MASTERPLAST GROUP
SUSTAINABILITY REPORT
2024

MASTERPLAST

MASTERPLAST PLC.

CONSOLIDATED SUSTAINABILITY REPORT

for the financial year ending on 31 December 2024

Taking into account the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act (Act C of 2000 on Accounting), in accordance with the European Sustainability Reporting Standard (ESRS) adopted under Directive 2013/34/EU

17.04.2025

Table of contents

Introduction

For years, **MASTERPLAST** has been committed to working towards a more sustainable future where environmental responsibility, social impact and good corporate governance are all key priorities. It has started its sustainability reporting on a voluntary basis from FY 2021 without using a standard, and subsequently, for FY 2022 and 2023, it has informed its stakeholders about its sustainability-related impacts and performance using the international GRI (Global Reporting Initiative) standard. For more information: https://www.masterplastfenntarthatosag.hu/

This Sustainability Report is part of the Annual Report 2024 of **MASTERPLAST**. Its purpose is to present the information necessary to understand the sustainability of the Group's operations, i.e. their impact on environmental, social, human rights and governance issues, and how sustainability issues affect **MASTERPLAST**'s development, performance and position.

GENERAL INFORMATION

About the report

BP-1 General basis for the preparation of the sustainability report

The Sustainability Report of **MASTERPLAST Group,** which belongs to the large company category, has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act (Act C of 2000 on Accounting), observing the European Sustainability Reporting Standards (ESRS) adopted under Directive 2013/34/EU and published in the Official Journal of the European Union in the form of a delegated regulation.

MASTERPLAST prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), in line with EU accounting rules. The Sustainability Report 2024 has been prepared as part of the consolidated financial statements. The reporting period covers the period from 1 January 2024 to 31 December 2024 in accordance with the financial year.

The information published in this report **relates to the domestic and foreign activities and consolidated companies of** MASTERPLAST Plc (full name: MASTERPLAST PLC registered office: Hungary, 8143 Sárszentmihály, Árpád utca 1/A). The scope of the sustainability report also includes, in addition to the scope of consolidation, T-CELL Plasztik Kft. and MASTERPROFIL Gyártó és Kereskedelmi Kft.

MASTERPLAST operates as a publicly traded company (PLC) and its shares are listed on the Budapest Stock Exchange (BSE).

MASTERPLAST Group operates in Hungary and: Northern Macedonia, Croatia, Poland, Germany, Italy, Romania, Serbia, Slovakia, Ukraine.

The scope of subsidiaries included in the consolidation:

Subsidiary	Company registration location	Main activities	Tax number	Ownership share %		Voting share (%)	
				2024	2023	2024	2023
Masterplast Hungária Kft.	Hungary	Wholesale of building materials	25562675-2-07	100%	100%	100%	100%
Masterplast International Kft.	Hungary	Wholesale of building materials	25563243-2-07	100%	100%	100%	100%
Masterplast Medical Kft.	Hungary	Fleece and multilayer membrane production Manufacture of finished sanitary products	14025477-4-07	100%	100%	100%	100%
Masterplast Modulhouse Kft.	Hungary	Construction of residential and non-residential buildings	25562709-2-07	100%	100%	100%	100%
MasterFoam Kft.	Hungary	EPS production	13297590-4-07	100%	100%	100%	100%
Masterplast YU D.o.o.	Serbia	Wholesale of building materials EPS and fiberglass mesh production	100838195	100%	100%	100%	100%
Masterplast Sp zoo	Poland	Wholesale of building materials	PL7772708671	80.04%	80.04%	80.04%	80.04%
Master Plast S.r.o.	Slovakia	Wholesale of building materials	SK2020213030	100%	100%	100%	100%
Masterplast Romania S.R.L.	Romania	Wholesale of building materials	R13718003	100%	100%	100%	100%
MasterPlast TOV	Ukraine	Wholesale of building materials, manufacturing of edge protection profile with mesh	33438138	80%	80%	80%	80%
Masterplast d.o.o.	Croatia	Wholesale of building materials	4012002113867	100%	100%	100%	100%
Masterplast D.O.O.	North Macedonia	Wholesale of building materials	4012002113867	100%	100%	100%	100%
MP Green Invest	Ukraine	No activity	38243479	100%	100%	100%	100%
Masterplast Nonwoven GmbH	Germany	Fleece and multilayer membrane production	DE815873693	100%	100%	100%	100%
Fidelis BAU Kft.	Hungary	Thermobeton production	12790818-2-07	100%	100%	100%	100%
Masterplast Proizvodnja D.o.o.	Serbia	XPS production	112172219	100%	100%	100%	100%
Masterplast Italia Srl. [1]	Italy	EPS production	IT02970280356	100%	98.7%	100%	98.7%

Entities included in equity consolidation, associates of the group:

Associated company	Place of registration	Main activities	Tax number	Ownership share (%)		Voting share (%)	
				2024	2023	2024	2023
MasterProfil Gyártó és Kereskedelmi Kft.	Hungary	Profile production	13874656-4-07	20%	20%	20%	20%
T-CELL Plasztik Kft.	Hungary	EPS production	24648378-2-09	24%	24%	24%	24%

The data presented in this report has been collected by the relevant entities and areas of **MASTERPLAST Group**. The full contents of the Sustainability Report, its double materiality analysis (DMA) and material topics are published with the approval of the **MASTERPLAST** Green Committee, its Management Board and the President of the Board of Directors.

MASTERPLAST prioritises sustainability, energy efficiency, environmental and human rights considerations throughout its entire value chain, both in its internal processes and in the sourcing of raw materials, manufacturing, development, distribution and sales of its products.

MASTERPLAST Group and the value chain:

MASTERPLAST based its reporting on its own operations, but also looked at the upstream and downstream stages of its entire value chain. In addition to the impacts, risks and opportunities for the Group, the report also

[1] *With the acquisition of the 1.3% stake in Masterplast Italia Srl. held by a third party, the Company's consolidated ownership changed to 100% with effect from 10 July 2024.*

addresses the factors identified in the upstream and downstream value chain. The metrics include indicators both for the upstream value chain and for the Group. The Company's policies, objectives and actions are essentially for **MASTERPLAST Group**, but may also affect upstream and downstream parts of the value chain for certain topics.

Omission of classified and sensitive information relating to intellectual property, know-how or innovation results: MASTERPLAST Group makes use of the disclosure exemption for information that is classified as trade secrets, intellectual property, or other confidential business information, including know-how and innovation results. Furthermore, the transfer or disclosure of inside information related to ongoing procedures or matters under negotiation is strictly prohibited.

MASTERPLAST Group makes use of the exemption provided for in Articles 19(3) and 29(3) of Directive 2013/34/EU. The CSRD Directive requires the publication of sustainability reports in an electronic format, however, in the absence of the necessary implementing legislation **MASTERPLAST** is not yet able to publish the report in the required structure.

BP-2 Disclosures on specific circumstances

Time horizons

MASTERPLAST Group applies the time horizon defined in the standard for the preparation of the Sustainability Report starting 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

At the time of preparing this report not all the necessary information was available for the upstream and downstream value chain for the 2024 financial year, but **MASTERPLAST** plans to gather additional and more accurate information in the future by reviewing the due diligence process.

Sources of Estimation and Measurement Uncertainty No major measurement uncertainty was identified in reporting the published quantitative measures and monetary amounts. Estimation was used in the Scope calculation and allocation in Taxonomy. Details of this are given in the relevant chapters.

Restatements
This Sustainability Report is the first sustainability report prepared by **MASTERPLAST** under the CSRD Directive. Data and information published in previous ESG reports will not be restated or corrected.

Incorporation by reference
The Company incorporates information by reference, discloses a list of the disclosure requirements of ESRS or specific data points required by a disclosure requirement that it incorporates by reference.

Governance

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

The **General Meeting** is the supreme body of MASTERPLAST PLC, consisting of all shareholders. The General Meeting is responsible for deciding on the fundamental, strategic matters of MASTERPLAST PLC. Matters in the exclusive competence of the General Meeting are determined 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 Board of Directors' Rules of Procedure currently in effect. In accordance with the Articles of Association, the Board of Directors is composed of five members elected for a fixed term[2] by the Annual General Meeting. The President and the Vice-President of the Board of Directors are elected by the Board of Directors for a term of office equal to the term of office of the Board of Directors. The Board of Directors is not involved in the day-to-day operational activities of the **MASTERPLAST** organisation. The operational management of the Company is carried out by the Chief Executive Officer employed by the company and elected by the Board of Directors. The primary objective of the Board of Directors is to approve the strategy of the Group and control its operational activities.

Members of the Board of Directors

Name	Position	Independence	Gender
Tibor Dávid	President of the Board of Directors	non-independent	male
Balázs Ács	Vice-president of the Board of Directors	non-independent	male
Dirk Theuns	Member of the Board of Directors	independent	male
Dezse Margaret Elizabeth	Member of the Board of Directors	independent	female
Bálint Fazekas	Member of the Board of Directors	independent	male

3 members of the 5-member Board of Directors (60%) are independent, 2 members (40%) are non-independent.

Independence
Guidelines on the presence of independent members on the Boards of Directors of companies listed on the Hungarian stock exchange are set out in the **Corporate Governance Recommendations** of the Budapest Stock Exchange (BSE). Although these recommendations are not binding, listed companies are required to declare the extent to which they comply with them on the basis of the "comply or explain" principle. According to point 2.1.4 of the BSE Corporate Governance Recommendations "The Board of Directors/Supervisory Board shall include an appropriate number of independent members", and based on point 2.1.7 "The company shall determine the criteria for the independence of the members of the Board of Directors/Supervisory Board in accordance with the Recommendations." The purpose of these Recommendations is to ensure the independence and effective functioning of corporate governance bodies, thereby promoting transparency and enhancing investor confidence.
Independent members have no financial or business interest in the group and are therefore able to make objective decisions. **Non-independent** members are also involved in day-to-day management and are directly involved in the operations through their ownership.
Further details can be found in the "Corporate Governance Report" of **MASTERPLAST**, prepared in accordance with the Corporate Governance Recommendations of the Budapest Stock Exchange and published on 25 April 2024.
https://www.bet.hu/newkibdata/129053452/FTJ_MASTERPLAST_2023_HU.pdf
The Board of Directors has 1 female member, with a 20% female representation.

[2] *The current authorisation of the Board of Directors is valid from 01.05.2024 to 30.06.2026. The same applies to the Audit Committee.*

President of the highest governing body:
Dávid Tibor is the President of the Board of Directors and also the CEO of MASTERPLAST PLC.

The management of **MASTERPLAST Group** can be divided into two main parts: **strategic management** and **operational management**.
The Strategic Governance level includes the General Meeting, the Board of Directors, the President, the Vice-President, the Audit Committee and the Internal Audit. Operational Management includes: the professional and operational tasks performed by the members of the Group's management, Central Management, Subsidiary Management and the activities of the forums and meetings related to Operational Management.

The Board of Directors, as the body implementing a unified governance system, performs the statutory functions of the Board of Directors and the Supervisory Board.

The CEO selects and develops the management team and is responsible for the establishment, smooth operation and continuous improvement of key strategic processes and systems.

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 the same term as their membership of the Board of Directors. The Audit Committee elects its chair from among its members and adopts its resolutions by simple majority of votes. The powers of the Audit Committee are exercised by the Board of Directors of MASTERPLAST PLC. The powers of the Audit Committee are defined by the Articles of Association of **MASTERPLAST**. The Audit Committee is responsible, among other things, for the professional management and control of the Internal Audit, defining the professional requirements for the Auditor and monitoring their activities. Its powers and duties are set out in the Audit Committee Rules of Procedure currently in effect.

Members of the Audit Committee

Name	Position	Independence	Gender
Dezse Margaret Elizabeth	President President of the Audit Committee	independent	female
Dirk Theuns	Member of the Audit Committee	independent	male
Bálint Fazekas	Member of the Audit Committee	independent	male

Of the 3-member Audit Committee 3 are independent and 1 is a woman. Independent quota 100%, female quota 33.33%.

Operational Management includes the members of the **Group Management** [3]

Employee representation on management bodies

The members of the Group Management cover the different entities of the Group, thus ensuring a unified strategic management. The employees of each entity are represented indirectly through the Group Management Board, as the management members act with knowledge of the operations and interests of the entities concerned. This structure facilitates the integration of employee perspectives into decision-making at Group level.

Professional experience of the members of the governing board
The main governing body is the Board of Directors of which Margaret Elizabeth Dezse, Dirk Theuns and Bálint Fazekas are independent members. The members of the Audit Committee are elected by the General Meeting from among the independent members of the Board of Directors thus the three of them form the Audit Committee chaired by Margaret Elizabeth Dezse who has extensive experience in corporate governance (setting up remuneration policies, promoting corporate values, code of ethics and anti-corruption processes, independence and conflict of interest investigations), risk management, human resources management (building

[3] *Its members are 100% men.*

up organisational structures with diversity in mind, equal employment opportunities and remuneration structures), supply chain management, furthermore, she has specific ESG expertise and certification for supervisory boards. Dirk Theuns is the European head of IKO Group, one of the world's leading insulation materials manufacturers. He promotes the integration of Western European sustainability trends and standards into **MASTERPLAST Group.** The third independent member of the Board of Directors is Bálint Fazekas, Managing Director of Euronics (Vöröskő Kft.), the largest technical retailer with nationwide coverage. He supports the sustainability ambitions of **MASTERPLAST Group** from a digitisation and technology perspective.

For professional information on the members of the Board of Directors and the Group Management please visit the website.

https://www.masterplastgroup.com/igazgatotanacs/
https://www.masterplastgroup.com/vallalatvezetes/

Enhancing sustainability expertise and ESG knowledge

MASTERPLAST Group places strong emphasis on complying with relevant EU and national regulatory frameworks including the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), the Hungarian ESG Act, and the sustainability reporting requirements set out in the Hungarian Accounting Act. It also attaches importance to the training of its relevant staff and managers and supports their participation in the events of BCSDH, KÖVET Egyesület (KÖVET Association) and ESG Club Hungary non-profit organisations - as a member company – in order to strengthen their knowledge through presentations and sharing best practices.

