




MASTERPLAST

MASTERPLAST GROUP
ESG REPORT 2021

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Properly designed facade insulation can halve heating and cooling energy demand. With the implementation of the facade thermal insulation the building energy rating of our home will improve, and as a result, its value will also be higher.

As a healthcare producer, we provide modern hygiene products and solutions to the society.



MASTERPLAST

▶ INTRODUCTION

Dear Investors and Readers!

Like 2020, 2021 was also hectic, full of challenges, but also dynamic and joyful. Masterplast's activities and products have proven to be imperative in several areas such as fight against COVID or cooperation for a more sustainable future. Although COVID has radically changed the way we have lived and done business so far. Thanks to our strong corporate culture and values, our solution-oriented team has been constantly looking for opportunities to create value for our customers and improve their environment. We are proud of all our colleagues who have helped each other shoulder to shoulder and also ensured the continuity of supply in addition to our sound internal operations.

Besides the most successful year in the history of the Masterplast Group, we are delighted to publish our first ESG report on our 25th company anniversary. Since the foundation Masterplast Group has paid special attention to sustainability as a key pillar in our vision. As a leading European producer we contribute to the development of energy-efficient and environmentally sustainable buildings. We have long been working in line with ESG principles, nonetheless the ESG report preparation has triggered a more conscious and structured approach. A great example is that Masterplast, being the first among the Hungarian construction material producers, has laid the foundations and started to operate a circle economy. In December 2021, we presented our ESG roadmap to the Budapest Stock Exchange, based on which we prepare our first simplified ESG report for the 2021 business year, with a view to the key events of the previous year.

We are constantly looking for business opportunities that go beyond traditional shareholder value creation. We believe that we can be truly successful if we can change, develop and grow with all our stakeholders according to mutual benefits: besides our colleagues and families, with our suppliers, customers, investors, as well as with authorities, regulators, legislators, educational and research institutions. The purpose of our first and at the same time pioneering ESG report is to present our strategy, operations, value creation from a different dimension and to help our stakeholders' understanding. We believe that as a next-generation construction material and healthcare industry company, this is a further step in the path that proves our commitment, openness and accessibility.

We hope that this report will provide useful information to everyone interested in what sustainability means to us. As one of the leading companies in the Central and Eastern European region, we feel responsibility to give guidance by setting a positive example and encouraging others to join us on a path toward a more beautiful future.

Sárszentmihály, 28. April 2022

Dávid Tibor

Founder, Chairman of the Board



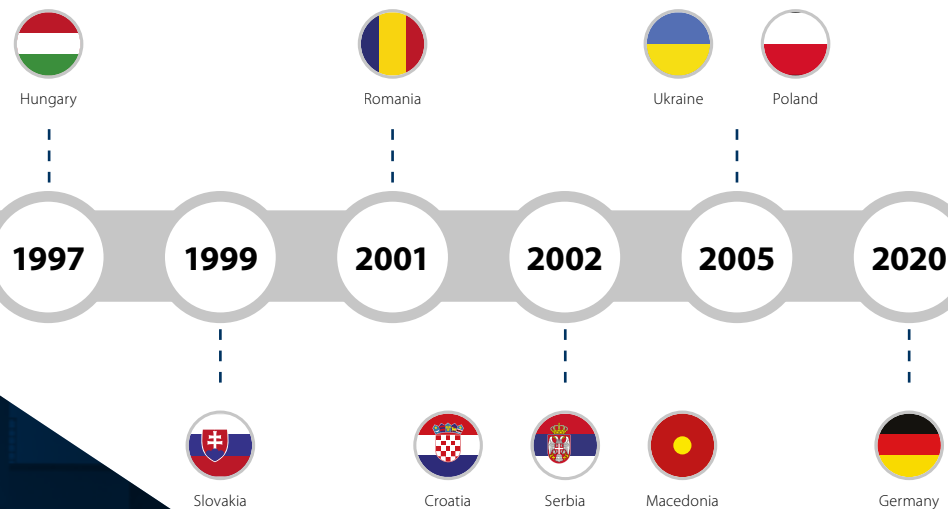
► Overview of the activities of the Masterplast Group

Founded in 1997, Masterplast, as the largest Hungarian-owned manufacturer of construction material and healthcare protective equipment in the Central European region, is a major supplier to national construction material trading companies. It has been present on the market for 25 years listing its shares on the stock exchange in 2011, and since 2017 it is a Premium category company of BSE, part of the BUX index from 2021. It has a dominant position in the building thermal insulation, pitched roof insulation and dry construction components' market. In 2020, it acquired the manufacturing plant in Aschersleben, with which the Company also entered the healthcare industry, initially with selling raw materials and later on producing its own protective clothing, that further increased its profitability. It is constantly developing its production capacity through investment implementations. It has subsidiaries in nine countries, complemented by export activities managed from Hungary. The report relates to the whole Masterplast Group covering the performance and results achieved in 2021 by its wholly or partly owned subsidiaries.

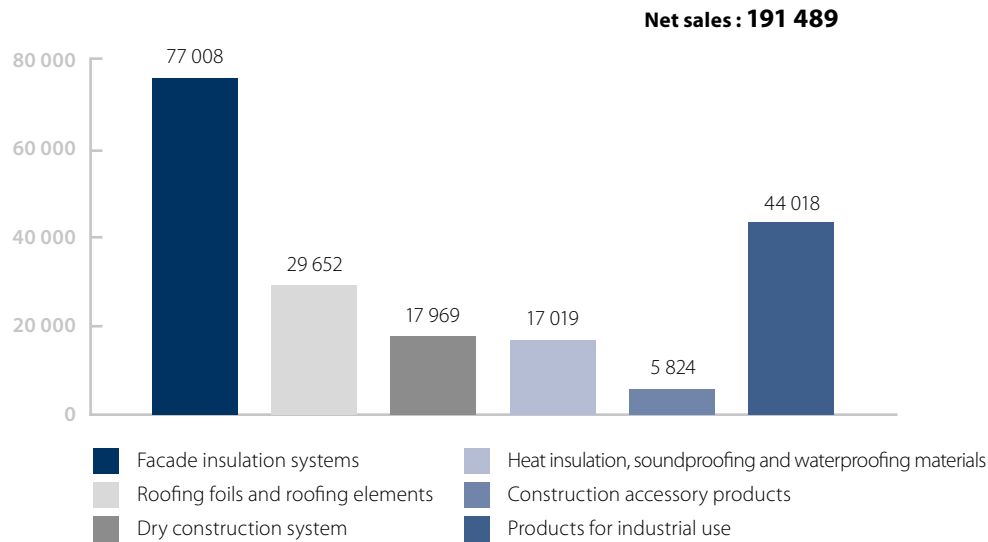


- **2nd position** in Europe in the production of fiberglass mesh,
- **In the TOP 10** of Europe's non-vapour permeable roof underlays' production
- **Health industry basic textile material manufacturer in the region**

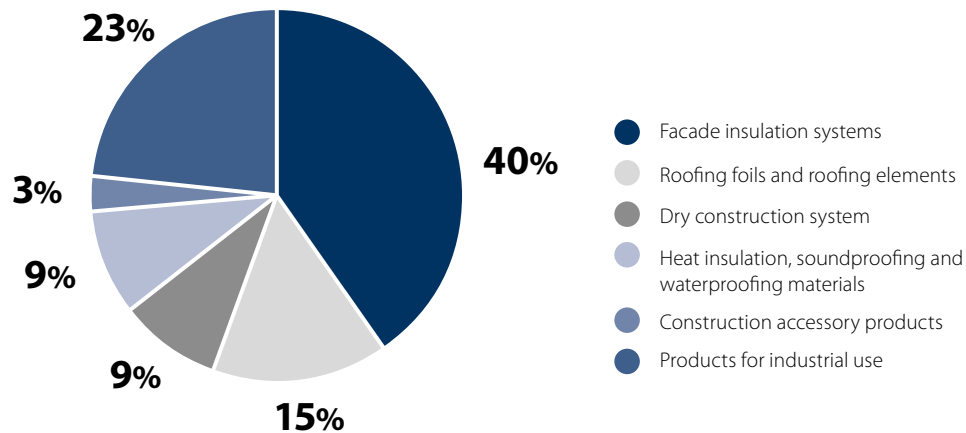
- Export countries
- Subsidiaries



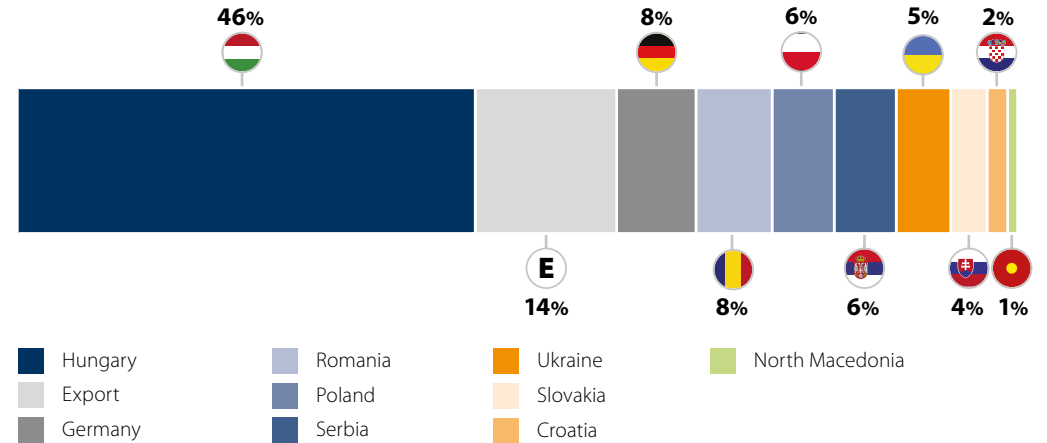
Sales by main product category (thousand €) in 2021



Contribution in percentage of product category to total turnover

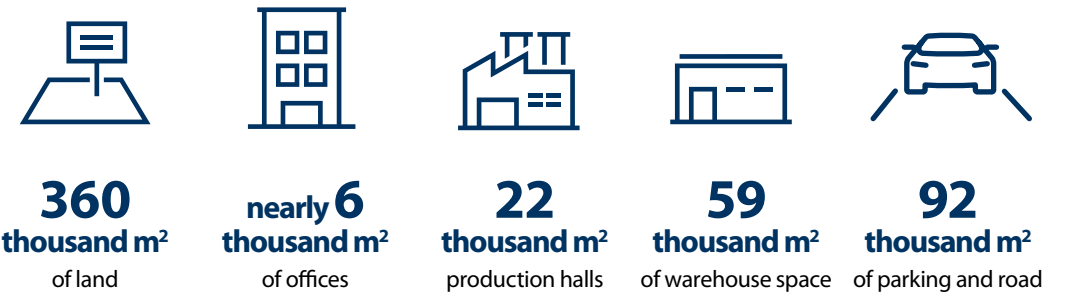


Contribution in percentage of countries to total turnover



The breakdown of sales by country shows the sales generated in the countries where Masterplast is present with its subsidiary, irrespective of which subsidiary has sales in the country concerned. Sales in countries without a subsidiary are reported as exports.

