in Table 1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Banking book – Climate transition risk: Credit quality of exposures by sector, volume of emissions and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)		62	
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<b>ESRS E1-9</b> Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II			<i>Transitional exemption</i>
<b>ESRS E1-9</b> Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) <b>ESRS E1-9</b> Location of significant assets at material physical risk, paragraph 66(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, recitals (46) and (47); Table 5: Banking book – Physical risks related to climate change: Exposure to physical risks.				<i>Transitional exemption</i>
<b>ESRS E1-9</b> . Breakdown of the carrying value of its real estate assets by energy efficiency class Paragraph 67(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Recital 34; Table 2: Banking book – Climate transition risk: Loans secured by property – Energy efficiency of the collateral ( )				<i>Transitional exemption</i>
<b>ESRS E1-9</b> Degree of exposure of the portfolio to climate-related opportunities Paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II			<i>Transitional exemption</i>
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<b>ESRS E3-1</b> Water and marine resources, paragraph 9	Indicator No 7 in Table 2 of Annex I					<i>Not material</i>

<b>ESRS E3-1</b> Dedicated policy, paragraph 13	Indicator No 8 in Table 2 of Annex I					<i>Not material</i>
<b>ESRS E3-1</b> Sustainable oceans and seas Paragraph 14	Indicator No 12 in Table 2 of Annex I					<i>Not material</i>
<b>ESRS E3-4</b> Total water recycled and reused, paragraph 28(c)	Indicator No 6.2 in Table 2 of Annex I					<i>Not material</i>
<b>ESRS E3-4</b> Total water consumption in m <sup>3</sup> per net revenue on own operations Paragraph 29	Indicator No 6.1 in Table 2 of Annex I					<i>Not material</i>
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<b>ESRS 2 – IRO 1 – E4,</b> paragraph 16(b)	Indicator No 10 in Table 2 of Annex I				74	
<b>ESRS 2 – IRO 1 – E4,</b> paragraph 16(c)	Indicator No 14 in Table 2 of Annex I				74	
<b>ESRS E4-2</b> Sustainable land /agricultural practices or policies Paragraph 24(b)	Indicator No 11 in Table 2 of Annex I					<i>Not material</i>
<b>ESRS E4-2</b> Sustainable oceans/seas practices or policies Paragraph 24(c)	Indicator No 12 in Table 2 of Annex I					<i>Not material</i>
<b>ESRS E4-2</b> Policies to address deforestation, paragraph 24(d)	Indicator No 15 in Table 2 of Annex I					<i>Not material</i>
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<b>ESRS S1-16</b> Excessive CEO pay ratio, point 97(b)	Indicator No 8 in Table 3 of Annex I					<i>Not material</i>
<b>ESRS S1-17</b> Incidents of discrimination, point 103(a)	Indicator No. 7 in Table 3 of Annex I					<i>Not material</i>
<b>ESRS S1-17</b> Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 104(a)	Indicator No. 10 in Table 1 and Indicator No. 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)			<i>Not material</i>
<b>ESRS 2 – SBM3 – S2</b> Significant risk of child labour or forced labour in the value chain, point 11(b)	Indicators 12 and 13 in Table 3 of Annex I					<i>Transitional exemption</i>
<b>ESRS S2-1</b>	Indicator No. 9 in Table 3 of Annex I					<i>Transitional exemption</i>

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<b>ESRS S2-1</b> Non-respect of UNGP's on Business and Human Rights and OECD Guidelines Paragraph 19	Indicator No. 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)			<i>Transitional exemption</i>
<b>ESRS S2-1</b> Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions Nos 1–8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II			<i>Transitional exemption</i>
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<b>ESRS S4-1</b> Non-respect of UNGP's on Business and Human Rights and OECD Guidelines Section 17	Indicator No. 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)			<i>Transitional exemption</i>
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<b>ESRS G1-4</b> Standards of anti-corruption and anti-bribery, paragraph 24(b)	Indicator No. 16 in Table 3 of Annex I					<i>Not material</i>