Through the Group Management Forum and Green Committee meetings the Company helps its senior management and decision makers to prepare for the changing ESG requirements in an agile way through informative lectures, presentations, briefings and compact knowledge sharing, thus further strengthening the integration of sustainability aspects into decision-making. The focus is on making sustainability integration into decision-making an integral part of corporate governance.

In 2024 the representatives from the Group Management Forum[4] attended the Green Committee meeting to learn about ESG and sustainability updates, trends and details on how to meet regulatory requirements. To ensure continuous improvement **MASTERPLAST Group** ensures that its managers and decision makers regularly attend external expert training and industry events that provide opportunities to deepen their sustainability knowledge. In addition to events organised by ESG Club Hungary and BCSDH, the **MASTERPLAST Group** Green Committee sessions feature invited experts and guest speakers who share their practical experience.

Sustainability in corporate governance

MASTERPLAST places a high priority on sustainability, human rights, energy efficiency and environmental protection, both in its internal processes and in the manufacturing, development and overall value chain of its products.

MASTERPLAST PLC became a member of BCSDH - Business Council for Sustainable Development in Hungary in 2022. BCSDH is a community of companies committed to sustainable development, working together to accelerate the transformation of systems needed for a climate-neutral, nature-positive and more equitable future. For more information on the Sustainable Corporate Governance Guidelines, *visit: https://www.masterplastgroup.com/a-fenntarhato-vallalatvezetes-iranyelvei/*

Green Committee

The Green Committee of **MASTERPLAST Group** was established by the CEO in 2023 to support the Group's commitment to ESG, sustainable environmental policy, social responsibility and corporate governance strategy. The Green Committee assists the CEO in the development, integration, implementation and monitoring of ESG-

[4] https://bet.hu/site/newkib/hu/2023.10./Tajekoztatas_vezetoi_struktura_valtozasarol_128961854

specific topics and issues and supports the development and updating of the sustainability strategy. The Committee also facilitates the coordination of ESG-based initiatives and policy development and implementation, and is responsible for monitoring sustainability impacts, risks and opportunities.

Members of the Green Committee
Dávid Tibor, President of the Green Committee of **MASTERPLAST Group**, CEO of the Company
Balázs Ács, Deputy CEO
Róbert Nádasi, Deputy CEO
Illés Jancsó, Deputy CEO
Flórián Lukács, Deputy CEO [5]
László Pécsi, Member of Group Management
Tivadar Bunford, Member of Group Management

The Green Committee Charter - The Green Committee Charter defines its tasks, including the coordination of sustainability projects and the monitoring of associated risks. The key tasks of the Green Committee include promoting the sustainability policy and corporate social responsibility of the company as well as integrating ESG (environmental, social and governance) considerations into corporate strategy. The main role of the Green Committee is to support the sustainability strategy of **MASTERPLAST Group** ensuring the integration of ESG considerations into business operations. It monitors and reviews ESG practices, targets and performance and defines sustainability reporting practices. The Committee monitors ESG trends and best practices and liaises with departments and external consultants to ensure relevant ESG communications. It coordinates internal and external communication and contributes to the development of the Group's ESG policy. It regularly reviews and, where necessary, amends the Green Committee Charter. For further details: *https://www.masterplastgroup.com/zold-bizottsag*
Charter: *https://www.masterplastgroup.com/wp-content/uploads/2024/06/zold-bizottsag-alapito-okirat_hun_signed.pdf*

Operational implementation is led by the CEO, while ESG-related tasks are coordinated by the Green Committee.

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

The Audit Committee monitors the Company's systems of internal control and risk management and the effectiveness of internal control over financial and sustainability reporting, including the electronic reporting process under the Accounting Act, without limiting its independence. It also monitors the financial and sustainability reporting process, including the process of identifying information in accordance with the electronic reporting and sustainability reporting standards, and recommends necessary actions, where appropriate.

Sustainability governance is under continuous improvement, including a review of the functioning of the Green Committee, the integration of ESG considerations into strategic planning and the strengthening of management reporting and monitoring mechanisms.

The parameters of sustainability and the ESG approach are embedded in the operations of the Group. The delegation and monitoring of the material issues identified along the lines of sustainability and the definition of targets related to material impacts, risks and opportunities are as follows.

Sustainability topic	Responsibility for topic coordination

[5] *Deputy CEO as of 1 January 2025, before that member of Group Management*

Addressing the economic, social, human rights and environmental impacts of the Group that are considered as material topics ESG strategy developement ESG strategiy commitments Publication of ESG reports	Green Committee
Employment and occupational health	Head of HR
Environmental management system Energy management Quality management system and product quality assurance Occupational Health and Safety Management System	Head of Asset Management and Operations Environmental protection engineer

Internal control

MASTERPLAST Group applies targeted controls and procedures to manage sustainability risks and opportunities based on the Risk Management Policy. These procedures are integrated into the Group's overall risk management and internal control systems, ensuring that sustainability considerations are taken into account in decision-making processes.

GOV-2. **Information provided to the administrative, management or supervisory bodies of the enterprise and the sustainability issues they address**

The Board of Directors is informed by the President/Vice-President - in the form of a Board meeting or by e-mail. As a listed company, everything is done 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 website of the Budapest Stock Exchange (www.bet.hu).

The KPIs and targets in the annual Sustainability Report are evaluated annually by the Green Committee, which makes recommendations for possible strategic changes.

The Board of Directors of **MASTERPLAST** adopts a strategic plan for the whole Group on the basis of 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 a maximum of 150 days between each meeting. The agenda of these meetings includes the Group's financial results and the progress of strategic projects.

MASTERPLAST's Green Committee monitors and reviews sustainability measures, ensuring that the Group's strategy is in line with sustainability expectations and legal requirements. In order to integrate ESG considerations, **MASTERPLAST Group** management and its relevant departments hold regular consultations.

ESG considerations are integrated into the Group's strategy and decision-making mechanisms, and sustainability aspects are taken into account in decision-making. **MASTERPLAST** prioritises sustainability-related EU regulatory compliance in its decision-making.

The Green Committee has taken a key role in overseeing the preparation of the double materiality analysis (DMA) prior to reporting for the 2024 reporting period, and in initiating further actions and plans for the identified impacts, risks and opportunities (IROs) listed in the DMA.

GOV-3. **Remuneration and incentive schemes -** Integration of sustainability-related performance in incentive schemes

Remuneration policy and the role of ESG incentives

The remuneration policy of **MASTERPLAST Group** is implemented by a decision of the Board of Directors, taken by a General Meeting of Shareholders. As a listed company, this information is published publicly, both on its own website and on the official website of the Budapest Stock Exchange. Currently, the remuneration system of **MASTERPLAST Group** does not include ESG-based incentive mechanisms, and executive compensation is linked to financial and business performance targets. Variable remuneration is not directly linked to the achievement of sustainability or social goals, so indicators related to reducing GHG emissions, increasing energy efficiency or promoting sustainable operations are currently not included in the incentive scheme. However, **MASTERPLAST Group** regularly reviews the possibility of integrating ESG considerations into the incentive scheme, in particular with regard to environmental and social sustainability objectives. The possibility of introducing ESG-based incentives is reviewed annually and the remuneration policy is amended if necessary.

Examining managerial responsibility and ESG incentives

As set out in the Sustainability Reporting Policy, a designated senior manager from **MASTERPLAST Group** is responsible for sustainability performance, while Group managers at all levels are also individually accountable for the sustainable operation of the organisation. Currently, the management incentive scheme does not include any financially based ESG incentives, but **MASTERPLAST Group** is exploring the possibility of doing so in the future.

Board evaluation process and incorporation of ESG indicators

The Board of Directors evaluates its own performance annually, prior to the re-election of its members. In the evaluation process the Board reviews the collective and individual work of the previous 12 months based on factual data. The results are used to determine the composition and responsibilities of the Board and to develop the management incentive scheme. At present, the performance appraisal system does not include sustainability indicators or ESG-based incentives, and variable remuneration is not directly linked to the achievement of environmental or social targets.

At the same time, **MASTERPLAST Group** is reviewing the possibility of integrating sustainability objectives into the performance assessment process. To this end, the following opportunities are being explored:

- incorporating environmental and social indicators into future incentives
- introducing sustainability KPIs in the annual performance assessment.

MASTERPLAST Group plans to introduce a certain percentage of ESG-based incentives in the future, which may be linked to the achievement of the following targets:

- reducing GHG emissions and increasing energy efficiency
- building sustainable supply chains
- meeting corporate social responsibility targets.

Implementation of remuneration

Remuneration is implemented based on the decision of the General Meeting following the decision of the Board of Directors. The possibility of incorporating ESG considerations is reviewed annually by the Board of Directors, which may amend the remuneration policy if necessary to ensure proper integration of sustainability objectives.

GOV-4. **Statement on due diligence**

The screening process aims to identify factors that influence, support or hinder the Company in achieving its sustainability objectives. The due diligence process identifies, prevents, mitigates and records the actual and potential negative impacts associated with the Company's business activities on the environment and people. Due diligence covers its own operations as well as impacts related to upstream and downstream value chains.

MASTERPLAST pays particular attention to engaging with stakeholders, including local communities, suppliers and partners, to understand the potential risks and impacts of its operations. In order to maintain communication

with stakeholders, it regularly holds employee forums, supplier visits and environmental awareness briefings. At the heart of the strategy of **MASTERPLAST Group** is the objective of serving the interests of its stakeholders and the environment through sustainable and responsible operations. Through the introduction of integrated policies and the Green Committee, ESG considerations have been emphasised in corporate governance practices and the business model, including efforts to minimise environmental impacts.

MASTERPLAST started the due diligence of its value chain through online and telephone consultations in 2022, and has a Supplier Code of Conduct and Ethics to regulate policies and declarations. Details of this can be found in the chapter on Stakeholders (SBM-2).

When evaluating the survey, the findings on impacts, risks and opportunities were taken into account only in a limited way due to the low number of substantive responses received, the Company therefore considers the methodology and approach to engaging value chain actors as a topic for future development.

In terms of due diligence, the Company is also preparing for its due diligence obligation under the Hungarian ESG Act during the period of sustainability reporting, the results of which will be reported in the ESG report[6] (separate document and obligation). In the context of the ESG report, the supply chain due diligence will be carried out using the 12 questionnaires on the website of the Regulatory Activities Monitoring Authority (RMA) currently available in Hungarian and English. The legislative environment allows for a multi-stage risk management process, including pre-qualification based on publicly available ESG information and data. ESG reporting will be completed by the end of the second quarter of 2025.

Key milestones in the due diligence process
Goal setting: **MASTERPLAST** aims to minimise its environmental footprint, ensure that its supply chain is sustainable and that its workers' rights are fully protected.
Risk analysis: identifies actual and potential environmental risks, such as carbon emissions and the risk of employee violations.
Risk management measures: **MASTERPLAST** will introduce targeted measures in its sustainability strategy.

GOV-5. **Risk management and internal controls over sustainability reporting**
MASTERPLAST has established a system of internal controls to manage sustainability risks and sustainability data. Risk management and control processes include rules for measuring and monitoring environmental impacts, accuracy of data collection and protection of employee rights.

MASTERPLAST assesses sustainability risks as set out in the double materiality analysis and pays attention to legislative changes and industry best practices. Risks are managed from an environmental, social and governance perspective and mitigation action plans and strategies are put in place. For the identified Impact, Risk and Opportunity (IROs) presented in this report, this is presented in the relevant chapters.
The Group has identified the main risks, which it addresses by diversifying its suppliers and optimising its sourcing strategy. These steps make it possible to increase the stability of the supply chain, reduce risks and improve the efficiency of the purchasing process.

The responsibilities, tasks and further details related to the reporting obligation are set out in the "VG-03 Sustainability Reporting Procedures" of **MASTERPLAST**. Details on risks are set out in the "Risk Assessment Policy".

[6] More details: https://sztfh.hu/tevekenysegek/esg-hatosagi-tevekenyseg/esg-beszamolorol/

Strategy

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

MASTERPLAST Group is one of the leading manufacturers of thermal insulation materials and suppliers to the construction industry in Central and Eastern Europe, specialising in the development, manufacture and distribution of products mainly related to thermal insulation systems. The company's strategy focuses on promoting energy-efficient and sustainable construction and strengthening the region's insulation manufacturing capacity.

MASTERPLAST's portfolio of building products includes EPS and XPS insulation boards, roofing membranes, glass fibre mesh, mineral wool insulation materials, edge protectors, plasterboard profiles, adhesives and ancillary system components. These solutions are mainly used for facade, roof and interior insulation of residential and public buildings, contributing to the reduction of energy consumption in buildings. It has also started to develop and manufacture modular building elements, which offer fast construction times and cost-effective solutions.

MASTERPLAST has a vertically integrated value chain that enables it to control all steps from raw material sourcing through its own manufacturing facilities to logistics and distribution networks. The Group has its own subsidiaries in 10 countries enabling it to serve markets quickly and flexibly. Although it sources its raw materials from external sources, vertical integration still reduces supply chain risks, as the company is less dependent on external partners through its own manufacturing capacity and its own subsidiaries. This makes production processes more predictable and allows them to respond more easily to changes in market demand. In addition, local production and shorter transport routes contribute to a lower carbon footprint by reducing the environmental impact and fuel consumption associated with transport.

The group does not engage in activities in the fossil fuel industry (coal, oil, gas), does not participate in fossil gas-related economic activities and does not generate revenues from these sources. In addition, it is not engaged in the manufacture of chemicals, the production of weapons, or the cultivation or production of tobacco, and therefore does not derive revenue from these activities.