The Group's sites in numbers



Masterplast Group in numbers

1379
employees



of which **900**
in the production



in **9**
countries



in **3**
business lines



sales of EUR
191.5 million



the proportion of female
workers is
32%



26% for
those under 30



14% for
those over 50



approx. **4000m³** of
EPS and XPS cutting waste
collected and recycled into
Thermoconcrete



95% of
production waste recycled
or sold for recycling



▶ Creating value in Masterplast Group

As the highest market cap and the company with the highest liquidity of the mid-cap segment of the Hungarian Stock Exchange, Masterplast provides a comprehensive service for the shaping of a more sustainable future, thanks to its manufacturing and sales practices in the European thermal insulations, construction accessories and healthcare equipment market



Resources



Employees

- 1379 employee
- 9 countries
- 22% female middle and senior management



Manufacturing and markets

- Production in 7 sites, in 3 countries, in 11 plants
- Sales activity in 40 countries



Divisions, cooperation

- 3 business lines, 6 categories of products
- Continuous product innovation



Financial Resources:

- 3 bond issuance programmes in a total value of EUR 55 m
- Robust and increasing EBITDA
- Free-cash-flow production



Energy consumed:

- 59 071 045 kWh



Partnership

- 51 suppliers for core business activity
- 11 countries

Added value

1



Market

- 5.000+ satisfied customer annually
- 30.000+ insulated residential building annually
- 150.000.000+ m² of fiberglass mesh sold in Europe and 500.000+ m³ of EPS in Europe annually

4



Employees

- Personnel cost: EUR 21,395 m
- Time dedicated to development of employees: a total of 4,530 hours

2



Investors

- Shareholder value increase
- Share price increase and dividend

5



Local communities

- Amount of donations in year 2021: EUR 64,000
- Close and regular cooperation with local communities

3



Regulations

- Income taxes: EUR 2.12 m
- Taxes and duties: EUR 0.20 m
- Wage contributions: EUR 2,94 m

6



Non-governmental organisations

- Partnership with non-governmental society
- Collaboration with universities, hospitals
- Active participation and membership in construction sector related professional organisations

► Megatrends

Megatrends are global, macro-economic processes that profoundly shape the present and future of humanity, with consequences that offer opportunities and risks. Masterplast Group's activities and business model are influenced by megatrends taken into account when developing its strategy.



Megatrend	Risk	Opportunity
Climate change	Climate extremes	The spread of energy-efficient building and construction industry solutions
	Feedstock and raw materials become more expensive and difficult to access	Spread of circular economy Optimising industrial processes and supply chains
	Regulatory change and compliance costs	Extensive insulation Production methods with low CO ₂ and their development
Demographic change and urbanisation	Increasing pollution and waste generation	Waste collection and circular economy, The diffusion of modular construction Process efficiency
	Ageing society, health risks	Increased demand for health products and services
	Growing inequalities	Renovation of old buildings
Digitalisation and innovation	Increasing urbanisation	Housing demand increases, Increasing demand for energy efficiency, insulation
	Cyber security and data protection	Workforce training System and process improvements
	Legal risks related to data	Customer experience and new services
	Industry 4.0, the rise of digitalisation	E-commerce Automated production and production development
	Labour shortages, in particular among blue-collar workers	Workforce development Technology investments Optimisation of industrial processes and supply chains

Impact of megatrends on Masterplast Group

Adaptation to climate change

- The European Union's New Climate Pact put high emphasis on the energy development of buildings, and sustainability is strongly reflected in construction and economic regulations.
- Environmental awareness comes to the fore, and the expectation of insulation is affected by several factors, such as the growing energy expectations of the market and the regulatory side, the need to reduce waste and emissions, the reduction of specific energy consumption, and the increasing share of renewable energy sources.
- The circular economy is improving, the proportion of products containing recycled materials is increasing, the green product portfolio of insulation systems is expanding, which for the long-term allows decomposition, collection and recycling of insulation materials.
- The use of hygienic textiles is becoming common, where the role of the principles of collection and recycling is constantly growing.

Urbanisation and demographic change

- Housing quality expectations are increasing, and the role of the size and quality of living space is becoming more important. The demand for insulation materials is growing sustainably and steadily, and the global housing stock needs to be transformed and renovated.
- A permanent need for regional supply chains to reduce the ecological footprint and increase security of supply will emerge. The role of reserve stocks will be enhanced.
- Labour becomes a limited resource. The technological development of the construction industry requires technologically high-skilled workforce, the number of workers with construction skills is steadily decreasing, therefore investors need construction solutions with a high level of completion. With the entry of younger generations into the labour market, a fundamentally different mindset is becoming prevalent.
- The importance of mental and physical health has been raised and will be one of the fastest growing industries of the future. As society ages and prosperity increases, so does health expenditure grow.

Digitization and innovation

- Commercial value chains get shorter, consumer decisions and supply are fulfilled online.
- As a result of digitalisation, the share of online sales is increasing, the company can adapt by operating an online B2B platform, digitalising its own activities and introducing highly automated production phases.
- The innovation will appear mainly in the roof underlays and fiberglass mesh product portfolio, in the current production, as well as in the new healthcare segment. The introduction of modular architecture as a stand-alone business from 2022, application of top technologies in the production process will secure the future business opportunities for the Company.
- All the company's operations are interconnected with digital solutions and devices. Organizational operations and processes are fundamentally changing.



► Strategy

Masterplast Group has defined its strategy taking into account the megatrends in order to achieve its mission and vision, of which the ESG goals for sustainability are essential and integrated elements, helping the Company to achieve sustainable growth and business expansion.

Mission

We are proud to be a cohesive team supporting the development of our partners with competitive products and customer-oriented services.

Vision

As a leading environmentally conscious European manufacturer, we contribute to the building of energy efficient buildings around the world. As a healthcare manufacturer, we serve a society with modern hygiene products and solutions.



Values



Customer focus

Long-term successful market cooperation based on a personal, trusting relationship, where we increase the competitiveness of our customers by providing a stable background and a high level of service.



Responsibility

We make bold, independent and responsible decisions and fulfill our commitments as agreed.



Teamwork

We believe in cooperation based on well-organised, sincere human relations, working efficiently and effectively to achieve our common goals.



Continuous development

With our open, intrinsically motivated attitude, we provide fast and innovative answers to future challenges.

Integrated ESG goals

- Decrease of waste, emissions and unit energy consumption
- Increase of renewable energy use

Strategic goals

- Continuous sales and profit growth on an acquisition basis in the construction, healthcare, modular architecture and industrial sales markets

Sub-goals:

- To become a key sector player in the Central, and Central and Eastern European region
- Further expansion and development of the current own production capacities
- Increase recycling, backed by innovation, both absolute and relative terms
- Include new production capacities into the portfolio
- Increase the health industry presence
- Create Masterplast Medical brand

ESG goals

Continuous growth both in terms of profit and volume, supported by organic and inorganic actions, in the field of construction, health care, modular construction and industrial sales.



Use of green energy

Ratio of green electricity 10% until 31 Dec 2025



Circular economy

Hungarocell Green Programme

Greening of Masterplast product packaging until 31 Dec 2023



Responsible consumption

Expanding the range of products with the green logo



Green innovation

The use of 500 t of waste plastic to produce XPS until 31 Dec 2026

Modular architecture: reducing waste generation, increasing recycling

Sustainability context

The Masterplast Group is committed to environmental sustainability and contributes to the reduction of carbon emissions. Buildings and residential houses are the largest emitters, and by their energy efficiency renovation a large reduction in carbon emissions can be achieved. Masterplast Group, as a major player in the insulation materials market, contributes to the energy efficiency upgrade and to the reduction of energy consumption of the building stock, both in terms of new and existing building and facilities.

Masterplast's vision is that buildings are temporary storage for building materials. In 2020, the Group acquired Fidelis Bau Kft., a company dealing with the recycling of polystyrene and the production of lightweight insulating concrete. Taking advantage of the opportunity arising from this acquisition, Masterplast launched a unique circular economy in the construction materials industry in Hungary, in

the framework of which it produces thermo concrete by collecting polystyrene. Through its Eco-Point partner network Masterplast collects the construction residues from the polystyrene products it supplies and recycles them 100%, producing again thermal insulation material and in this way considerably reducing the amount of waste on the construction site. In 2020, the amount of specific waste in fiberglass mesh production further decreased with the increase in production technology discipline, with important machine developments supporting improved and reduced waste generation. It pays close attention to energy use in both logistics and manufacturing.



Response to Covid-19 challenge

Protecting the health of the Group's employees, customers, suppliers and all partners was a top priority. We have taken the necessary health measures, with an emphasis on communication, information, dialogue, and attention to ensuring that employees can maintain a work-life balance.

There were serious disruptions in global supply chains during the pandemic. Masterplast Group was able to provide continuous production and supply thanks to optimized raw material stockpiling sufficient for several months.

Masterplast Group launched its operations in the healthcare industry in 2020 with the acquisition of a plant in Aschersleben, Germany. In April 2021, the Company entered into contract with the National Healthcare Service Centre for the supply of protective coveralls necessary in the protection against the coronavirus epidemic. The Company contributes to the management of the epidemic situation by supplying quality certificate personal protective equipment.