Major markets and customer groups

The distributor subsidiaries of **MASTERPLAST Group** serve building materials distributors, purchasing companies and DIY chains, paying particular attention to the specific requirements and conditions of the building materials trade sector, which varies from country to country. Markets without subsidiaries are served through export departments. The aim is to have strong local strategic partners representing **MASTERPLAST** products in the region. The value for partners is primarily security of supply, stable quality, product certification and value for money. The Group's products and services comply with the legislation in force in all markets and none of them is subject to prohibition.

Staff members

Data on employees can be found in the "Own workforce" subsection of the "Society" chapter.

Turnover

SBM-1-06

The consolidated turnover of **MASTERPLAST Group** for 2024 was EUR 136 137 445.

The company will not disclose a breakdown of revenue by major ESRS sectors and other relevant sectors in the 2024 reporting period as the ESRS sector standards have not yet been finalised and formally adopted, but the company will monitor and act on changes in legislation in the future.

Major sustainability objectives

MASTERPLAST Group aims to be a leader in energy efficient, environmentally conscious and sustainable building material solutions in the Central and Eastern European region based on the Group's business strategy of contributing to climate protection, resource efficient operations and promoting sustainable building practices. In this context, **MASTERPLAST** seeks to develop products and solutions that support the improvement of energy efficiency in buildings, the reduction of carbon emissions and the reduction of the environmental impact of the construction industry.

The group's key products, such as EPS and XPS insulation boards, roof foils, glass fibre mesh and other accessories, are aimed at the energy modernisation of buildings. Thermal insulation plays a key role in reducing energy consumption and greenhouse gas emissions from building operations, and **MASTERPLAST** products have a direct impact on the EU's climate and energy targets. The company's development activities are increasingly focused on the principles of the circular economy, in particular the recyclability of products, increasing recycled content and reducing manufacturing waste.

MASTERPLAST strives to decarbonise its manufacturing activities and increase its energy efficiency. It has started to integrate renewable energy sources (e.g. solar parks) at several of its sites and to introduce technological improvements that reduce specific energy consumption and greenhouse gas emissions. Optimising waste management is also part of the environmental objectives.

The Group has taken steps to integrate a circular approach in both product development and manufacturing processes. Particular attention is paid to the recycling of production waste and the optimisation of material use, with the aim of increasing the use of recycled or low environmental impact materials in the long term, while preserving product performance and longevity. Further detailed targets are set out in the sub-chapters on the topics considered relevant for the company.

The Group's products make a significant contribution to saving heating and cooling costs in residential and non-residential buildings, thereby reducing the CO2 emissions of buildings. For residential buildings (detached and semi-detached houses, etc.), the following estimated energy savings can be achieved:

total exterior insulation: ~40%, roof insulation under roof: ~10%, attic insulation: ~10%, heating system upgrade, replacement: ~30%, window replacement: ~10%.
Insulation, especially in existing buildings, is key to energy efficiency as energy savings of up to 70% can be achieved by creating a thermal envelope.
In a detached house, the thermal envelope refers to the structural elements that separate the interior of the house from the outside and whose main role is to provide thermal insulation. This includes the walls, roof, windows, doors and floors, which control the flow of heat to help maintain the desired temperature inside the house. A well-designed thermal envelope reduces energy use by minimising heat loss in winter and preventing overheating in summer. Proper insulation makes the house more energy-efficient and improves the quality of life by making the interior more comfortable. The thermal envelope is a key component of the various insulation materials that **MASTERPLAST** manufactures and markets, and thus contributes significantly to reducing the emission value of the building stock responsible for the highest emission value. The real energy efficiency and emission reduction effects that can be achieved with the insulation materials of **MASTERPLAST** and the demand for them underpins the demand for the company's products in the long term.

Description of business model and value chain

Main raw materials: polypropylene (PP), EPS, GPPS, glass fibre, polymer coatings
Packaging materials: wood and foil
Production units: the production **capacity of MASTERPLAST** is concentrated **in 8 subsidiaries** with different production profiles
Manufacturing is made up of several entities specialised in different fields.

- **Manufacturing activity** MASTERFOAM Gyártó és Kereskedelmi Kft., MASTERPROFIL Gyártó és Kereskedelmi Kft., MASTERPLAST Medical Kft., MASTERPLAST Nonwoven GmbH, Fidelis BAU Kft., MASTERPLAST YU D.o.o., T-CELL Plasztik Kft., MASTERPLAST Proizvodnja D.o.o.
- **The largest amount of raw material processing** is carried out by the following entities: MASTERPLAST YU D.o.o., MASTERPLAST Medical Kft., T-CELL Plasztik Kft.
- **Reuse and recycling:** a significant amount of recycled and reused raw materials are processed at the sites of MASTERPLAST Medical Kft., MASTERPLAST Nonwoven GmbH, Fidelis BAU Kft., MASTERPLAST YU D.o.o., T-CELL Plasztik Kft., MASTERPLAST Proizvodnja D.o.o.
- **MASTERPLAST** aims to increase the proportion of recycled materials.

Strategic sustainability ambitions
Aim for the future:

- increasing recycling in production
- in line with the principles of a circular economy the Group is continuously improving its recycling technologies and reducing production waste.

MASTERPLAST also uses petroleum derivatives in its manufacturing processes. Although the Group is constantly working on the development of its products and various innovations, at the current technological level these materials cannot yet be replaced. **MASTERPLAST** considers it important to monitor the type and quantity of materials used in its production and to gradually increase their quality in order to monitor its dependence on natural resources and the indirect impact of their exploitation.

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. By upstream, it means EU+EFTA and non-EU suppliers of raw materials and finished products. By downstream, it means EU, non-EU (with a separate category for Ukraine) sales and product support activities.

Manufacturing activity
Production base SÁRSZENTMIHÁLY - Hungary - MASTERPLAST (masterplastgroup.com)
Production base SZÉKESFEHÉRVÁR - Hungary - MASTERPLAST (masterplastgroup.com)
Manufacturing base KÁL - Hungary - MASTERPLAST (masterplastgroup.com)
Production base ZALAEGERSZEG/HAJDÚSZOBOSZLÓ - Hungary - MASTERPLAST (masterplastgroup.com)
Manufacturing base CSÓR- Hungary - MASTERPLAST (masterplastgroup.com)
Production base SZABADKA - Serbia - MASTERPLAST (masterplastgroup.com)
Production base ASCHERSLEBEN - Germany - MASTERPLAST (masterplastgroup.com)
Production base CALERNO - Italy - MASTERPLAST (masterplastgroup.com)

The **MASTERPLAST** Supplier Code of Conduct and Ethics ensures that the Group's partners comply with sustainability, human rights and ethical standards. The Code includes provisions on the protection of workers' rights, fair working conditions and environmental requirements. The company 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 sourcing practices.

As a major European manufacturer, the Company is a key player in the insulation materials market, making a significant contribution to energy efficient building stock. Its products and services help to optimise energy consumption in buildings, supporting energy efficiency. In doing so, it contributes to meeting energy performance standards for buildings, in line with the energy efficiency targets of Hungary and the European Union.

HEM (Certified Energy Savings)
There is a business potential for the Company to enter the market for Certified Energy Savings (CERs). HEM is a limited marketable asset that can be generated through various energy efficiency measures by accredited organisations. These HEMs can be resold to organisations committed to energy savings under the so-called EES (Energy Efficiency Commitment Scheme). In this context, **MASTERPLAST** launched its Hungarocell Renovation Programme in September 2024, the first programme in Hungary to generate HEMs related to the thermal insulation of the façade of detached houses. In addition, through its partners, the Company has also been involved in attic renovation programmes based on a similar principle. The turnover from HEMs will continue to strengthen its performance in the first half of 2025.

ESG-related efforts are emphasised in the company's strategic planning. The Board of Directors and the senior management regularly review sustainability initiatives and an internal Green Committee supports the coordination of sustainability tasks and strategy development. As a result, sustainability considerations are an integral part of decision-making and the company shapes its business model observing long-term sustainability trends.

The company is constantly looking for opportunities to further develop its business model in the light of sustainability challenges. The long-term growth plans of **MASTERPLAST** focus on sustainable innovations - such as the introduction of recycling technologies or the development of low-carbon products - to not only meet future regulatory requirements but also to gain a competitive advantage. The future direction of the strategy is driven by the sustainability transition: it is ready to amend and adapt the business model where necessary to ensure that **MASTERPLAST** is among the winners in the transition to climate neutrality and the circular economy.

SBM-2 **Interests and views of interested parties**

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

The MASTERPLAST Group involved stakeholders in the assessment of its sustainability activities through an anonymous online questionnaire survey during the preparation of the DMA (double materiality assessment). Respondents were asked to rate their company's sustainability practices on a linear scale along the ESRS topics and to share their views on areas for improvement by answering open-ended questions. The survey received 169 responses, the majority from company employees. The response rate was 24.25%, which **MASTERPLAST** intends to increase in the future, with a particular focus on the involvement of suppliers, customers and local communities. The results were processed by the DMA project team with a detailed analysis of quantitative and qualitative data. Based on the feedback relevant improvement opportunities were identified, taking into account the company's operations and strategy. The importance of sustainability issues was ranked according to the average score. **MASTERPLAST Group** aims to incorporate stakeholder feedback for sustainable operations and to increase future participation to base its decisions on a broader and more representative range of opinions.

Interested parties
The Company has identified as interested parties those individuals and groups who are affected by or who affect its operations or whose interests are or may be affected by the activities of the Group. The Company aims to establish active and reciprocal communication with its stakeholders. For the purpose of the 2024 double materiality analysis, the Company has identified as stakeholders its employees in Hungary and abroad, employees

of the Budapest Stock Exchange, investors, suppliers of raw materials and services, customers, other business partners, financial institutions (banks, insurance companies, fund managers, etc.), analysts, risk managers, public authorities, supervisory bodies, professional associations, NGOs, foundations, associations, municipalities, consultants, media representatives, members of the local community, educational institutions (vocational schools, universities, etc.), environmentalists. In addition, it also provided the opportunity to provide anonymous feedback in the "other" category.

The company's key stakeholders are employees, customers, suppliers and investors.

Channels to communicate and engage with key stakeholder groups of MASTERPLAST Group

Key stakeholders	Focus of cooperation	Channel to cooperate and communicate
Employees	**MASTERPLAST** aims to create an open, supportive environment where you can talk openly about challenges and opportunities, identify directions for development and support innovative initiatives. The key to success is the involvement of colleagues who think and develop in unity around the Group's values, taking sustainability into account.	- News, programmes via e-mail and in a closed Facebook group (regular) - Communication emails on material topics, e.g. green newsletter (ongoing) - Employee forums (annual) - Management discussion on performance appraisal, educational development opportunities (at least once a year) - Employee focus group surveys (at least every two years)
Buyers	The sales team interacts with the company's customers on a daily basis to better understand their needs, help them follow market trends and share their experience in nearly 40 countries. In addition, **MASTERPLAST** pays particular attention to identifying local specificities and motivations in order to offer tailored, effective solutions.	- Customer Open Days at **MASTERPLAST** - Industry conferences - Trade exhibitions - Key account manager contacts - B2B platform (in Hungary, Romania, Serbia, partially in Slovakia and Croatia, as the main communication channel - among others, special promotions are published here)
Suppliers	**MASTERPLAST** strives to build long-term, mutually beneficial partnerships with suppliers based on continuous feedback and the highest ethical standards. In its cooperation, it gives priority to sustainability, environmental and human rights aspects.	- Contact by e-mail (regular) - Personal contacts, visits to suppliers and manufacturers (regular) - Direct meetings with supplier key account managers (regular) - Supplier forums, surveys, training (annual) - Participation in international exhibitions
Investors, shareholders and financial market	**MASTERPLAST** has an active and ongoing relationship with investors and the capital markets. It works closely with all stakeholders - banks, bond investors, shareholders - to ensure the most efficient allocation of capital, which is confirmed by rating agencies. It makes its ESG approach and its examination of sustainability issues an integral part of its financial partnerships.	- Investor information forums (annual) - Consultations with the Houses of Reflection (ongoing) - Annual general meeting (yearly) - Regular publications (ongoing) - Investor surveys (on request)
Local communities	**MASTERPLAST** strives to become an integral part of its environment through active dialogue with the local communities where it operates. It aims to better understand each other's needs and opportunities and to support communities in achieving their goals.	- E-mail, telephone and face-to-face consultations and contacts (ongoing) - Liaising with local authorities, organisations, local leaders (regularly)
Professional organisations	Cooperation with national and international professional organisations aims to promote industry development, knowledge sharing and innovation. In defining common goals, **MASTERPLAST** gives priority to sustainability issues and actively participates in professional dialogue.	- Professional forums (regular) - Professional cooperation, joint programmes (ongoing) - Individual meetings (ongoing)

Stakeholder interests in the strategy and business model

Stakeholder feedback, supported by due diligence processes and materiality assessments, plays a key role in shaping the company's strategy and business model. The Company's core values of continuous improvement, collaboration, immediate feedback and fact-based communication ensure a high level of stakeholder management, which colleagues have continued to strengthen despite the challenges of 2024. Part of the corporate culture is the **Fundamentals of Collaboration** Code, which defines how we operate, communicate and work together as a team based on mutual respect. The aim is to foster an open, honest and critical dialogue that enables **MASTERPLAST** to integrate stakeholder expectations into strategic decisions and the business model, ensuring sustainable operations and long-term success.

The company has not changed and does not plan to change its strategy or business model based on stakeholder feedback.

Information to administrative, management or supervisory bodies

The full content of the Sustainability Report, its material topics, including the views and interests of relevant stakeholders on the sustainability impacts of the business, is published with the approval of the **MASTERPLAST Group** Green Committee, the Group Management and the President of the Board of Directors.

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

MASTERPLAST aims to develop a concrete action plan for all **relevant** environmental and sustainability impacts, risks and opportunities (IROs). The company's Green Committee plays a key role in the development and implementation of these measures, ensuring that they are closely aligned with the company's business model and long-term strategy. The aim is to ensure that sustainability is not a separate issue but is integrated into the company's operations and decision-making processes.

Key impacts, risks and opportunities

The Company's brief description of the material impacts, risks and opportunities identified in the double materiality analysis, their actual, potential, positive or negative impact, and their classification by risk and opportunity, time horizon and exposure within the value chain (own operation, upstream and downstream) is set out in the summary table below.

ESRS standard	Topic	Description	Classification	Value chain	Timeframe
E1 Climate change	Climate change mitigation	As a core activity (the production of high quality insulation materials), **MASTERPLAST** contributes to the long-term reduction of energy consumption and GHG emissions through the extensive use of its products.	Actual positive impact	Downstream	Short term
E1 Climate change	Energy	Climate change, too much temperature rise will cause solar cells already installed and to be installed in the future to be subjected to too much load, reducing their efficiency and production.	Potential negative impact	Own operation	Long-term
E1 Climate change	Energy	Buying energy from energy traders contributes to the company's Scope 2 emissions.	Actual negative impact	Upstream	Long-term
E1 Climate change	Energy	Introducing energy-efficient solutions in manufacturing and commercial activities, thereby reducing energy consumption. Through investments in	Actual positive impact	Own operation	Short term

		renewable energy, **MASTERPLAST** promotes the use of green energy and supports the launch of EER projects. Thanks to proper energy management, the company's overall energy consumption is reduced. It has installed sub-meters in several stages in its more energy-intensive entities in order to monitor their energy consumption properly, and is upgrading its machinery			
E1 Climate change	Energy	**MASTERPLAST** customers consume less energy when they buy the right insulation materials and upgrade their properties.	Actual positive impact	Downstream	Short term
E1 Climate change	Adapting to climate change	The demand for professional insulation materials is growing, as energy-efficient architecture becomes increasingly important.	Current opportunity		Medium term
E1 Climate change	Energy	Reduced production of solar cells may force **MASTERPLAST** to buy additional energy from the supplier, which will mean additional costs.	Expected risk		Medium term
E1 Climate change	Energy	Legislative requirements and changes may increase the price of the energy purchased.	Expected risk		Long-term
E1 Climate change	Energy	Unpredictable energy prices make it difficult to plan the company's operating costs.	Current risk		Medium term
E5 Resource use and circular economy	Resource outflows related to products and services	Recycling (e.g. reprocessing materials or products already used, reducing resource use and waste, thus contributing to a circular economy)	Actual, positive impact	Own operation	Medium term
E5 Resource use and circular economy	Resource outflows related to products and services	By recycling materials, the demand for primary raw materials can be reduced, making the company less dependent on suppliers and the availability of natural resources.	Current opportunity		Short term
Other	Product quality and product sustainability	It collects the clean, reclaimed cuttings through partners, transports them free of charge and uses them to make Thermobeton, a new insulation material. The Hungarocell Green Programme complies with the INTERCERT Certification and Certification Ltd. MSZ EN ISO 14001:2015.	Actual, positive impact	Own operation	Short term
S1 Own workforce	Working conditions - Health and safety	The company aims to create safe working conditions and protect the health of its employees, complying with current legislation and thus avoiding accidents.	Actual, positive impact	Own operation	Short term
S1 Own workforce	Working conditions - Health and safety	As a result of accidents at work, the company may be fined or investigated by the authorities, which could have a	Current risk		Short term

		negative impact on the company's reputation.			
G1 Business Conduct	Corporate culture	The Group is committed to responsible, transparent and effective corporate governance and fair business practices. It operates to high ethical standards and in compliance with the law. As a responsible corporate citizen, it makes every effort so that basic ethical standards are embedded in its day-to-day work, in its relationships with its employees and in its relationships with customers, owners, suppliers and all stakeholders. It is committed to operating ethically and transparently, with a sense of purpose, but also to competing fairly with its competitors.	Actual, positive impact	Own operation	Short term
G1 Business Conduct	Managing relationships with suppliers, including payment practices	It focuses on building long-term, mutually beneficial partnerships with its suppliers. Provides continuous feedback to develop strong partnerships while maintaining the highest ethical standards. It pays particular attention to sustainability, environmental and human rights issues in its supplier relationships.	Actual, positive impact	Own operation	Short term
G1 Business conduct	Managing relationships with suppliers, including payment practices	Any substitution (and/or exclusion) of suppliers will result in extra costs for the company.	Expected risk		Short term

Material impacts, risks and opportunities have a direct and indirect impact on **MASTERPLAST**'s business model and strategy. This is described in the relevant disclosures on material matters.
MASTERPLAST's material sustainability impacts and risks arise from different stages of the value chain. The environmental impacts of its own operations include energy consumption and GHG emissions, as well as the generation of production waste. In the upstream (supplier) value chain, the environmental burden and availability of raw materials is a risk, while on the downstream side, the energy savings that can be achieved through the use of its products have a significant positive impact (e.g. the insulation materials it produces reduce the energy demand of buildings). The company ensures that its activities are in line with its environmental and social responsibilities through close cooperation and sustainability commitments with its supplier network.

The relevant sustainability impacts and risks occur over different time horizons. Some risks may affect operations in the short term (within 1 year), such as an immediate increase in energy costs, while others may become significant in the medium term (1-5 years) or long term (beyond 5 years). **MASTERPLAST**'s strategy is therefore also to respond to current challenges in the short term (e.g. by investing in energy efficiency), to prepare for expected market and regulatory changes in the medium term, and to aim for climate neutrality and the transition to a circular economy in the long term. These time horizons ensure the resilience of our business model.

The nature of **MASTERPLAST**'s activities and its business relationships determine its exposure to sustainability impacts and the opportunitys for addressing them. Its manufacturing processes are energy and material intensive, and it places great emphasis on energy efficiency and waste reduction in its operations. At the same time, its products, in particular thermal insulation solutions, reduce its customers' energy consumption and carbon footprint, meaning that its business has a positive impact on the environment. By building relationships

with its suppliers and business partners that support its sustainability efforts (for example, by giving preference to partners that supply recycled or lower-emission materials), **Masterplast** contributes to sustainability goals both through its internal processes and through its business network.

MASTERPLAST Group's material impacts on humans and the environment for the identified significant IROs are presented in the tables. The nature and classification of the IROs, as well as the actions and objectives for specific measures, are detailed in the chapters on the relevant material issues.

MASTERPLAST has assessed the material environmental, social and governance risks and opportunities that could affect the company's financial position, financial performance and cash flows. **MASTERPLAST** has also assessed the expected financial impact of material risks and opportunities in the short, medium and long term, taking into account the company's strategy and related investment and divestment plans, sources of funding and development directions. However, given that these impacts and their financial consequences affect business sensitive information, **MASTERPLAST** does not disclose detailed, quantified information on the impact on the current or expected financial statements for data items SBM-3_08, SBM-3_09.

Resilience of the company's strategy and business model

MASTERPLAST's business model and strategy is designed to remain resilient to sustainability impacts and risks. In addition, the company seeks to take advantage of opportunities that arise in the context of sustainability (e.g. green technologies, new markets), thus ensuring long-term value creation and stability.

Double materiality

IRO-1. ***Description of procedures for identifying and assessing significant impacts, risks and opportunities***

MASTERPLAST Group carried out its first double materiality assessment (DMA) during 2024 in preparation for compliance with ESRS 2 IRO-1 and IRO-2.

This double materiality analysis is the first DMA **of MASTERPLAST Group**, which forms the basis of its Sustainability Report for the financial year 2024. The DMA aims to map the Group's resilience in sustainability issues, including impacts on environmental and social issues, as well as risks and opportunities affecting financial performance.

MASTERPLAST Group will carry out its analysis (or its redefinition, revision) annually after the preparation of this DMA and will seek to progressively broaden the range of stakeholders involved and adapt the depth of the analysis to the sustainability challenges of the period.

As part of this, it consulted a wide range of **internal and external stakeholders**, including **employees, suppliers, customers, social stakeholders, investors and banks** to identify the relevant sustainability issues for **MASTERPLAST Group.**

Methodology of the materiality assessment

The scoring method and criteria for the materiality assessment were defined in accordance with the requirements of ESRS 1. The double materiality analysis means that impact materiality and financial materiality are considered together. Members of the project team, representing the interests of the subsidiaries, in particular the responsible managers of the relevant areas, actively contributed to the process. The final results of the evaluation were approved by consensus on the basis of the arguments and technical considerations expressed during the workshops.

As a first step, the Company has comprehensively mapped all potentially relevant sustainability issues that could impact the company's operations, stakeholders and the regulatory environment. This process was carried out taking into account the requirements of **the European Sustainability Reporting Standards (ESRS**), industry trends and company experience.

It then identified a long list and assessed each sustainability issue according to different relevance criteria to determine its actual importance for the Group. In order to do this, the following factors were taken into account:

- Is the topic related to the Group's business model and operations?
- Does it affect competitiveness and market position?
- Is it given priority in the regulatory environment and compliance requirements?
- To what extent is it relevant to its stakeholders - investors, suppliers, customers and employees? (In this context, a wide range of internal and external stakeholders, including employees, suppliers, customers, social actors, investors and banks were consulted to identify the relevant sustainability issues for **MASTERPLAST Group**.)

Those issues that were found to be significant in at least one respect were further investigated in detail and moved to the short list. This step was taken to exclude issues that the analysis showed were not of high priority for the company.

Following the shortlisting process**, MASTERPLAST** conducted a double materiality analysis on each of the selected topics along two dimensions:

Impact materiality

- It has taken into account the magnitude, scope, irreversibility and likelihood of impacts - both positive and negative, actual and potential.
- According to ESRS 1 (45), in the case of human rights impacts, the severity of the incident takes precedence over the likelihood of its occurrence. The classification of materiality of impact is based on a threshold set by the Group, i.e. a materiality score of 3 or 4 is considered to be a materiality of impact.

Financial materiality

- Financial risks and opportunities are assessed by the Company using a structured methodology that takes into account their type, time horizon, magnitude and probability of occurrence.
- Financially material topics are classified according to a threshold set by the Group, i.e. a topic is financially material if the risk or opportunity score is 3 or 4.

If a topic has been identified as impact or financially material, it is treated as a material topic.

In identifying impacts, risks and opportunities, **MASTERPLAST Group** pays particular attention to manufacturing sites and regions (e.g. non-EU countries) where environmental and human rights regulations may differ from EU regulations.

The analysis covers the financial risks and opportunities related to sustainability impacts and potential dependencies, and considers the potential impacts or risks that may arise from actions related to certain key sustainability issues in the future. In the analysis the Group shall record in detail the basis for considering the contribution of risks and opportunities to financial impacts. However, details of this will not be disclosed in external communications.

MASTERPLAST Group integrates sustainability risks, including environmental, social and corporate governance factors, into its operations through the activities of the Green Committee, ensuring that sustainability risks are managed on an equal footing with business risks. It also integrates the identified sustainability opportunities into its strategic and investment decisions and preparatory work through the Green Committee.

MASTERPLAST Group uses internal (e.g. energy consumption, emissions data, occupational safety statistics, HR data) and external (e.g. international benchmarks, industry analyses) data sources, expert approaches, external experts (e.g. energy auditors) and stakeholder feedback to assess impacts, risks and opportunities in the assessment process.

MASTERPLAST Group assesses the financial risks and opportunities that its sustainability impacts and dependencies may create. For example, the availability and price of raw materials, such as polymer feedstocks, has a significant impact on its operations. Tighter environmental regulations and changes in energy efficiency requirements also affect its financial performance. These factors are integrated into the company's risk management and strategic planning processes to proactively address emerging challenges and take advantage of opportunities.

Stakeholder involvement

Through sustainability analysis, the company has incorporated the views of stakeholders into its decision-making. To this end, **an anonymous online questionnaire survey** was conducted in which **MASTERPLAST** employees, suppliers, investors and customers assessed the relevance of sustainability matters.

Evaluation

Sustainability issues were assessed and consulted on by staff and experts delegated by the Green Committee.

Effect materiality	Description	Low value 1	High value 4
Scale	What is the scale of the impact?	Although noticeable, it has a minimal impact on the lives of those affected, with little or no noticeable effect.	The impact is extremely serious, seriously affecting basic living conditions or freedoms (e.g. health, livelihoods, education).
Scope	What is the extent of this effect? Scope: the extent of the impact (i.e. the number of people affected or the extent of environmental damage).	The impact is minimal, with no more than one or two sites or locations affected. Affects end-user locations (e.g.: end-user's home)	The impact is large-scale, going beyond the level of sites and locations, and can even be global.
Irremediability	If the impact is negative, what is the degree of irreversibility?	The negative impact can be fully remedied and the affected people or the environment can be quickly and fully restored to its original state.	The negative impact is such that there is no way to fully remedy it and the consequences are long-lasting.
Likelihood	If the effect is potential (negative or positive), what is the probability that it will occur?	It is an extremely rare or almost unthinkable event that can only occur in special circumstances.	The effect is almost certain to occur.
Financial materiality	**Description**	**Low value 1**	**High value 4**
Magnitude	To what extent does a given effect have a comprehensive impact on the company's financial operations? Assessment is based on subjective, consensus judgement.	It does not affect the financial functioning of the organisation.	The impact is such that it could even threaten the financial stability of the company.
Likelihood	What is the probability of the risk or opportunity occurring?	The financial impact is highly unlikely to occur, and would only arise in extreme circumstances.	The financial impact is almost certain, as circumstances and market trends are already pointing strongly in this direction.

ESRS E2 Pollution, ESRS E3 Water and marine resources, ESRS E4 Biodiversity and ecosystems, ESRS S4 Consumers and end-users

In the double materiality analysis carried out in 2024 the following sustainability topics did not meet the materiality threshold and are therefore not presented as material topics in the reporting: ESRS E2 Pollution, ESRS E3 Water and marine resources, ESRS E4 Biodiversity and ecosystems, ESRS S4 Consumers and end-users.