Masterplast Group's activity supports the achievement of the UN Sustainable Development Goals



9. Industry, innovation and infrastructure

- Greenhouse gas emissions
- Resource productivity
- Research and development expenditure, innovation



11. Sustainable cities and communities

- Greenhouse gas emissions
- Packaging waste
- Waste generated
- Waste treated
- Satisfaction with the living environment



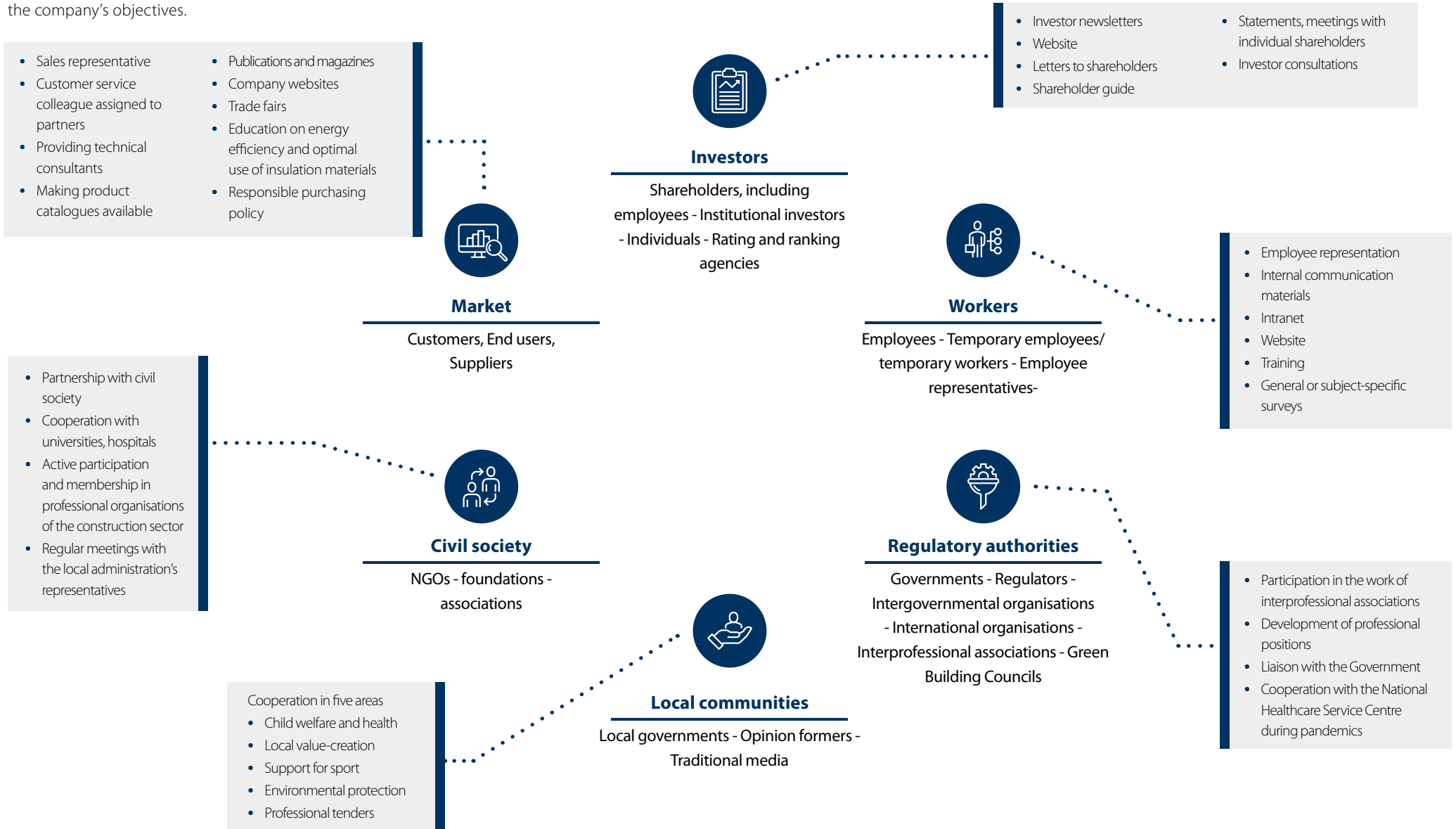
12. Responsible consumption and production

- Greenhouse gas emissions
- Packaging waste
- Energy intensity
- Resource productivity
- Waste generated
- Waste treated
- Renewable energy sources

▶ Stakeholder engagement

Masterplast Group pays particular attention to continuous dialogue and cooperation with stakeholders, taking into account their interests in its corporate activities and ensuring that they are in line with the company's objectives.

The interests of stakeholders are also taken into account by Masterplast Plc in the development of its ESG strategy. The dialogue with collaborating partners is based on constructive, transparent and mutual trust. The Masterplast Group has assessed its ecosystem, identifying stakeholders and the way of dialogue.



► Environmental performance of the Company



Raw materials and products

Insulation materials make a significant contribution to the reduction of emission value of the building stock responsible for the highest emission value, which underpins the demand for Masterplast products in the long run.

With its products, the Company contributes to saving up to 50% of the heating and cooling costs of residential and non-residential properties, thus reducing the CO₂ emissions of buildings.

The raw materials used in the production and packaging of the company's products are for the most part non-renewable materials, petroleum derivatives such as EPS or GPPS. Their fossil origin no longer results in emissions as a production raw material and at the same time the products contribute to increase energy efficiency.

These raw materials used in the construction materials industry cannot be replaced on the basis of current technological knowledge, although they are subject to continuous innovation. They have properties that are crucial for insulation, which cannot yet be guaranteed in a stable way for the long term, even for decades, by the materials experimented with as replacements.

The type and quantity of materials used indicates the company's dependence on natural resources and the indirect impact on their exploitation. At the same time, Masterplast introduces continuous measures to contribute to the conservation of resources through recycling, reuse and recovery.

In the healthcare sector, the raw material for single-use healthcare products is also fossil, but this is the desirable way to clean sheets and protective clothing with chemicals or at 90 degrees Celsius and to further reduce infections supporting the highest level of recycling to reduce the life-cycle product footprint.

Products



Wide range of products

6 product categories

15 product groups

2 000 products

54% in-house produced products

150,000,000+m² sold fiberglass mesh

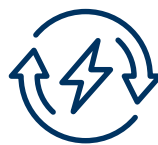
500,000+ m³ sold EPS

Fossil raw materials
(e.g. EPS, PP, GPPS)



50%

Non-fossil materials
(e.g. fiberglass, steel)



50%

Annual purchased quantity's proportion of total purchased raw materials:

Facade thermal insulation systems and elements: our certified facade thermal insulation systems with EPS polystyrene, graphite EPS polystyrene and stonewool insulation core comply with the European ETICS system requirements. Based on our two decades of experience in the marketing and production of thermal insulation materials, we believe that proper insulation of buildings can provide energy savings of up to 70-80% for the average domestic real estate.

Roof underlays and roof accessories: we have 25 years of experience in the marketing of roof underlays. Our wide range of roof underlays includes almost every type of roofing foil.

We offer quality product solutions for interior construction jobs. There is no quicker and simpler method than dry construction for high standard fashioning of interior spaces and surfaces.

Thermal, sound and waterproofing materials: we offer EPS polystyrene, XPS expanded polystyrene, as well as fibreglass, stonewool and expanded polyethylene insulation materials in a wide range of types and sizes.

Construction accessories: we offer a wide range of thermal insulation lightweight concrete and wood wool products, as well as auxiliary products for plastering, surface preparation and finishing works and foils for construction.

Masterplast Medical products: Our personal protective clothing products provide maximum infection protection and contamination prevention, cf. COVID overalls, visitor coats, shoe protectors, hair nets and in the near future, scrubs.

Sheets and other sanitary textile products: bed linen, examination table covers and isolation curtains are included in this category.

Bed pad and mattress protection products provide effective assistance in home and hospital nursing and elderly care. Their use can significantly reduce the nursing staff's workload.

The lifetime of products can be extended by careful attention and the professional application of the right products during the construction process. The Masterplast Group provides advising support in determining the area of application that meets the technical requirements and the correct use of the technology. It also contributes to the development of the market.

Products involved in product innovation: non-vapour permeable roof underlay, PP fleece, finished healthcare products: overalls, incontinence sheets

Masterplast Group's products improve the emission value of the European building stock. The energy demand in primary energy of a net-zero energy compliant dwelling/building is 1/6 to 1/9 of that of a building built in the 1980s that has not undergone energy renovation since then. If we want to achieve a net zero requirement for a building built in the 80s, 20 cm of facade insulation and 30 cm of slab insulation should be installed in addition to the renewal of the mechanical engineering and doors and windows.



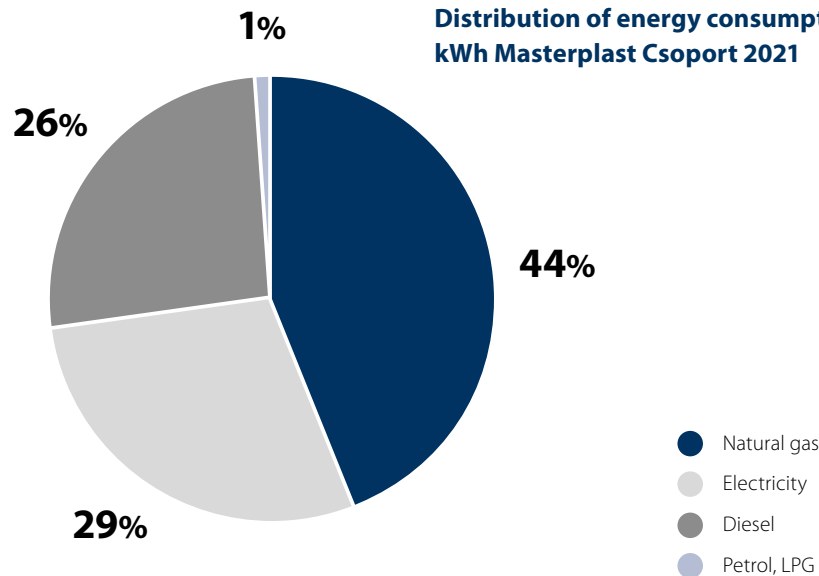


Energy use

The main source of energy currently used comes from the electricity grid, but from 2022 the Company Group will gradually increase the share of renewable energy