E2-IRO-1 ***Description of the processes to identify and assess material pollution-related impacts, risks and opportunities***

In order to identify actual and potential environmental impacts, risks and opportunities related to pollution, **MASTERPLAST Group** has conducted a review of its sites and business activities, covering its own operations and relevant stages of the upstream and downstream value chain.

The audit analysed documents related to legal compliance, official permits, internal environmental records and audit reports related to ISO 14001 certificates. With regard to point sources (e.g. air pollutant emissions), the available emission measurement reports show that all emissions were below the legal limit values.

During the materiality assessment process, the pollution impacts assessed did not show a level of environmental or social risk that would justify the issue being treated as material. On this basis, **MASTERPLAST** has not identified any significant impacts, risks or opportunities in the pollution topic area.

In assessing the risks of pollution, **MASTERPLAST** did not carry out specific consultations with affected communities, as the screening did not identify any effects or emissions that could cause significant effects on the environment or any concerns for the community.

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

MASTERPLAST Group has conducted a review of its manufacturing activities and sites to identify water use impacts. The assessment examined water use intensity, site water use data, as well as geographical location and potential water stress exposure.

The consolidated water consumption in 2024 was 16 227.5 m^3, which corresponds to the annual water consumption of approximately 90 households of four persons (180 m^3/household). On this basis, water consumption is not considered significant for the scope and size of the company.

Marine resources are not relevant to **MASTERPLAST**'s operations, as the company has no connection with marine environments or their immediate ecosystems. Water consumption data per site were available, but none of the sites showed any significant water use or locational factors that would have a significant impact on local water resources or communities. Based on these factors, water-related environmental impacts, risks and opportunities were not identified as significant.

MASTERPLAST has not directly consulted affected communities during this assessment, as its activities will not have any discernible impact on local water sources and will not affect the water supply or access to water for communities.

E4 - IRO-1 ***Description of procedures to identify and assess relevant impacts, risks, dependencies and opportunities for biodiversity and ecosystems***

MASTERPLAST Group has carried out a review of its sites and business activities to identify actual and potential environmental impacts, risks and opportunities related to biodiversity, covering its own operations and relevant stages of the upstream and downstream value chain.

MASTERPLAST Group has not carried out a specific targeted assessment of dependencies on ecosystem services for systemic risks, proximity to biologically sensitive areas and potential impacts on affected communities.

At the same time, the nature of the company's operations - the industrial production of thermal insulation materials - does not involve the extraction of raw materials, large-scale land use or direct impact on natural habitats. Production activities are predominantly carried out in an industrial environment. **MASTERPLAST** has not directly consulted affected communities during this assessment. None of these factors were analysed as having an impact or risk that could be considered significant to the company's operations. Accordingly, **MASTERPLAST** is not currently implementing any targeted actions in the area of biodiversity but is committed to ongoing environmental monitoring and future reassessment.

S3 IRO-1 - ***Description of procedures for identifying and assessing significant impacts, risks and opportunities for consumers and end-users***

MASTERPLAST Group uses product safety and quality control processes to assess consumer and end-user impacts. This stakeholder understanding of sustainability is supported by feedback from sales. Product certifications, as well as potential complaints, responses to complaints and feedback, provide additional useful background information.

The Group's products meet industry standards and the expectations of the relevant products. No consumer risks were identified in the 2024 review that would make this topic material for reporting. The company continues to monitor consumer feedback and is committed to continuous improvement in product safety and quality. During the current reporting period, **MASTERPLAST** did not conduct specific direct consultations with consumers or end-users as no significant risks or issues with the products were identified.

Material topics

The material topics of MASTERPLAST Group
Material topics - Environmental
ESRS E1 Climate change - Climate change adaptation
ESRS E1 Climate change – Climate change mitigation
ESRS E1 Climate Change - Energy
ESRS E5 Circular economy - Resource outflows related to products and services
Sustainable products (company-specific relevant topic, not covered by ESRS standard)
Material topic - Social
ESRS S1 Own workforce - Health and safety
Material topics - Corporate governance
ESRS G1 Business Conduct - Corporate Culture
ESRS G1 Business Conduct - Management of relationships with suppliers including payment practices

ENVIRONMENT

Climate change

The tangible effects of climate change - extreme weather, volatile energy prices, tightening regulations - are also affecting the construction industry. Energy consumption in buildings and the production of building materials are major contributors to greenhouse gas emissions, so the industry has a crucial role to play in meeting emission reduction targets. In developing its products, ***MASTERPLAST Group*** *takes sustainability into account while meeting economic and technical requirements. Its aim is to offer solutions that remain competitive in the long term, in response to the changing challenges of the construction industry.*

E1.GOV-3_01 - E1.GOV-3_03 Integration of sustainability-related performance in incentive schemes

In 2024 climate considerations were not yet taken into account in the remuneration of the company's executive, managing and supervisory board members, nor were they included in their performance appraisals.

At the same time the Green Committee, established in 2023 at the initiative of the CEO, is an integral part of the company's sustainability operations, with the main objective of integrating environmental sustainability aspects into business operations and corporate governance at a strategic level. The Committee supports senior management in achieving climate objectives through regular reports.

The company aims to progressively integrate sustainability and climate-related performance indicators into its executive remuneration system, with a particular focus on energy efficiency, GHG reduction and sustainable investment targets. This is being prepared with the technical support of the Green Committee.

E1-1. Transition plan for climate change mitigation

MASTERPLAST is committed to mitigating climate change and its planned investments are in line with the objectives of the Paris Agreement, in particular the limitation of global warming to 1.5°C. It aims to gradually shift its operations towards climate neutrality, in line with the European Union's net zero emissions target for 2050. **MASTERPLAST Group** will adopt its prepared transition plan in 2025. The company's GHG reduction targets will be set in line with the climate neutrality targets set out in Regulation (EU) 2021/1119 (European Climate Agenda) and the EU Green Deal decarbonisation pathway. Once adopted, the transition plan will be incorporated into **MASTERPLAST**'s overall business strategy and financial planning. The plan will include the company's decarbonisation targets and long-term sustainability strategy, which will support the development of the business model and will be integrated into the financial and operational planning processes.

MASTERPLAST's transition plan is approved by the Green Committee.

The company intends to report annually on the progress made in implementing the migration plan.

Categories of investments that reduce GHG emissions (t CO2e):

1. Energy efficiency upgrades in buildings
2. Technological energy efficiency upgrades
3. Replacement or modification of technologies
4. Upgrades for conversion to electricity (fuel substitution)
5. Developing renewable energy uses
6. Buying green electricity
7. Traffic (transport) energy efficiency upgrades

8. Decarbonisation of the supply chain (substitution or modification of products)
9. Efficiency in the use of products (recycling)
10. Other GHG emission reductions
11. Design of GHG capture methods

MASTERPLAST Group base year: year 2024

Baseline GHG emissions: 141 696.2 t CO2e / year

MASTERPLAST Group focuses on increasing technological energy efficiency and the use of renewable energies, as well as the purchase of green electricity, to reduce its own emissions.

In the area of indirect emissions, **MASTERPLAST** expects significant reductions mainly from the decarbonisation of the supply chain and supply transport, in particular maritime transport.

MASTERPLAST has identified the types and risks of short, medium and long-term investments, as well as the responsibilities.

Short and medium-term investments:

- Thermal insulation of buildings, energy efficient heating and cooling. These are low-risk investments because the necessary technologies are already available, and most buildings are already modern, with good insulation and modern mechanical systems.
- Increasing the energy efficiency of the technology by upgrading heat generation, cooling, compressed air, drives, etc. These are low risk investments because the necessary technologies are available.
- Developing renewable energy by installing solar panels and heat pumps. These are low risk investments because the necessary technologies are already available.
- Purchase of green electricity by amending the electricity contract.

Long-term investments:

- Replacement or modification of technologies. These are low risk investments because the necessary technologies are already available. Taking into account Best Available Techniques (BAT), prioritising low emission solutions.
- Investing in the switch to electricity. These are medium-risk investments, because only part of the industrial technologies needed to replace natural gas are yet available. For the switch it is necessary to increase the efficiency of electricity use related to steam production, in particular.
- Energy efficiency modernisation of transport using electric cars. These are medium-risk investments because they depend on the degree of electrification of the transport sector, in particular the switchover of shipping and heavy goods vehicles on the road.
- Decarbonising the supply chain by sourcing raw materials with a lower carbon footprint. These are medium-risk investments because they depend on the transition of the companies producing the raw materials. In particular, reducing energy consumption in the production of polystyrene granules and glass fibre is important for **MASTERPLAST.**
- Efficiency in the use of products, increasing recycling. These are medium-risk investments because the lifetime of the products depends on the companies involved and the legislation.
- Other GHG emission reductions, energy storage, etc. These are medium risk investments because only part of the other GHG emission reduction technologies are yet available. In particular, the efficiency of electricity storage technologies would need to be increased.
- Developing GHG sinks through afforestation, tillage, other means. These are low-risk investments because the necessary technologies are already available, in particular afforestation and tillage.

Responsibility: the Group Management, the Green Committee and the ISO 50001 energy management officers.
MASTERPLAST does not engage in economic activities based on coal, oil or natural gas, nor does it make significant investments related to such industries. As a result, it is not one of the companies excluded by the

European Union from green financial instruments or benchmarks for activities incompatible with the objectives of the Paris Agreement.

E1.SBM-3_01 - E1.SBM-3_07 Material impacts, risks and opportunities and their interaction with strategy and business model

MASTERPLAST Group does not currently have a separate scenario-based resilience analysis to assess the resilience of the business model to climate change. However, the company has conducted a double materiality analysis (DMA) in 2024, identifying key physical and transition risks and their potential impacts on its operations and value chain.

MASTERPLAST plans to carry out a full resilience analysis in 2026, during which:

- it intends to apply a recognised climate change scenario (e.g. IEA Net Zero, NGFS),
- it will assess the financial impacts of climate risks, and
- it aligns with GHG reduction targets (ESRS E1-4) and financial planning (E1-9).

E1.IRO-1_01- E1.IRO-16 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

MASTERPLAST has taken climate policy objectives into account when assessing long-term transition risks and has identified the assets and business processes that need to be transformed to make the transition to a climate-neutral economy.

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

- It assessed the exposure of energy supply systems (heating, cooling, electricity use) to changes in energy prices and supply chains.
- Examined the risks of raw material and feedstock procurement, with a particular focus on the sustainability requirements of supply chains and the stability of raw material supply.

The assessment of transition events and physical risks is consistent with the critical assumptions in **MASTERPLAST**'s financial statements, thus supporting business planning, capital allocation and investment decisions.

Significant impacts, risks and opportunities and their linkage to business model, sustainability strategy *IRO-1, SBM-3*

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy
E1 Climate change	Climate change mitigation	As a core activity (production of high quality insulation materials), **MASTERPLAST** contributes to the long-term reduction of energy consumption and GHG emissions through the extensive use of its products.	Actual positive impact	Downstream	Short term	The company's products, such as EPS, XPS and rock wool, directly contribute to increasing the energy efficiency of buildings, thereby reducing greenhouse gas emissions. In addition, the widespread use of insulation materials supports sustainable construction, which has a significant positive impact on the environment and climate protection goals.
E1 Climate change	Energy	Climate change, too much temperature rise, will cause solar cells already installed and to be installed in the future to be subjected to too much load, reducing their efficiency and production.	Potential negative impact	Own operation	Long-term	The company is also exploring optimisation solutions for cooling systems to reduce overload, in order to maintain the efficiency of energy management based on renewable energy sources.
E1 Climate change	Energy	Buying energy from energy traders contributes to the company's Scope 2 emissions.	Actual negative impact	Upstream	Long-term	The company's strategic goal is to reduce the share of external procurement by increasing internal energy production, for example by using solar energy.
E1 Climate change	Energy	Introducing energy-efficient solutions in manufacturing and commercial activities, thereby reducing energy consumption. Through investments in renewable energy, **MASTERPLAST** promotes the use of green energy and supports the launch of EER projects.	Actual positive impact	Own operation	Short term	Thanks to proper energy management, the company's overall energy consumption is reduced. The company has installed sub-meters in several stages in its more energy-intensive entities to properly monitor its energy consumption, and it is also upgrading its machines.
E1 Climate change	Energy	**MASTERPLAST** customers consume less energy when they buy the right insulation materials and upgrade their properties.	Actual positive impact	Downstream	Short term	The insulation materials produced by the company directly contribute to reducing customers' energy consumption, thus supporting energy efficiency goals and climate change mitigation. In addition, these materials promote the modernisation of buildings, which has a significant positive impact on the spread of sustainable building practices and lower operating costs.
E1 Climate change	Climate change adaptation	The demand for professional insulation materials is growing, as energy-efficient architecture becomes increasingly important.	Current opportunity		Medium term	The growth in demand for professional insulation materials directly supports the company's core business and is therefore significant in magnitude. As the risk has a moderate to high probability of materialisation and will be realised

						in the medium term, the opportunity is financially material for Masterplast.
E1 Climate change	Energy	The reduced production of solar cells may force MASTERPLAST to buy additional energy from the supplier, which will mean additional costs.	Expected risk (transition risk)		Medium term	Increasing energy demand and its cost impact due to changes in the performance of solar PV systems can affect the payback period of investments.
E1 Climate change	Energy	Legislative requirements and changes may increase the price of the energy purchased.	Expected risk (transition risk)		Long-term	Changes in energy regulation and market prices affect operating costs, which in the long term represent a financial risk for the company.
E1 Climate	Energy	Unpredictable energy prices make it difficult to plan the company's operating costs.	Current risk (transition risk)		Medium term	The expiry of contracts with energy suppliers can lead to unpredictable changes in energy prices, which can directly affect the predictability of the company's operating costs. This situation could have a high financial impact, as the expected increase in energy supply costs could affect a significant part of the company's revenue in the medium term and could therefore be identified as a material financial risk.