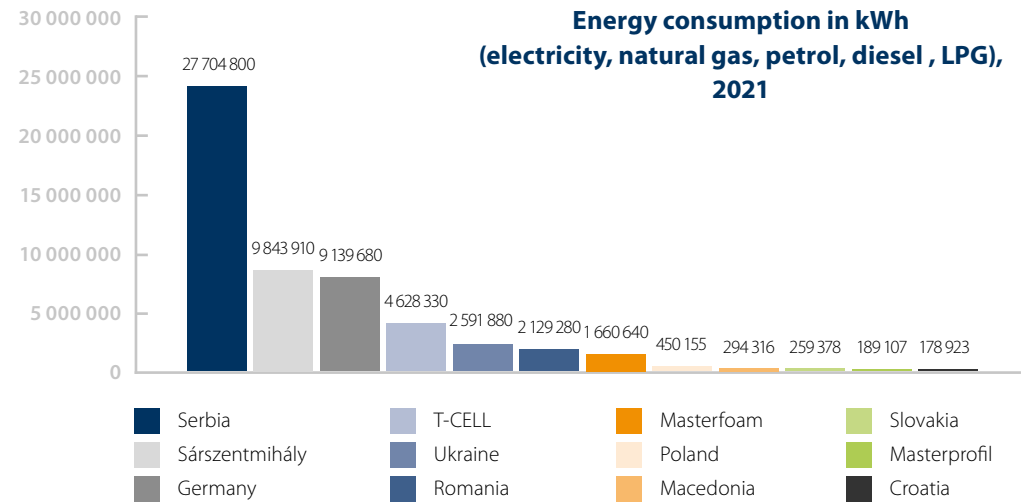
Masterplast uses energy in various forms, mainly as electricity, heating, cooling and steam in its manufacturing process at its 11 production units in seven sites. Energy is used in the marketing service by operating the company's own fleet of vehicles in the form of fuel. Energy is purchased from external sources; the company does not have own energy production. At the moment it does not have own energy production, but from 2022 the Group plans to gradually increase the share of green energy. It conducts extensive analysis, mainly in manufacturing countries, on clean energy production and procurement. After monitoring the experience, plans include increasing the share of renewable energy. Masterplast believes that the more efficient use of energy and the optimal choice of renewable energy sources are essential from the point of view of combating climate change and reducing the organisation's overall environmental footprint.

Distribution of energy consumption in kWh Masterplast Csoport 2021



Energy consumption of Masterplast Csoport, 2021

- Water consumption **2 593 387 m³**
- Natural gas consumption **2 645 054 m³**
- Electricity consumption **16 892 160 kWh**
- Diesel **1 463 386 l**
- Petrol **39 657 l**
- LPG **452 087 l**



Energy consumption of manufacturing activities
41 861 466 kWh



Water consumption of manufacturing activity
2 593 387 m³



Masterplast Group total energy consumption
59 071 045 kWh

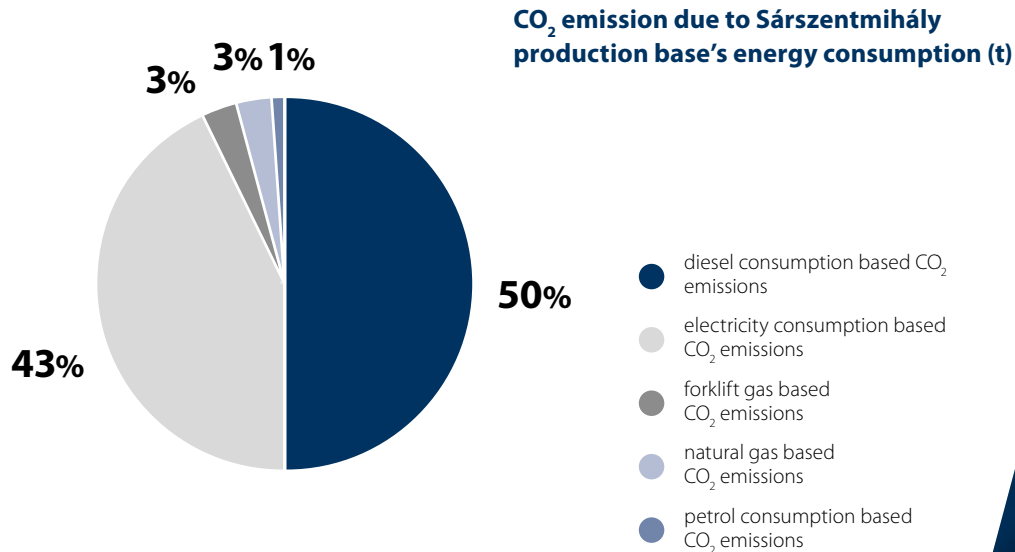


Masterplast Group total water consumption
17 209 579 kWh

The Masterplast Group focuses on improving the specific efficiency of emissions values in its continuously expanding business

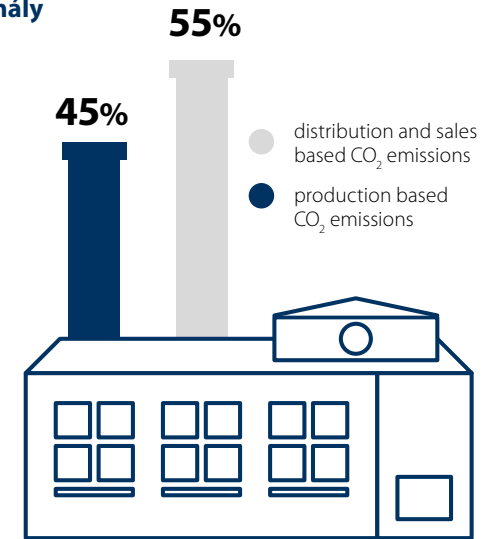
Greenhouse gas emissions are a major contributor to climate change. The Masterplast Group supports and embraces the goal of keeping emissions below 2°C, and preferably below 1.5°C, as set by the Paris Climate Agreement. Emissions into the air from manufacturing and emissions from logistics and distribution activities are the most significant emissions of Masterplast.

As greenhouse gases have a detrimental impact on the ecosystem, human and animal health, Masterplast is committed to stabilising and, where possible, reducing the specific emissions from its business activities. The Company will continue to prioritise the goal of reducing specific CO₂ emissions as the company expands its business activities thereby contributing to employee and local population health improvement.



Distribution of emissions from Sárszentmihály manufacturing base's activities

The scope of greenhouse gas emissions can be direct, indirect and other indirect. This report covers indirect emissions. The Sárszentmihály site is also the logistics centre of the Masterplast Group, as indicated by the higher distribution of the Sárszentmihály site compared to the other sites



The ISO 9001:2015 Quality Management System Standard, the ISO 14001:2015 Environmental Management System Standard and the ISO 50001:2011 Energy Management System Standard are in force at the sites as follows:

- Masterplast Plc. ISO 50001:2011 TIC 15 275 16157 MSZ EN ISO 9001:2015 INTERCERT 181689 MSZ EN ISO 14001:2015 INTERCERT 181689
- Masterplast Ltd. ISO 50001:2011 TIC 15 275 18205
- Masterplast International Ltd. ISO 50001:2011 TIC 15 275 18206
- Masterplast Hungária Ltd. ISO 50001:2011 TIC 15 275 18204
- Masterfoam Ltd. ISO 14001:2015 TIC 15 104 7324 ISO 50001:2011 TIC 15 275 18202 ISO 9001:2015 TIC 15 100 74347
- Masterprofil Ltd. ISO 50001:2011 TIC 15 275 18203



Circular economy

95% of the waste generated during the manufacturing process can be recycled or reused in its Hungarocell Green Programme the Company now collects and recycles the cuttings (EPS and XPS) of the insulation material delivered, a total of 4,000 m³.

Masterplast's manufacturing activities generate waste, 95% of which is recycled into the production process or reused through sale. Thus, the company's activities are less about the impact of waste generation than about waste recovery and increasing the recycling rate. In order to minimise transition waste generation, it optimises cutting widths to minimise waste production.

Recycling extrusion line – 100% recycling of clean PE foam waste into the own production process to produce a complete finished product. The company uses dedicated waste management equipment such as PE waste shredders, compactors – up to 1:50 compaction ratio – and balers, in terms of environmental awareness.

In the case of EPS, the company recovers and recycles 4,000 m³ of unused sheets. In this way, the remaining product is not landfilled as waste and does not harm the environment or human health. The recovered EPS products are not dismantled but recycled, so there is no incineration and no emissions.

In 2020, the Group acquired Fidelis Bau Kft., a company engaged in the recycling of polystyrene and the production of lightweight insulating concrete. Taking advantage of the opportunity arising from this acquisition, Masterplast has launched a polystyrene recovery program in Hungary in compliance with circular economy that is unique in the building materials industry. Through its Eco-Point partner network Masterplast collects the construction residues from the polystyrene products it supplies and recycles them 100%, producing again thermal insulation material and in this way considerably reducing the amount of waste on the construction site. Non-recyclable surplus waste material generated during production is transported free of charge and recycled in their own production process to make Thermobeton.

The company intends to continuously increase the volume of EPS sheets retrieved. This is how Masterplast Group contributes to responsible consumption and production.

Cutting waste is also recycled in Masterplast Medical products, which is the starting point of the green strategy, but the Group has set much more ambitious targets. In the future, it plans to recover the single-use textiles it sells and recycle them in production after processing. By extending the ultrasonic sewing process already used in the production of disposable bed linen, it intends to make the recycling of these products even more efficient, without the use of foreign matter, by producing polypropylene granules directly after collection.

In all cases in the value chain, waste that cannot be recycled by the company's own technology (PE, PE fleece, packaging film, paper, galvanised sheet waste) is sold for recycling.

	Sárszentmihály	Masterfoam Kft.	T-Cell	Szabadka (üvegszál gyártás)
Percentage of waste recycled from production waste	6%	75%	94%	0%
Percentage of production waste to be disposed	25%	0%	1%	0%
Percentage of waste sold for recovery	69%	25%	5%	100%

CSR Hungary, The Hungarian Business Responsibility Award in 2021. Hungarocell Green Programme in the category „Best innovation for the circular economy” – More than 70 Eco-Point nationwide, 4,000 m³ of recycled material



Supply chain

In addition to its own ESG performance, Masterplast Group also focuses on the sustainability competence of its supply chain. The Company increasingly considers ESG performance as a component of business resilience to reduce environmental impacts, social and environmental risks also in its engagement with suppliers. It also enhances the Masterplast brand reputation and financial benefits can be realised by the parties through the implementation of responsible sourcing policies.



The company's assessment of its environmental and climate change impacts also includes an environmental assessment of its suppliers, and the company is also affected by its own activities and as a result of its business. The Masterplast Group avoids potential negative environmental impacts in its supply chain by communicating its expectations towards its suppliers.

The Masterplast Group is committed to shortening the supply chain. Besides the countries where the production bases are located fossil raw materials are sourced from other European countries and the Middle East. In the case of non-fossil raw materials, the Far East is also a supplier of fiberglass, which in this case represents the most optimal sourcing option. Packaging materials, both fossil and non-fossil origin, are sourced from the countries of the base along a short supply chain.

Fossil raw materials: EPS, PP, coating material, LDPE, GPPS

- Countries with Masterplast sites: **49%**
- Other countries: Europe, Middle East: **51%**

Non-fossil raw materials: fibreglass, steel

- Countries with Masterplast sites: **26%**
- Europe, Middle East: **9%**
- Far East: **65%**

*Fossil packaging material: EPS packaging foil, XPS packaging foil, foil bags, PE bags, shrink film
100% sourcing from countries of Masterplast subsidiaries
Non-fossil packaging: pallets, paper bags, paper tubes, paper boxes
100% sourced from countries of Masterplast subsidiaries*



Customers

Energy consumption is significant in the delivery of the products to the customers. Masterplast Group continuously optimizes its distribution strategy and increases the proportion of direct delivery from the factory to customers, taking into account the principle of responsible consumption. It seeks to cooperate with purchasing companies and to expand its large-scale customer base among its customers and consumers.



Flexible logistics

80 000+ orders fulfilled per year
100 000 m² warehouse surface
3 million kilometres travelled per year
136 own lorries



Customer-oriented trade

20 staff members in sales support team
12 sales representatives
5 customer service colleagues assigned to partners
2 technical consultants

Masterplast Group's distributor subsidiaries also serve building materials trading companies, procurement companies and DIY chains. The structure of the building materials trading sector varies from country to country, and each market requires a specific sales policy to ensure the highest market share and profitability. Markets without a subsidiary are served through export departments.

The goal is to have strong local strategic partners representing Masterplast products in a given market. The development of export activity ensures the strengthening of the position in fiberglass mesh and roof underlay market and the increase of share in the targeted market in these segments in the countries of the European Union. A broad product range and a developing manufacturing background will ensure increasing competitiveness. The main value for partners is security of supply, stable quality, product certifications and value for money.

To reduce energy consumption and emissions from distribution, the most modern Euro 6 trucks make up a significant proportion of its fleet.

Direct deliveries from the base to customers in Sárszentmihály increased by 18% from 2019 to 2021, while in the largest manufacturing base in Subotica increased by 63% and in Kál by 85% in terms of volume.

► The most important value is the employee

Masterplast Group considers its employees, its human resources, as its main value, and believes that business and ESG goals can only be achieved and results obtained in collaboration with the Company's employees. The Company, with a presence in nine countries, has a strategic focus on diversity, cultural richness, long-term employment of skilled workforce, optimal engagement of available workforce and talent in different regions.

As part of workforce management, Masterplast Group emphasises the retention of its workforce by providing an appropriate compensation package, internal and external workshops and training opportunities. Guaranteeing employee turnover and job security are core values. The Company gives preference to local employees as part of its cooperation with local communities, thereby strengthening stakeholder engagement.





Proportion of female employees in senior management:

19%



Average proportion of women in middle management:

22%



Business ethics

- Ethical practices with employees: supporting our employees to carry out their work fairly and responsibly
- Responsible sourcing: working fairly and ethically with suppliers throughout the supply chain



Employee engagement and diversity

- Employee engagement: creating a motivating and attractive working environment for all our employees
- Diversity and inclusion



Health and safety throughout the value chain

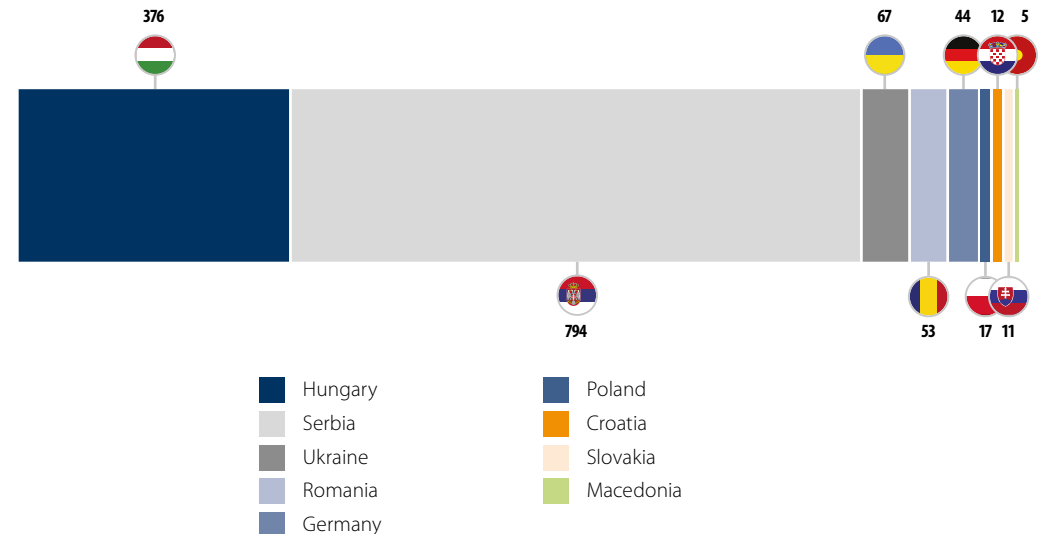
- Ensuring health and safety at our sites
- Our suppliers, customers, end users and local communities: to ensure health and safety

Masterplast Group considers the diversity of its workforce and the proportionate representation of different age groups and genders in its employee structure to be a priority. On the last day of the year 2021 the proportion of employees under 30 years of age was 26% at Group level, while the proportion of employees over the age of 50 was 14%.

The majority of Masterplast Group employees come from local communities, with more than 80% coming to work from less than 25 km away. At group level, only 7% of employees commute more than 50 km on a daily basis. This is not the case in the Subotica where 22% commute from less than 25 km and a further 13% from more than 50 km, due to the fact that there is a local labour shortage.



Employment rates by countries



The total number of accidents at work was 14 at the Hungarian bases in 2021 and 24 at the Subotica base, with 1 accident occurring per 34 employees at Group level.

Masterplast Group is a growing group of companies that will create new jobs by expanding its business, providing opportunities for added value. The process of expansion is accompanied by temporary fluctuations, which become a long-term commitment as business activity stabilizes. The number of layoffs in 2021 is 138, while 243 quit. The figure for Subotica is outstanding, with 118 layoffs and 186 workers quitting, reflecting the local labour market conditions. Exit turnover in 2021 was 15% at Group level, while entry turnover was 22%.

Employees are involved in constant internal training for the number of hours required by local regulations. Special attention is paid to the initial, preparatory trainings. The focus is on corporate culture and its development through workshops attended by the majority of white-collar workers, and the process has started for blue-collar workers. The total time of the internal and external workshops implemented in 2021 is 4,530 hours, of which stands out the number of training hours spent in the preparation for the starting production of Masterplast Medical. In 2021, a total of 474 white-collar workers and 994 blue-collar workers took part in training.

► Results

Financial results

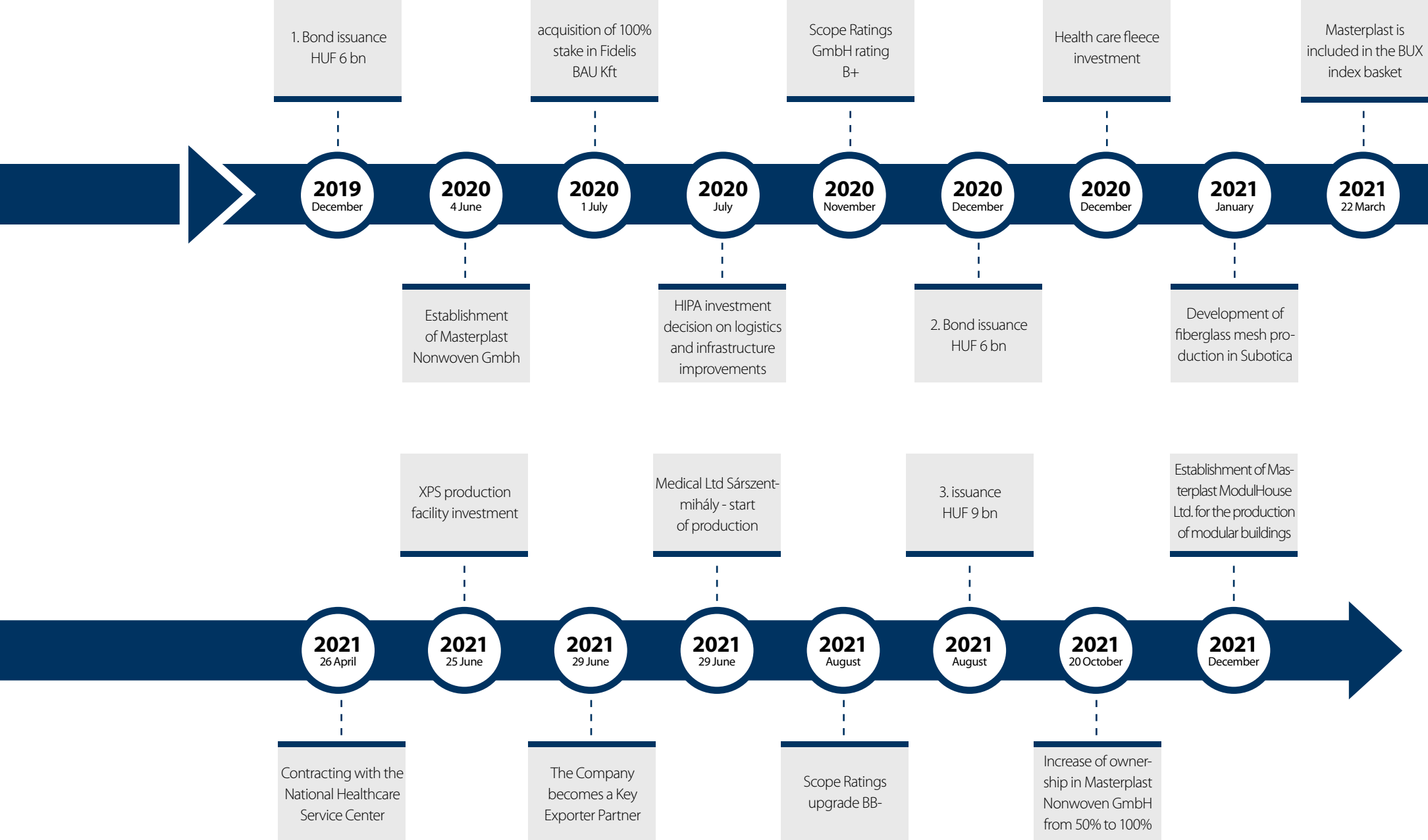
At the annual level, EBITDA amounted to 22.8 m Euros, doubling the value of the previous year. The annual profit after taxation closed at 16.1 m Euros, which is two and a half times higher than the previous year, exceeding forecasts.