Climate change mitigation and adaptation

E1-2, MDR-P Policies related to climate change mitigation and adaptation

MASTERPLAST's Hungarian entities procure energy through group purchasing tenders, while foreign subsidiaries procure the necessary quantities from energy traders in the country concerned. In order to optimise the supply and use of energy, the Group carries out continuous internal analyses and its energy policy aims at the continuous improvement of energy efficiency, taking into account sustainability and economic aspects.

Responsible management of natural resources and efficiency improvements are key for the company. In 2019 it implemented an ISO Integrated Management System across its major entities, including the ISO 50001 standard. The standard provides guidance to continuously improve the company's energy performance, including energy efficiency, energy security, use and consumption.

The Group has several ISO certifications, all of which contribute to climate change mitigation and adaptation. These ISO standards support the Group in managing climate risks and opportunities in a structured and documented way, increasing the resilience and long-term sustainability of the company.

The link between MASTERPLAST Group management systems and climate change management

ISO standard	Climate change mitigation	Climate change adaptation
ISO 9001: 2015 Quality management	Efficient process control reduces energy and raw material consumption. Quality control reduces waste and thus environmental impact.	Ensuring process flexibility to adapt to changing conditions caused by climate change Maintaining product quality and performance stability under extreme weather conditions
ISO 14001: 2015 Environmental management	Setting and meeting environmental targets to reduce CO_2 emissions Reducing resource use, minimising waste and prioritising recycling	Continuous assessment and management of environmental risks Continuous preparation to manage the environmental impacts of extreme weather events
ISO 50001: 2018 Energy management	Continuously improving energy performance, measuring and optimising energy consumption Supporting the integration of renewable energy sources	Increasing the resilience of energy systems to energy supply uncertainties Adapting to energy demand changes in extreme climatic conditions

https://www.masterplast.hu/wp-content/uploads/2024/03/tanusitvany-iso-14001.pdf

Environmental policy

MASTERPLAST Group sets out the details of its environmental activities in its corporate policy. The purpose of this is to define the rules, practices, procedures and responsibilities that are essential for the implementation of the environmental policy, to provide a framework for these, to ensure the conditions for activities to protect the environment and to describe the process of measures taken to reduce the impact on the environment. These processes are coordinated by the environmental engineer in the central Asset Management and Operations Department of **MASTERPLAST.**

E1-3, MDR-A Actions and resources in relation to climate change policies

MASTERPLAST Group's priority is to gradually shift to renewable energy sources for energy efficiency and sustainability. As part of this, small-scale solar power plants have been set up in Sárszentmihály, Zalaegerszeg, Hajdúszoboszló and Kál. The capacity of the installations varies from site to site and the annual forecast production also differs. Thanks to the new small power plants, **MASTERPLAST** will significantly reduce the environmental impact of its energy use and promote operational efficiency. The company is committed to this type of sustainable project, which contributes to the protection of the environment and the fight against climate change.

Increasing energy efficiency

The company has installed sub-meters in several stages in the sites with higher energy consumption in order to monitor energy consumption properly and have clear information on the current consumption levels, thus managing it consciously. The first sub-meter installations took place in 2020, followed by further installations in 2023 due to regulatory tightening, increasing the number of sub-meters.

Energy efficiency investment

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 current installation project, **MASTERPLAST** would like to start expanding the capacity of the solar power plant in Sárszentmihály with a 0.228 MWh unit and a 400 kW storage of 800 kWh, connected to the medium voltage grid. This development will further increase the share of renewable energy in the company's energy supply, while allowing for more efficient timing between energy production and consumption. The introduction of this innovative production line not only optimises energy consumption but also reduces the environmental impact of the production process, thanks to less waste and more efficient use of raw materials. This will enable the company to meet increasingly stringent energy efficiency and environmental regulatory requirements more effectively, while improving its production costs and increasing its long-term competitiveness.

Hungarocell Renovation Programme

In September 2024 **MASTERPLAST** launched the Hungarocell Renovation Programme in Hungary, which offers customers a 50% discount on Hungarocell insulation materials in exchange for the energy savings achieved through façade insulation under the Energy Efficiency Obligation Scheme (EEO). This scheme helps to increase energy efficiency and reduce carbon emissions through thermal insulation of buildings. The energy savings achieved by the users are verified and certified by auditing organisations, and these so-called Certified Energy Savings (CERs) can be sold as an asset to Energy Traders.

Renewable energy sources

Company	Electricity produced by solar panels (kWh)
MASTERPLAST PLC (Sárszentmihály)	466 880
T-CELL Plasztik Kft (Zalaegerszeg)	75 890
T-CELL Plasztik Kft (Hajdúszoboszló)	82 741

Climate change targets

E1-4, MDR-T **Targets related to climate change mitigation and adaptation**

MASTERPLAST committed to increase the share of green electricity in its renewable energy use by 10%[7].

The GHG Protocol methodology will be used to set targets, taking into account the selected scenario, data sources and consistency with national, EU and international policy objectives.

The targets and the boundaries of the greenhouse gas inventory have been defined with the help of technical, financial and energy experts.

In setting the targets the company has taken into account relevant environmental, social, technological, market and policy developments and has defined the decarbonisation instruments on this basis. It plans to implement a reforestation project as one of the means to reduce emissions.

Energy-related targets

The company aims to reduce energy use and energy costs and minimise greenhouse gas emissions. Energy is used in various forms, most of it in the form of electricity in manufacturing processes and as fuel for commercial and logistics activities. **MASTERPLAST Group** has completely overhauled its energy management and has developed a long-term energy strategy covering all operations, including extensive investments in renewable energy.

MASTERPLAST set a target to reduce its carbon emissions in 2023 and prepared a group-wide audited corporate carbon footprint report for Scope 1 and Scope 2 for the reporting period 2023.[8] In doing so, it laid the groundwork for tracking the emissions of the entire **MASTERPLAST Group** in order to set specific commitments at a later stage.

For the year 2024 **MASTERPLAST Group** assessed its emissions at Scope 3 level in addition to Scope 1 and Scope 2 with the help of an external energy auditor.

The company also aims to reduce its energy consumption and thus its energy costs, while reducing greenhouse gas emissions.

[7] *31 December 2030.*
[8] *More details: https://www.masterplastfenntarthatosag.hu/files/CMG_Carbon_Scope1_2_2023.pdf*

E1-5 **Energy**

Within **MASTERPLAST Group** the largest energy consumption is concentrated at the site in Szabadka. Among the main energy sources, MASTERPLAST YU DOO is the largest consumer of natural gas and electricity, while the Sárszentmihály site is also a prominent consumer of electricity, accounting for almost one third of total consumption.

The total energy consumption of **MASTERPLAST Group** in 2024 was 188 404 316 MJ. It continuously monitors and optimises the consumption of its more energy-intensive production units. During the reporting period, fuel consumption consisted of three main categories:

- Fuel consumption is 44 222 litres/year,
- Diesel consumption is 850 863 litres/year,
- The consumption of motor gas (LPG) was 188 367 litres/year.

Energy consumption and mix	2024
1. Fuel consumption from coal and coal products (MWh)	0.00
2. Fuel consumption from crude oil and petroleum products (MWh)	0.00
3. Fuel consumption from natural gas (MWh)	23 126.90
4. Fuel consumption from other fossil sources (MWh) Fuel: Petrol: 396.77 MWh, Gas oil: 8437.73 MWh, Motor LPG gas: 1227.51 MWh	10 062.01
5. Consumption of electricity purchased from fossil sources (MWh)	5 402.89
6. Total fossil energy consumption (MWh) (calculated as the sum of rows 1-5)	**38 591.79**
Share of fossil energy sources in total energy consumption (%)	**69.9%**
7. Consumption from nuclear sources (MWh)	**9 154.47**
Share of consumption from nuclear sources in total energy consumption (%)	**16.6%**
8. Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen) (MWh	0.00
9. Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	6 839.93
10. Consumption of own-generated non-fuel renewable energy (MWh)	625.51
11. Total renewable energy consumption (MWh) (calculated as the sum of rows 8-10)	**7 465.44**
Share of renewable energy in total energy consumption (%)	**13.5%**
Total energy consumption (MWh) (calculated as the sum of rows 6 and 11)	**55 211.70**

The energy production split is determined on the basis of the MEKH Methodological Information Table 4.2 Gross electricity production.

Energy use by companies in 2024

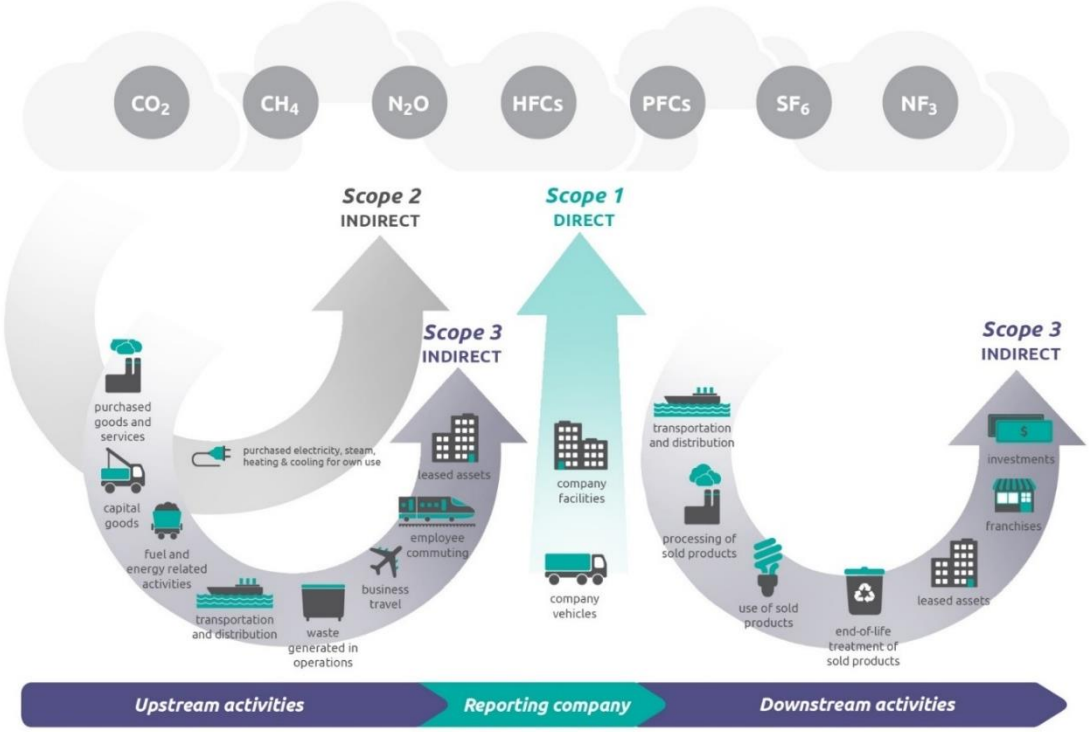
Company	Electricity, kWh/year	Natural gas, m^3/year	Petrol, litres/year	Gas oil, litres/year	Motor LPG gas, litres/year
MASTERPLAST PLC.	316 273	13 913	9 272	24 549	0
MASTERPLAST Hungária Kft.	85 374	6 138	0	79 993	20 293
MASTERPLAST International Kft.	444 331	20 870	213	7 471	27 313
MASTERPLAST Medical Kft.	3 897 784	0	3 303	7 458	3 595
MASTERPLAST Modulhouse Kft.	64 957	0	1 842	3 544	0
MASTERFOAM Gyártó és Ker. Kft.	227 679	143 236	781	1 057	0
MASTERPROFIL Gyártó és Kereskedelmi Kft.	66 617	5 594	17	1 004	625
Fidelis BAU Kft.	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 D.O.O.	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
MASTERPLAST 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
MASTERPLAST UKRAINE	45 013	0	18 124	126 473	9 377
MASTERPLAST Italia Srl.	56 495	29	0	0	0
T-CELL Plasztik Kft. Zalaegerszeg	90 672	160 848	0	311	2 422
T- CELL Plasztik Kft. Hajdúszoboszló	162 522	200 063	2 689	10	410
Total	**21 397 285**	**2 206 772**	**44 222**	**850 863**	**188 367**

Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6 Determination of gross GHG emissions (Scope 1, Scope 2 and Scope 3)

MASTERPLAST Group determines its greenhouse gas (GHG) emissions according to the Greenhouse Gas Protocol and the ISO 14064-1:2018 Greenhouse Gas Standard. The company measures and analyses emissions in three main scopes (Scope 1, Scope 2, Scope 3).



Source: GHG Protocol

Scope 1 - Direct emissions

Direct emissions come from sources owned and controlled by **MASTERPLAST.** This includes the consumption of natural gas in the plant, emissions from manufacturing processes and fuel consumption by the company's fleet of vehicles. For the calculations, the emission factors CO_2, CH_4 and N_2O are based on the IPCC 6th Assessment Report. The share of Scope 1 emissions from the regulated emissions trading scheme is shown separately.

Scope 2 - Emissions from indirect energy use

This category includes emissions from the use of purchased electricity, district heat and steam. Energy use is determined by applying local or market-based emission factors, including those of the International Energy Agency (IEA) and the country's electricity mix. **MASTERPLAST** does not purchase district heating and steam from external suppliers.

Scope 3 - Other indirect emissions

The majority of a company's Scope 3 emissions are from its supply chain, purchased raw materials and services, waste management and logistics activities, and greenhouse gas emissions from inputs and outputs in the value chain associated with the production or supply of goods or services by companies. Greenhouse gas emissions from business travel, employee commuting and leased assets are smaller.

Gross Scope 1, 2, 3 and total GHG emissions

E1-6_07 - E1-6_13

Type of emission	Emissions (t CO2e/year)	%
Scope 1 gross GHG emissions (tonnes of carbon dioxide equivalent)	6 844.8	4.8%
Scope 2 GHG emissions		5.5%
Scope 2 gross GHG emissions on a local basis (tonnes of carbon dioxide equivalent)	7 810.0	
Scope 2 market-based GHG emissions (tonnes of carbon dioxide equivalent)	7 810.0	
Significant GHG emissions in Scope 3	127 041.4	89.7%
Upstream (incoming) activities Scope 3 emissions Incoming and production stage:		
1. Goods and services purchased by the company	108 614.0	85.49%
2. Capital goods (tangible fixed assets)	605.4	0.48%
3. Fuel and energy related activities (non-Scope 1 and 2 uses)	647.8	0.51%
4. Inbound deliveries and distributions (fuels not covered by Scope 1 and 2)	2 834.1	2.23%
5. Waste generated during operations	757.6	0.60%
6. Business trips (not in company vehicles)	63,3	0.05%
7. Employee commuting (non-company vehicles)	883.4	0.70%
8. Leased assets used in operations	27.1	0.02%
Downstream (outgoing) activities Scope 3 emissions Output, use and end-of-life stages:		
9. Outbound deliveries and distribution	512.9	0.40%
10. Processing of products sold	123.9	0.10%
11. Use of sold products (end of life)	-	-
12. End-of-life treatment or disposal of products sold	11 971.9	9.42%
13. Leased assets	-	-
14. Franchise	-	-
15. Investments/investments	-	-
Total GHG emissions		
Total emissions (location-based)	**127 041.4**	**100%**
Total emissions (market-based)	**127 041.4**	**100%**

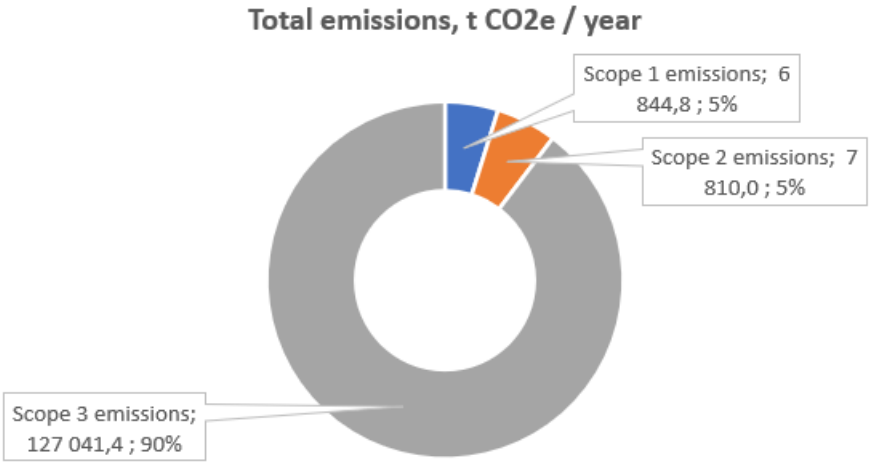
Scope 2 emissions from purchased energy can be calculated in two ways:

1. Location-based method - This method takes into account the average emission factors of the electricity networks that supply the electricity.
2. Market-based method - This method takes into account contractual arrangements under which the organisation purchases 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 mixing factor
- Regional emission factor
- National emission factor

The company has the same local and market-based Scope 2 emissions as it does not have a separate contract to purchase renewable energy, so the electricity purchased comes exclusively from the average energy mix of the grid. Accordingly, the calculation of Scope 2 emissions is based on the grid average emission factor.



0% of all emissions are covered by the EU ETS, which means 0 tCO_2e.

Scope 1 and 2 issues by company:

Company	Scope 1 , tCO2e/year	Scope 2 , tCO2e/year
MASTERPLAST PLC	113.00	115.44
MASTERPLAST Hungária Kft.	253.71	31.16
MASTERPLAST International Kft.	101.63	162.18
MASTERPLAST Medical Kft.	32.45	1 422.69
MASTERPLAST Modulhouse Kft.	13.50	23.71
MASTERFOAM Gyártó és Ker. Kft.	277.76	83.10
MASTERPROFIL Gyártó és Kereskedelmi Kft.	14.29	24.32
Fidelis BAU Kft.	1.58	3.87
MASTERPLAST YU D.o.o.	3 909.61	2 568.32
MASTERPLAST Proizvodnja D.o.o.	4.53	1 565.71
MASTERPLAST D.O.O	63.27	2.05
MASTERPLAST d.o.o.	18.92	7.21
MASTERPLAST Sp. z o.o.	92.96	6.91
MASTERPLAST s.r.o	34.32	2.73
MASTERPLAST Nonwoven GmbH	529.22	1 629.17
MASTERPLAST ROMANIA S.R.L.	291.01	31.97
MASTERPLAST TOV	389.04	16.43
MASTERPLAST Italia Srl.	0.06	20.62
T- CELL Plasztik Kft. Zalaegerszeg	315.73	33.10
T- CELL Plasztik Kft. Hajdúszoboszló	388.26	59.32
Total	**6 844.84**	**7 810.01**

E1-6_02 **Scope 1,2 boundaries by operation and financial control**[9]

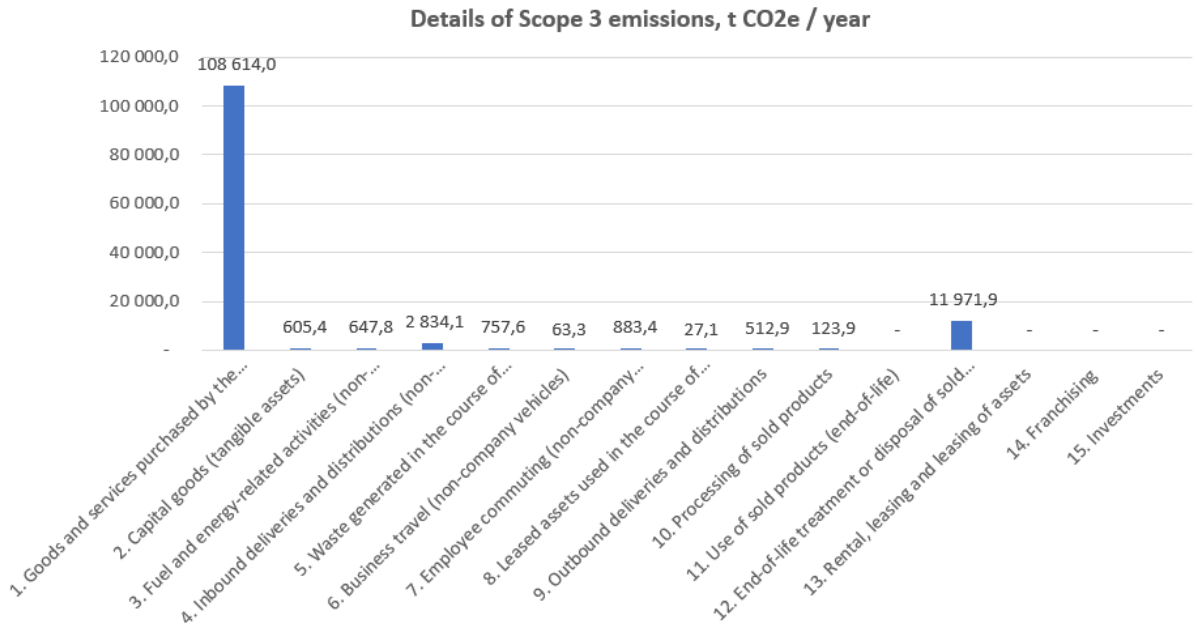
MASTERPLAST entities under operational and financial control:

Company	Scope 1, tCO2e/year	Scope 2, tCO2e/year
MASTERPLAST PLC	113.00	115.44
Masterplast Hungária Kft.	253.71	31.16
Masterplast International Kft.	101.63	162.18
Masterplast Medical Kft.	32.45	1 422.69
Masterplast Modulhouse Kft.	13.50	23.71
MASTERFOAM Gyártó és Ker. Kft.	277.76	83.10
Fidelis BAU Kft.	1.58	3.87
MASTERPLAST YU D.o.o	3 909.61	2 568.32
MASTERPLAST Proizvodnja D.o.o	4.53	1 565.71
MASTERPLAST D.O.O.	63.27	2.05
MASTERPLAST d.o.o.	18.92	7.21
MASTERPLAST Sp. z o.o.	92.96	6.91
MASTERPLAST S s.r.o	34.32	2.73
MASTERPLAST Nonwoven GmbH	529.22	1 629.17
MASTERPLAST ROMANIA S.R.L.	291.01	31.97
MASTERPLAST TOV	389.04	16.43
MASTERPLAST Italia Srl.	0.06	20.62
Total	**6 126.57**	**7 693.28**

The following entities have been added to the financial control of **MASTERPLAST** :

Company	Scope 1, tCO2e/year	Scope 2, tCO2e/year
T- CELL Plasztik Kft. Zalaegerszeg	315.73	33.10
T- CELL Plasztik Kft. Hajdúszoboszló	388.26	59.32
MASTERPROFIL Gyártó és Kereskedelmi Kft.	14.29	24.32
Total	**718.28**	**116.73**

[9] *The entities of the company, its consolidated subsidiaries, the entities included in the consolidation of equity and the group's associates are described in the chapter "About the report".*



Methodology

Scope 3 emissions calculation methodology

Scope 3 category name	Calculation method
Upstream (inbound) activities Scope 3 emissions Incoming and production stage:	
1. Purchased goods	Calculated on the basis of EPDs (Environmental Product Declaration) of products manufactured and purchased by the **Masterplast Group** and EPDs of materials in the EPD International Portal database, according to the Group's production and purchase records for 2024, in m^2/year or t/year. The calculations are based on the distribution of production rates. Materials exceeding 10 tonnes were taken into account in the calculation.
2. Capital goods (tangible fixed assets)	GHG Protocol cost ($) based calculation for the Group's capitalised investments in 2024 It is insignificant (0.48%) compared to the total issue value of the group.
3. Fuel and energy related activities (non-Scope 1 and 2 uses)	Calculated on the basis of the Scope 3 calculations of MASTERPLAST PLC at the group level. In the calculation, the gross emission factor for purchased energy already includes upstream emissions, therefore, only the emissions related to transmission and distribution (T&D) of the energy grid need to be considered. The emission factor of natural gas does not include upstream emissions, so in this case, both upstream and T&D emissions had to be accounted for. **Masterplast** does not purchase district heat and steam from external suppliers. It is insignificant (0.51%) compared to the group's total issue value.
4. Inbound deliveries and distributions (fuels not covered by Scope 1 and 2)	Calculated on the basis of **MASTERPLAST Group**'s database of shipments. Ship, rail and 32 - 40 MT truck transport were counted separately. From the database,

	the aggregated km/year data for the different modes of transport can be extracted, which ensures the accuracy of the calculation.
5. Waste generated during operations	Calculated from **MASTERPLAST Group**'s environmental database. The amount of waste for recycling and non-recycling within the hazardous and non-hazardous waste categories was taken into account in the calculation.
6. Business trips (not in company vehicles)	Calculated on the basis of data provided by the tour operator partners of **MASTERPLAST Group**. Air travel was included in the calculation because business trips by car were made by company car, which is included in Scope 1. It is insignificant (0.05%) compared to the group's total issue value.
7. Employee commuting (non-company vehicles)	Calculated on the basis of the **MASTERPLAST Group** HR database. In the calculation, commuting was grouped by distances within 25 km, 25-50 km and 50-100 km. This contains some inaccuracy, but is not significant (0.7%) in relation to the total output of the group.
8. Leased assets used in operations	MASTERPLAST PLC Scope 3 calculation. It is insignificant (0.02%) compared to the total issue value of the group.
Downstream (outgoing) activities Scope 3 emissions Output, use and end-of-life stages:	
9. Outgoing deliveries and distributions	Calculated on the basis of **MASTERPLAST Group**'s database of shipments. The database provides the aggregated km/year data by transport, which ensures the accuracy of the calculation. The majority of outbound deliveries are made by private vehicles, which are included in the Scope 1 release. Only emissions based on the km/year data of external transport companies were taken into account in the calculation. It is insignificant (0.92%) compared to the group's total issue value.
10. Processing of products sold	Calculated on the basis of EPDs of products sold by **MASTERPLAST Group** and EPDs of materials in the EPD International Portal database, in t/year according to the Group's sales records for 2024. The products sold by **MASTERPLAST group** do not require significant energy consumption. It is insignificant (0.1%) compared to the group's total issue value.
11. Use of sold products (end of lifetime)	As described in the GHG Protocol, this effect is not included in the Scope 1-2-3 inventory, but **is presented in a separate calculation**. The use of the products sold by **MASTERPLAST Group** (EPS and XPS insulation materials) results in significant thermal energy savings for users, leading to significant GHG emission reductions. The minimum lifetime of EPS and XPS insulation materials is 25 years.
12. End-of-lifetime treatment or disposal of products sold	Calculated on the basis of EPDs of products sold by **MASTERPLAST Group** and EPDs of materials in the EPD International Portal database, in t/year according to the Group's sales records for 2024. For the calculation of the end-of-life waste of the sold roofing foil product, aggregated downstream data was available, including C1, C2, C3 and C4 emission values.

	The amount of waste for recycling and non-recycled waste t/year has been taken into account in the calculation. Based on industry forecasts, the recycling rate will reach or exceed 50% at the end of the life of the products sold.
13. Leased assets	Not relevant because **MASTERPLAST Group** has no leased assets.
14. Franchise	Not relevant, because **MASTERPLAST Group** has no franchise network.
15. Investments	Not relevant because **MASTERPLAST Group** has no significant investment(s).

The use of EPS and XPS thermal insulation materials sold by **MASTERPLAST Group** results in significant thermal energy savings for users, leading to significant GHG emission reductions.