	2019	2020	2021	2022	2023	2024
Sales (m EUR)	107	122.7	191.5	215	255	305
EBITDA (m EUR)	7.3	11.1	22.8	26.6	33.4	40.9
EBITDA %	6.8%	9.0%	11.9%	12.4%	13.1%	13.4%
PAT (m EUR)	4.8	6.4	16.1	16.5	21	26.5
PAT %	4.5%	5.2%	8.4%	7.7%	8.2%	8.7%

2022-2024 numbers were published on the Jan 18, 2022 as part of the midterm revenue and profit forecast



Key milestones for 2021



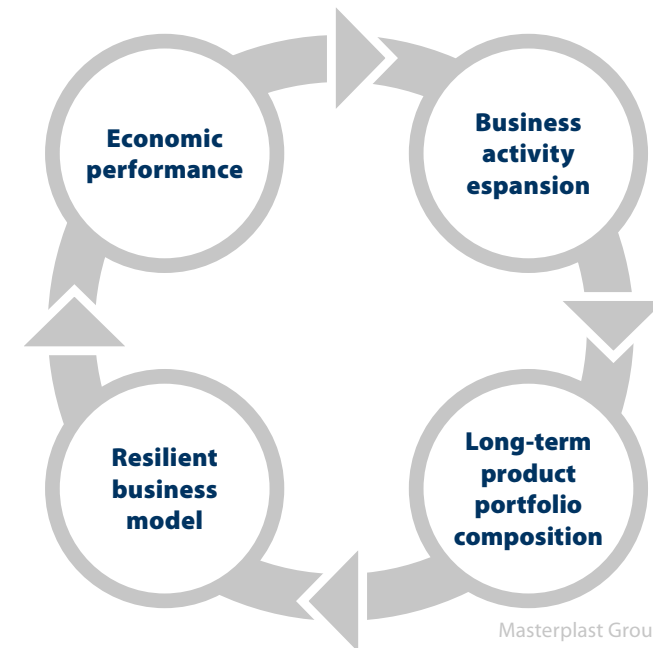
Sustainable development

In Europe, buildings generate nearly 40% of CO₂ emissions. With Masterplast products and insulation systems on average up to 50% energy efficiency improvement and a corresponding emission reduction can be achieved per building. By 2030, at least 35 million buildings' energy efficiency development will be carried out in Europe. In this respect, the proportion of buildings with adequate thermal insulation is particularly low in Central and Eastern European and Southern European countries.

Masterplast Group is constantly expanding its business activities, with launching and strengthening the healthcare industry and roofing membranes production business line in 2020-21, and with the introduction of the modular architecture business line in 2022.

Due to the resilient business model the multi-purpose use of thermal insulation materials has enabled a shift towards the production of protective clothing and hygienic textiles for healthcare. The outbreak of the pandemic and its presence as a long-term trend opened up a business opportunity for Masterplast Group.

In the long-term product portfolio design, the company takes into account the long-term requirements of the European Union, the goal of moving towards a net carbon neutrality by 2050, the Taxonomy Regulation's requirements to join the Unified European Product Catalogue, the different readiness and income levels of the single countries. Continuous innovation and the gradual introduction of a modular architecture are a strong further step towards emissions targets and a circular economy.





Industry trends in 2021

- Favourable construction materials industry environment
- Construction sector, insulation materials industry has expanded
- Favourable tax and regulatory environment boosted the market
- Strong supply chain, high inventory levels
- Managing and offsetting the industry specific raw material shortages by efficient stock-and storage management



Risks in 2022

- High raw material prices
- High energy prices
- Rearranging and shortening supply chains
- Labour shortages among blue-collar workers
- Impact of inflation, rising interest rate environment
- Tightening energy regulation
- Prolongation of the Ukraine-Russia war



Opportunities

- Expectations for housing are rising
- Consumers' environmental awareness is growing
- Regulatory and consumer expectations for environmental standards are growing
- Dynamic insulation market
- Subsidized building renovation programs



The objective is the continuous expansion of production capacity, supplying the market with products manufactured in-house



Construction materials industry

- Insulation industry remains the main focus area
- Expanding manufacturing capacity, expanding the range of in-house products
- Increasing application of sustainability approaches
- Expanding the production volume of thermal insulation, sound and waterproofing materials involved in future construction technologies



Modular architecture

- Waste minimisation and separate collection
- Building with excellent energy performance
- Possibility to be demolished, recycled
- Use of recycled materials
- Possibility to be standardized and relocated



Healthcare sector

- A breakthrough thanks to the acquisition of Aschersleben: production of roofing underlays and sanitary fleece starts in Germany and Hungary
- Production of disposable health care raw materials
- Start of production of finished healthcare and hygiene products: personal protective clothing, sheets and other healthcare textiles, bedding and mattress protection products
- Preparation for the recollection of distributed single-use textiles, for the production of polypropylene granules

In the modular architecture, waste minimization begins at the design stage, technological discipline in manufacturing is higher, and suppliers can deliver in an optimised size for industrial-scale production. Factory production allows the professional, selective collection of the generated waste and its transfer to suppliers/recyclers. In modular construction, clear-cut design, high level supplier and in-house engineering support ensure the application of a higher energy rating. For industrial-scale factory production, the building element stock is typically sourced directly from manufacturers shortening the traditionally long supply chain. With conscious design and typically dry construction solutions, most built-up materials can be dismantled and reused with little or no damage. With a relatively small ecological footprint, the building can be relocated as needed – something that is almost impossible with traditional construction.



Investments delivered

- Production of raw material for the health industry **HUF 9.5 bn**
- Finished healthcare product manufacturing production line **HUF 2.6 bn**
- Fiberglass mesh production development **HUF 2.7 bn**
- Site and logistics improvements **HUF 0.6 bn**



New technologies introduced in 2020-21

- Fleece: **Faré BICO SS 3200 production line**
- Ready-to-wear: **PLM winding-shrinking machine**
- Incontinence: **Andritz-Diatec Underpad**
- Sewing/Cutting room: **sewing machine Morgan Tecnica**
- Sikoplast recycling machinery**
- Waste compactor baler**

Continuous development of expanding manufacturing activity and services

In June 2020, Masterplast Plc. founded Masterplast Nonwoven GmbH by acquiring a 50% stake. In October 2021, the subsidiary became 100% owned by the Company.

The acquisition of the plant in Germany further strengthened the Company's position as a manufacturer of multilayer membranes for the construction industry. The Company has become the manufacturer of specialised medical fleece, the basis for the Company's entry into the healthcare industry.

In July 2020, with the acquisition of Fidelis BAU Ltd., the production technology and all the necessary authorisations required for the recycling of polystyrene waste will be available within the Masterplast Group, thus a circular business model called Hungarocell Green Programme will be implemented by the Masterplast Group.

In July 2020, Masterplast Ltd. launched logistics and infrastructure developments.

In December 2020, a major investment in the healthcare sector was launched with the establishment of a manufacturing plant to produce raw material for the manufacturing of protective equipment. In Sárszentmihály, the construction of a new 7,700 m² production plant and the installation of a fleece production technology was implemented which is suitable to supply raw materials to the manufacturing of medical protective clothing, mouth masks and other hygiene devices used in the healthcare sector. Highly automated manufacturing technology ensures the production of single or multi-layer healthcare textiles. The healthcare textile manufacturing plant was handed over in June 2021.

In 2021, MASTERPLAST YU D.o.o. launches an investment to further improve the fiberglass mesh production. The project will increase the fiberglass mesh production capacity by 25 percent, modernise the existing weaving and coating machinery, create a modern warehouse base and a finishing department. Production is expected to start in the second quarter of 2022. With the implementation of the project the Group's glass fabric production is planned to grow up to 150 million m²/year, which will make Masterplast Group the second largest glass fabric producer in Europe and the third largest in the world.

In March 2021, Masterplast Ltd. launched a new investment in the healthcare industry to create new manufacturing capacity for finished products for personal protective equipment in the healthcare industry. With the creation of the new manufacturing capacity in Sárszentmihály, the production of finished healthcare products has started such as protective coveralls, medical gowns, scrubs, leg bags, head protectors and isolation sheets.

In April 2021, the Company entered into contract with the National Healthcare Service Centre for the supply of protective coveralls necessary in the protection against the coronavirus epidemic. On this basis, the Company supplied quality-certified protective clothing to the Hungarian health sector. The supply chain was controlled by the Company, and in the challenging situation due to the shortage of raw material, MOL Group supplied the polypropylene, from which Masterplast produced a double-layer breathable base textile at its plant in Germany, and then the finished products were manufactured in almost 50 domestic sewing factories.

June 25, 2021, the Company launched a project to be carried out by Masterplast Proizvodnja DOO, based in Szabadka, for the production of XPS thermal insulation material.

Local communities

The Masterplast Group's corporate social responsibility programme is implemented according to carefully defined principles in order to ensure that the support does arrive at the right place at the right time in a transparent manner. The Group adheres to strict ethical standards when donating and expects the same from all its employees. Its donation decisions are taken on the basis of professional, strategic and ethical principles, and it strives to shape its charity strategy in a way that benefits both society as a whole and the Group by creating value.

The organisation's activities and infrastructure have a significant economic, social and environmental impact on local communities. The company is in constant dialogue with local communities, supporting them in its activities and placing them at the focus of its CSR activities. It also makes a significant contribution to the prosperity of local communities through business tax and, as a large employer, employs a total of 1,379 people at group level. Its constant expansion and investment are creating new jobs. As the company has low CO₂ emissions and a moderate noise effect, it has no direct negative environmental impact on local communities.

The company's CSR value creation is focused on five areas: child welfare, child health, local value creation, funding for sports, environmental protection and professional tenders.

The company's donation policy focuses on programmes that support the well-being of children helping them to lead full lives. In addition, Masterplast is committed to raising children's awareness and supports programmes organised and designed for schools, such as tree planting programmes that encourage participants to learn about sustainable development and environmental protection. The Group is also ready to support initiatives to educate local communities about healthy sports and promote healthy lifestyles.

The Society is an active member of the KÉPES programme support team established in 2013 by companies and the Municipality of Székesfehérvár. KÉPES, namely the Community Value Creation Programme - „Together for Székesfehérvár!”, aims to bring together the corporate sector and



the municipality to implement tasks to be solved that create permanent value for the local community. Masterplast provides financial, professional and product support for the programme's projects, and the company's team of employees take part in the tasks as volunteers.

Masterplast has been supporting the Hungarian Child Rescue Foundation with donations and extensive promotions since 2015. The company provides support for the purchasing of specialised medical diagnostic and educational equipment. As part of the end-of-year „Let's be child rescuers together" campaign, the company's partners also contribute to the donation fund with their purchases. In 2021, the company has supported the Hungarian Child Rescue Foundation with a donation of HUF 5 million. The donated sum helped to purchase a special ventilator for children. Over the years, the Group has

supported the Foundation with more than HUF 20 million. In addition, in the past years, its support for the Foundation amounted to HUF 100 million from the 1% tax donations achieved through promotional campaigns. A further valuable part of the cooperation is the Masterplast - MGYA first aid course series, which provides assistance to teachers in educational institutions in Fejér County. At the end of 2017, the company launched the „Masterplast First Aid Course" in cooperation with the Hungarian Child Rescue Foundation, where teachers are presented what to do in case of an emergency. So far, more than 500 teachers have completed the training. The year 2020 was an exceptional year due to the coronavirus, which meant that these trainings had to be suspended, but Masterplast now aims to continue its health education programme in partnership with the Foundation, in case of favourable conditions.





Local communities

Local value creation

- Playground, Sárszentmihály Isoflex Classic roofing membrane
- Building material support worth HUF 500,000 for the reconstruction of the burnt down home of the Vincze family
- Selye - Kadarkút helping families in need to repair roofs damaged by summer storms
- Support for animal shelters and animal welfare foundations, 57 supported organizations

Child welfare, child health

- Purchase of 2 Patient monitors for the operating room of the Public Hospital of Subotica worth 10 thousand Euros
- Marketing support worth HUF 7 million for Hungarian Child Rescue Foundation for the 1% collection, the organization received a transfer of 86 million HUF.
- Building the Child Rescue Point in collaboration in Balatonlelle, our goal for 2022 is to complete the construction of the Child Rescue Point, to provide child rescue - to purchase new ambulances

Sport support

- Supporting a Hockey team
- Supporting mini-soccer youth training
- Support for the local football team in Duboševica
- Cooperation with the BOM Foundation: a scholarship program to support young Hungarian talents in sports and academic careers, embracing more than 150 young athletes
- Addressing young generations by supporting Gamer culture
- Brand Ambassador Collaboration, Supporting Fanni Illés Paralympic Athlete

Professional tenders

- Open design competition launched by Masterplast and Demján Sándor Foundation „Design of a residential building complex with large green space and renewable energy” Professional competition for young architects

Environmental protection

- Awareness-raising
- Tree planting program in primary school

Masterplast Group will continue to build trust with stakeholders. While maintaining its high-quality business ethics, it pays attention to ethical practices towards employees, to responsible sourcing and responsible marketing policies. Strengthen employee engagement by running a loyalty programme, applying an equal treatment policy in recruitment and promotion, as well as in professional training and remuneration. Ensures health and safety along the entire value chain for employees, suppliers, customers, end users and local communities. Implements a health and safety management system. Continue supporting local communities in the areas of child welfare, child health, local value creation, funding for sports, environmental protection and professional tendering.



► Corporate governance

The Company places great emphasis on the implementation of responsible corporate governance recommendations and guidelines, taking into account the organization and capabilities of the Group formed by the Company and its subsidiaries. The Company's management, under the guidance of the Board of Directors, is continuously improving its operational and monitoring practices. The corporate governance policy of Masterplast Group is in line with the requirements of the Budapest Stock Exchange and the current capital market regulations. In addition, the Company regularly reviews the policies it applies to comply with evolving international best practices in this area as well.

Masterplast attaches high importance to sustainability, energy efficiency and environmental protection in both its internal processes and the production and development of its products.

The General Meeting is the main decision-making body of the Company, consisting of all the shareholders. The General Meeting enables its shareholders to take decisions on matters of major importance for the operation of the company, to adopt corporate governance measures and to exercise their right of control. The regulations concerning the convocation and conduct of the General Meeting, the rights and obligations of shareholders and the means of exercising shareholders' rights are set out in detail in the Company's Articles of Association, which are available on the Company's website and on the website of the Budapest Stock Exchange.

The executive body of the Company is the 5-member Board of Directors. The Board of Directors acts as a body, its responsibilities include decisions relating to the management of the legal person, and it has the competence to decide on all matters which do not fall within the exclusive competence of the General Meeting or which are referred to the Board of Directors by law or by the Articles of Association. The Board of Directors of the Company constantly monitors the operation of the Company,



receives continuous information on the operation of the Company from the management and the CEO.

The operational management of the Company is performed by the Chief Executive Officer as an employee elected by the Board of Directors. The rights of employer over the employees of the Company is exercised by the Chief Executive Officer, and the rights of employer over the Chairman and Vice-Chairman of the Board of Directors, except for their election and recall, is exercised by the Board of Directors.

The Company has a three-member Audit Committee, whose members are elected by the General Meeting from the independent members of the Board of Directors for the same period as their membership in the Board of Directors. The Audit Committee elects its chairman among its members and its decisions are taken by a simple majority.

The governance of the Masterplast Group – in accordance with the Articles of Association, the resolutions of the General Meeting and the Board of Directors, as well as the Operational and Organisational Regulations of Masterplast Plc. – is carried out by the management of Masterplast Plc. The delegation of tasks and responsibilities to the members of the management in relation to specific areas of corporate governance is defined in the Operational and Organisational Regulations of Masterplast Plc.

In all issues which are not assigned by law or by the Articles of Association to the exclusive competence of the General Meeting or the Board of Directors, the right of decision is reserved to the management.

The daily operational work and work organisation of the Company and the assurance of the conditions necessary for the Company's activities are managed and controlled by the CEO. The CEO is not a member of the Board of Directors, he attends its meetings as a permanent invitee.



Member of the Board of Directors

Name	Position	Assignment beginning (Board of Directors beginning of membership)	Description
 Dávid Tibor	Board of Directors president	03.04. 2008.	<ul style="list-style-type: none"> • President • Founder, owner • Responsible for acquisitions and day-to-day business operations, for strategy in the field of trade
 Balázs Ács	Board of Directors vice-president	03.04. 2008.	<ul style="list-style-type: none"> • Vice-president • Founder, owner • Responsible for investments and day-to-day business operations, strategy in the field of logistics
 Margaret Dezze	of Board of Directors member	01.05. 2020.	<ul style="list-style-type: none"> • Former partner of EY and PWC • 35 years of experience in Big 4 companies • Transaction advisor for strategic and investment decision making
 Dirk Theuns	of Board of Directors member	01.05. 2014.	<ul style="list-style-type: none"> • Experienced sales and marketing manager • Several companies belonging to the IKO Group • CEO in Belgium, the Netherlands and in France
 Ottó Sinkó	of Board of Directors member	01.05. 2020.	<ul style="list-style-type: none"> • The owner-manager of VIDEOTON Holding Rt. • Member of the Board of Directors Responsible for day-to-day and strategic direction and leadership

The ESG issues in the organizational structure are assigned to the Director of Business Development. Thus, the integration of ESG processes into the operation of the organization is realized inside the senior management of the Company, directly subordinated to the CEO. In the implementation of ESG aspects, the Director of Business Development performs a coordination task, supervises the data registration, data collection and monitoring processes, for which the inputs are provided by each division managers and site managers.

Governing bodies



Percentage of women on the Board of Directors

20%



Percentage of independent directors on the board

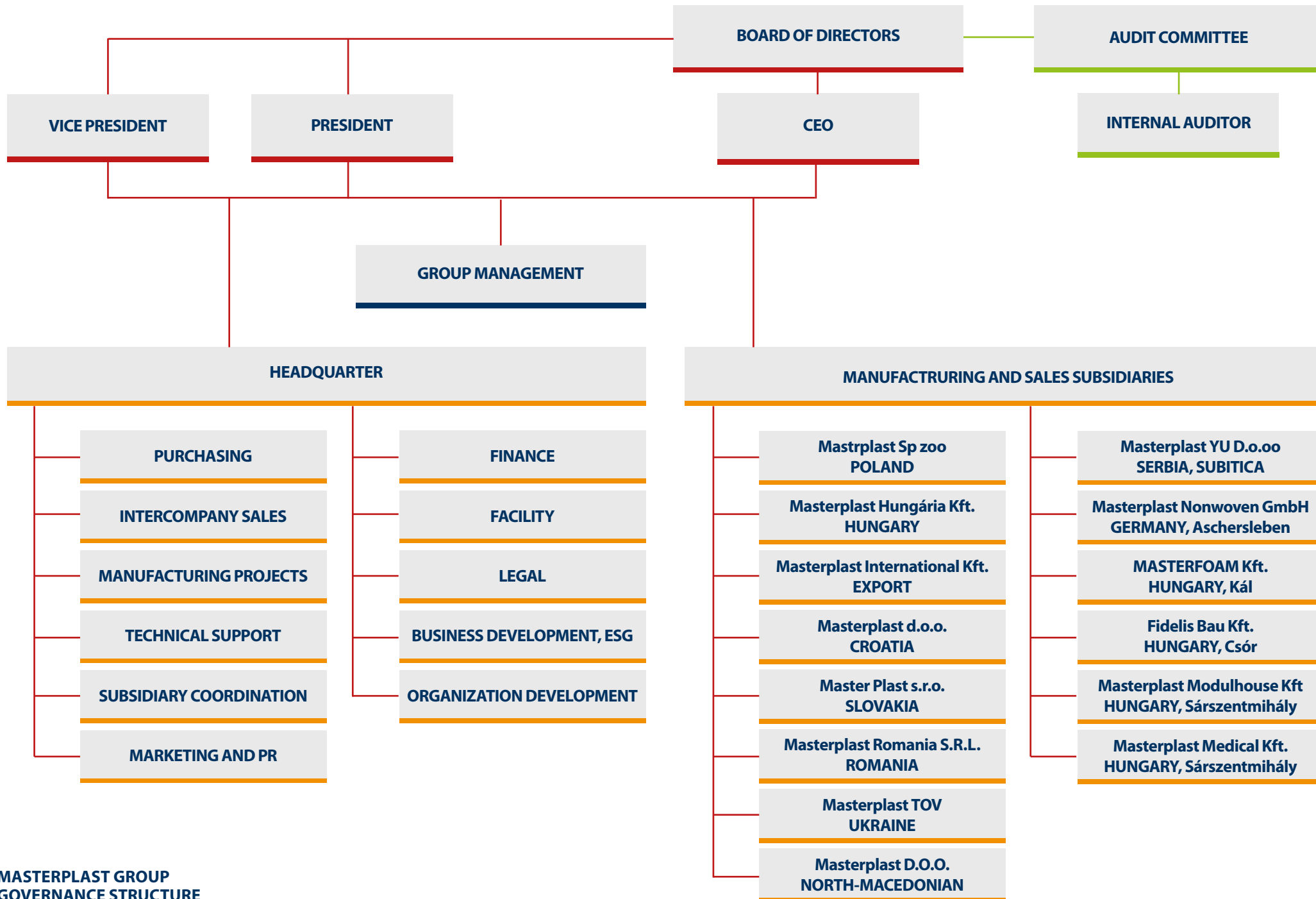
60%



Cultural diversity on the board

40%





Memberships in organisations

Confederation of Hungarian Employers and Industrialists (MGYOSZ)
National Federation of Hungarian Building Contractors (ÉVOSZ),
Domestic Construction Materials Manufacturers' Section, President Tibor Dávid
Hungarians on the Market Club
ÉMI Non-Profit Limited Liability Company for Quality Control and Innovation in Building.
MÉASZ Hungarian Building Materials and Construction Products Association
MEPS (Association of Hungarian EPS Insulation Material Manufacturers)
ESG Club

Masterplast Group's Code of Ethics

In the case of customers and business partners: information protection, fair business conduct rules, management of conflicts of interests, business gifts, representation and hospitality rules, prohibition of bribery and corruption.

In relation to employees: communication, relationships with management, prohibition of discrimination, communication of expectations during the work process, protection of values, health and safety issues at work, protection of health.

In relation to the Company's shareholders: the prohibition of insider dealing, the treatment of confidential, protected information belonging to the Group, the protection of corporate property, assets and intellectual property.

The Group's relationship with local communities and society: public engagement, prohibition of child and forced labour, social responsibility issues and environmental awareness.



Principles of conduct and action:

Code of Ethics:

Appropriate behaviour
Further expectations regarding managers;
Expectations during work
Anti-corruption policy
Bribery and corruption



Ethics, transparency measures

Group-level policies:

Privacy Policy
Code of Ethics
Code of confidentiality
Information Technology Policy
Product Master Data Management Policy
Product Recall Policy
Organisational and Operational Rules
Corporate Identity Manual

New policies to be defined:

Creation of regulation according to ISO 13485 (Medical devices); Manufacturing processes (Sárszentmihály and Szabadka);
Implementation of ISO9001 and ISO14001 quality and environmental management systems to meet customer requirements
Implementation of compliance programme: assessment of compliance with legislation during internal audits

▶ APPENDIXES

Key indicators

E - Environment / Environmental protection

Raw materials

Amount of fossil origin raw materials purchased	20 810 t
Amount of non-fossil origin raw materials purchased	20 968 t

Products

Proportion of own-produced product	54 %
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Energy consumption

Total energy consumption	59 071 045 kWh
Total electricity consumption	16 892 160 kWh
Total natural gas consumption	2 645 054 m ³
Total water consumption	2 593 387 m ³
Energy consumption of manufacturing activities	41 861 466 kWh
Water consumption of manufacturing activities	2 593 387 m ³
Energy consumption of distribution and sales	17 209 579 kWh
Total diesel used	1 463 386 l
Total petrol used	39 657 l
Total LPG used	2 786 095 l

Emission

CO2 emission in Sárszentmihály manufacturing base	3237,2 t
Number of bases with ISO 14001 certification	2 pcs
Number of bases with ISO 50001 certification	6 pcs
Number of bases with ISO 9001 certification	2 pcs

Circular economy

EPS collected and recycled in Thermobeton	4000 m ³
Recycling or selling production waste for recycling	95 %
Ratio of production waste recycled at Sárszentmihály production base	6 %
Ratio of production waste to be disposed at Sárszentmihályi production base	25 %
Ratio of waste sold for reuse at Sárszentmihályi production base	69 %
Proportion of waste recycled from production waste at Masterfoam Ltd.	75 %
Proportion of waste from production to be disposed of at Masterfoam Ltd.	0 %
Percentage of waste sold for recovery at Masterfoam Kft.	25 %
Percentage of waste recycled from production waste at the Subotica site	0 %
Percentage of production waste for disposal at the Subotica site	0 %
Percentage of recyclable waste sold at the Subotica site	100 %

Supply chain

Proportion of fossil raw materials sourced from countries of Masterplast Group subsidiaries	49 %
Proportion of fossil raw materials sourced from other European countries and from the Middle East	51 %
Proportion of non-fossil raw materials sourced from countries of Masterplast Group subsidiaries	26 %
Proportion of non-fossil raw materials sourced from other European countries and from the Middle East	9 %
Proportion of non-fossil raw materials sourced from other European countries and from the Far East	65 %
Proportion of Euro 6 trucks in own fleet	36 %
Proportion of electric forklift in own fleet	22 %

S - Social / Social responsibility

Employees

Number of employees	1 379	pple
Number of people working in production	900	pple
Number of employees Masterplast Hungary	223	pple
Number of employees Masterplast Serbia	793	pple
Number of employees Masterplast Romania	53	pple
Number of employees Masterplast Poland	17	pple
Number of employees Masterplast Slovakia	11	pple
Number of employees Masterplast Ukraine	67	pple
Number of employees Masterplast Croatia	14	pple
Number of employees Masterplast Macedonia	5	pple
Number of employees Masterplast Germany	44	pple

Human rights

Number of incidents of forced or compulsory labour	0 pcs
Other human rights incidents, including child labour	0 pcs

Diversity

Proportion of female workers	32 %
Percentage under 30 years old	26 %
Percentage over 50 years old	14 %

Equal treatment principle

Number of reported incidents (see disability, harassment, ethnicity, gender, other...)	0 pcs
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Employment

Number of employees who quitted in a given year	138 pple
Number of employees dismissed in a given year	243 pple
Exit turnover per year	15 %
Entry turnover	22 %
Internal and external training time per 1 person	3.3 hrs
Total training time	4,530 hrs
Percentage of employees from local community	88.4 %
Proportion of female employees in senior management	19 %
Average proportion of women in middle management	22 %

G - Governance / Corporate Governance

Ethics and compliance

Number of confirmed corruption cases	0 pcs
Number of staff dismissed or disciplined for corruption	0 pple
Number of cases of contracts with business partners terminated or not renewed due to corruption-related offences	0 pcs
Number of corruption-related public court cases against the organisation or entity	0 pcs
Number of legal proceedings pending or concluded during the reporting period for anticompetitive behaviour and violations of antitrust and monopolies laws in which the organisation was identified as a participant	0 pcs

Inclusive increase

Investment in projects for local communities	24.3 mn HUF
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Governing bodies

Proportion of women on the board of directors	20 %
Percentage of independent directors on the board	60 %
Cultural diversity on the board	40 %

Budapest Stock Exchange roadmap

ESG Category	2022	2023	2024	2025
Type of disclosure (stand-alone or integrated)	independent	independent	independent	integrated
Frequency of disclosure (annual, quarterly)	yearly	yearly	yearly	yearly updated quarterly
Disclosure format (simple or standardised)	simple	standardised	standardised	standardised
External audit (yes, no)	no	no	no	no
Targets (yes, no, monitoring)	yes	yes	yes	yes
ESG category (level) during the year (in which it can be classified based on existing elements)	middle level	middle level	middle level	advanced level
Development targets for leveling up by the end of the year (e.g. use of standard, certification, etc.)	according to GRI standards	according to GRI standards	according to GRI standards	according to GRI standards preparation for third-party certification
Measures planned by the end of the year (e.g.: baseline definition, assessment of reporting processes/capacity, development of data collection methodology, realisation of materiality assessment, etc.)	baseline definition, assessment of reporting processes/capacity, development of data collection methodology, realisation of materiality assessment, identification of KPIs	developing a methodology for integrated reporting, expand data collection capacity, review materiality and KPIs, developing monitoring, monitoring	making the accounting system suitable for integrated reporting review of materiality and KPIs, monitoring	review of materiality and KPIs, monitoring

Materiality matrix