11. Use of sold products (to the end of lifeime)	2024	2030
Life-cycle emission reductions of EPS and XPS insulation t CO2e/year, based on 25-year life cycle	- 150 907	- 326 489

This effect is not included in the Scope 1-2-3 inventory.

The output by products sold in 2024 has been taken into account.

In 2030 the volume of products produced and the volume of products sold can be considered the same.

EPS and XPS insulation materials have a life expectancy of 25 years.

The use of EPS and XPS insulation materials sold by **MASTERPLAST Group** results in significant GHG emission reductions.

Scope 3 estimation uncertainty:

A significant part of the GHG emissions determined by **MASTERPLAST Group** are the EPDs of the products[10] and purchased by the Group, which contain specific emission factors for **MASTERPLAST**'s manufacturing activities and are calculated based on the EPDs of the materials in the EPD International Portal database. The emissions reported in the EPD documents have been verified and approved by an external auditor.

The commuting of workers contains some estimationses are included, but these emissions are small (0.7%) compared to total emissions. Workers' commuting is divided into three groups, workers commuting within 25 km, workers commuting between 25-50 km and workers commuting from areas further than 50 km. These distance zones provide a sufficient estimate of the average distances.

At the end of the life cycle of the products sold (after at least 25 years), the recycling rate is projected by the industry to reach or exceed 50%. The estimate is based on actual data for 2019 and a forecast for 2025. By 2025, the recycling rate is already 30%. This estimate is realistic given the sustainability ambitions of the circular economy.

MASTERPLAST has used an estimated 60% steel and 40% glass split for the main components of the Medical ATF machine and the solar PV system, which includes the steel support structure of the solar PV system, to determine the emissions from the capital goods. This split was estimated based on the design of the equipment.

The turnover generated by the products distributed by **MASTERPLAST** has been allocated proportionally according to the main characteristics of the product groups. These were used to determine the GHG emissions from the products distributed.

Overall, emissions based on estimates and projections represent 21.06%. The end-of-life treatment or disposal of Scope 3 12 products sold can only be based on estimates, as the products manufactured have a minimum life cycle of 25 years, so that only projections can be made for 2050.

Excluding Scope 3 Category 12 emissions based on the forecast, the estimation rate is 12.61%.

[10] See chapter "Sustainable products".

GHG intensity

The GHG intensity is calculated as the ratio of Scope 1, 2 and 3 GHG emissions (tCO_2e in metric tonnes) to total turnover of the Group, per million euros. Emission data are aggregated across all relevant operational areas in accordance with GHG Protocol standards. Revenue data are derived from the Group's financial statements.

Intensity	2024
Energy intensity	
Net sales (EUR million)	143.525
Total energy consumption (MWh)	55 211.70
Energy intensity (MWh/million EUR)	384.68
GHG intensity	
GHG emission intensity - location-based (tCO_2e)	141 696.20
GHG emission intensity - market-based (tCO_2e)	141 696.20
GHG emission intensity - location-based (tCO_2e/million EUR)	987.26
GHG emission intensity - market-based (tCO_2e/million EUR)	987.26

Disclosure requirement E1-7: GHG emission reductions projects financed by GHG emissions and carbon credits

MASTERPLAST Group does not currently have any GHG capture or storage projects under development and does not purchase carbon credits to finance emission reductions outside its value chain.

E1-8 Internal carbon pricing

Internal carbon pricing (neither in the form of a shadow price, nor a carbon pool, nor an internal emissions charge) is not relevant for **MASTERPLAST Group** as it is not covered by the ETS.

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

MASTERPLAST Group has identified significant physical and transition risks in its analysis of climate risks and opportunities. However, in the current reporting period there is no reliable data, methodology or scenario-based assessment available to quantify the financial impact of these risks and to identify decarbonisation tools.

Circular economy - Resource outflow

Product-related resource outflows

The Group pays particular attention to optimising the use of materials, increasing the efficiency of waste management and improving recycling. The resource outputs associated with products include waste generated during production, materials released during manufacturing processes and the management of end-of-life demolition waste.

Significant impacts, risks and opportunities and their linkage to business model, sustainability strategy *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy
Resource outflows related to products and services	Recycling (e.g. reprocessing of materials or products already used, reducing resource use and waste, thus contributing to a circular economy)	Actual, positive impact	Own operation	Medium term	Introducing and expanding recycling practices directly contributes to reducing resource use and minimising waste generation, which has a positive environmental impact. In addition, such practices help to achieve the company's sustainability objectives, supporting the development of a circular economy that increases the company's long-term competitiveness and meets increasingly stringent regulatory requirements.
Resource outflows related to products and services	By recycling materials, the demand for primary raw materials can be reduced, making the company less dependent on suppliers and the availability of natural resources.	Current opportunity		Short term	The use of recycled materials can reduce the cost of sourcing raw materials while 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 in the short term.

Circular economy policies *MDR-P*

MASTERPLAST Group does not have a specific policy on the circular economy, but its ISO standards, in particular ISO 14001:2015 and ISO 50001:2018, have a direct or indirect impact on the circular economy. Furthermore, operating in accordance with the requirements of these standards supports **MASTERPLAST** in preventing, mitigating or taking corrective action, as required, to address actual and potential negative impacts caused by the Group**.** The standards also help to manage risks and exploit opportunities.

The link between MASTERPLAST Group management systems and the circular economy

ISO designation	ISO 9001 Quality management system	ISO 14001 Environmental management system	ISO 50001:2018 Energy management system
Description of the link between the circular economy and ISO	Although primarily focused on quality management, it contributes to the principles of the circular economy by extending product life, reducing material waste and optimising processes. It has an indirect impact by controlling the incorporation of recycled materials and ensuring quality compliance. Measures fixed in the ISO framework - increasing product life and minimising material loss - use of sustainable raw materials - improving quality management processes to reduce environmental impacts	Aiming to reduce environmental impacts, the standard is closely linked to the circular economy. Measures fixed in the ISO framework - waste minimisation and materials recycling - sustainable resource management and life cycle thinking - integrating environmental considerations into the supply chain	Increasing energy efficiency, using renewable energy sources and optimising energy use supports the circular economy by using resources sustainably and reducing emissions. ISO framework measures - introducing technologies to improve energy efficiency. Reduction and optimisation of energy consumption in production processes - increasing the share of renewable energy sources - reducing CO_2 emissions by optimising energy use

MASTERPLAST - ISO Certificates

ISO 9001 Quality management system	ISO 14001:2015 Environmental management system	ISO 50001:2018 Energy management system
MASTERPLAST PLC (Sárszentmihály) MASTERPLAST Hungária Kft. (Sárszentmihály) MASTERPLAST International Kft. (Sárszentmihály) MASTERPLAST Medical Kft. (Sárszentmihály) MASTERPLAST Modulhouse Kft. (Sárszentmihály) MASTERFOAM Gyártó és Ker. Kft. MASTERPLAST YU D.o.o.	MASTERPLAST PLC (Sárszentmihály) MASTERPLAST Hungária Kft. (Sárszentmihály) MASTERPLAST International Kft. (Sárszentmihály) MASTERPLAST Medical Kft. (Sárszentmihály) MASTERPLAST Modulhouse Kft. (Sárszentmihály) MASTERPLAST YU D.o.o.	MASTERPLAST PLC (Sárszentmihály) MASTERPLAST Hungária Kft. (Sárszentmihály) MASTERPLAST International Kft. (Sárszentmihály) MASTERPLAST Medical Kft. (Sárszentmihály) MASTERPLAST Modulhouse Kft. (Sárszentmihály) MASTERFOAM Gyártó és Ker. Kft. MASTERPROFIL Gyártó és Kereskedelmi Kft. (Kál)

https://www.masterplast.hu/wp-content/uploads/2024/03/tanusitvany-iso-14001.pdf

Circular economy measures *MDR-A*

In 2024 **MASTERPLAST** implemented a series of comprehensive measures to optimise material use, increase waste management efficiency and develop recycling opportunities, in line with the principles of the circular economy. The acquisition of a new recycling plant for the production area of MASTERPLAST Medical Ltd. was a significant step towards achieving these goals. The equipment helps to reduce waste by recycling scrap from the roofing membrane production process, while recovered materials are recycled back into the raw material process, reducing the use of primary raw materials.

The recycling process not only brings environmental benefits but also significant cost reduction and efficiency gains. By incorporating recycled materials, raw material procurement costs are reduced and waste treatment and disposal fees are reduced. In addition, optimised material use leads to more efficient production processes, reducing production losses. On-site processing of foil waste also helps to reduce occupational safety risks, minimising hazardous material handling operations.

These actions by **MASTERPLAST** contribute to improving the company's sustainability indicators and strengthen the company's position in green certifications and sustainable building ratings. The use of recycling solutions not only helps to put the principles of the circular economy into practice but also creates new business opportunities in the long term in markets based on sustainable and recycled materials.

The Hungarocell Green Programme continued to be at the heart of our sustainability strategy in 2024. Through the Programme, the Company collects and recycles the clean polystyrene waste generated during insulation works and uses it to produce Thermobeton 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 2024 the number of Eco-Points increased by 0.7% and the number of bags returned grew by 0.8% compared to the previous year.

Evolution of MASTERPLAST Eco Points and bags collected between 2021-2024

	2021	2022	2023	2024
number of Eco Points	111	124	139	140
number of bags recovered (capacity of 1 bag: 0.6 m3)	4 688	7 414	10 394	10 475

95% of the waste generated in the manufacturing process is recycled or recyclable, and the amount and proportion of recycled material is continuously documented. The amount of foil sludge processed by the recycling system and its reuse rate can be accurately monitored during production planning, allowing for optimised material flow and more efficient use of resources. Digital records of waste generation, processing and recycling ensure transparency and measurability of sustainability performance. In addition, the company keeps quantitative and proportional analyses to facilitate continuous improvement in waste management. **MASTERPLAST**'s commitment to sustainable operations is demonstrated by the ISO 14001 environmental management system and other sustainability certifications.

In 2024 XPS production incorporated an estimated 456 350 kg of internal (in-house) recycled content. Of the external regrind purchased by the company in the form of regranulate, 61 651 kg was incorporated into manufactured products.

In order to optimise packaging materials the company prepared for the introduction of the EPR system in 2023 and completed its first mandatory data submission in 2024. The review of packaging practices has focused on the conscious use of packaging materials, which contributes to waste reduction and sustainable operations.

Targets related to the circular economy and resource use *MDR-T*

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

MASTERPLAST sets its sustainability goals in a company-specific and practice-oriented way in line with international and EU policy guidelines, taking into account the broader context of sustainable development and local environmental conditions. The following **methodologies and assumptions** are used in setting the targets:

- **Scenario-based planning:** The company develops its long-term sustainability strategy taking into account future trends in climate change, material cycles and waste reduction.
- **Data sources:** The company's targets have been set based on internal business analyses, stakeholder feedback, independent expert reports and EU Directive requirements.
- **Policy compliance:** The sustainability ambitions our **Masterplast** have been designed in line with the EU's climate strategy, the Green Deal objectives and the EU's expectations for a circular economy.
- **Taking account of local conditions:** Environmental regulations in the areas where the company operates and the sustainability needs of local communities are also taken into account when setting targets.

Resource Process	MASTERPLAST practice	Link to sustainability objectives	Measurability / Traceability
Resource inflow	**MASTERPLAST** uses an increasing proportion of recycled plastics and secondary raw materials in the production of insulation materials and roofing membranes.	It reduces the use of primary raw materials, reduces the environmental footprint and supports the circular economy.	**Indicator:** recycled raw materials as a percentage of total raw materials used (%) **Measurement method:** analysis of supplier data and internal material usage reports
Production waste	Insulation and film waste from production is recycled into the manufacture of new products and production processes are optimised to minimise waste.	Internal recycling reduces production waste, so less waste is landfilled or incinerated.	**Indicator:** Production waste (tonnes/year) **Measurement method:** regular monitoring of waste generated during manufacturing processes and analysis of internal reports
Product use section	**MASTERPLAST** insulation materials contribute to increasing the energy efficiency of buildings, thus reducing heating and cooling energy demand.	Lower CO_2 emissions can be achieved in the operation of buildings, ensuring more sustainable operations in the long term.	**Indicator:** Energy savings in buildings using **MASTERPLAST** insulation materials (kWh/m²) **Measurement method:** data collection based on independent expert studies and client feedback
End of functional life	**MASTERPLAST**'s products (e.g. insulation systems) can be collected separately after dismantling and partially recycled, and the company is developing its collection systems.	It reduces the environmental impact of construction waste by reducing demolition waste and recycling materials.	**Indicator:** Recycled construction waste as a percentage of recovered materials (%) **Measurement method:** analysis of the results of our own collection programmes

As part of its internal sustainability measures the Group has started the preparatory work necessary to define further concrete environmental commitments and targets in the context of the continuous improvement of Group-wide data collection and processing.

In relation to the circular economy, **MASTERPLAST** is committed to continuous improvement, although it does not currently have a specific, publicly quantified target. Nevertheless, the results for the year 2024 are exemplary, with around 18% the raw materials used in production coming from recycled sources (in the form of internal and external recycled materials). The company aims to increase this percentage in line with the EU's Circular Economy Guidelines. **MASTERPLAST** is therefore planning to set specific circular targets, for example on the proportion of recycled raw materials used, and will develop the necessary action plans. By taking these steps, the company will further reduce the amount of material going to landfill and increase material efficiency, thus contributing to the sustainable use of resources.

Public disclosure of more specific targets for resource allocation is planned from the next financial year.

E5-3_13

MASTERPLAST's sustainability goals consist of legal obligations and voluntary commitments. It manages the recycling of construction waste and the reduction of CO_2 emissions in accordance with legal requirements, while voluntarily committing to, for example, increasing the use of recycled materials and developing a sustainable supply chain. Its objectives are in line with the requirements of the EU Taxonomy Regulation (2020/852) for a circular economy and it is continuously working to meet the criteria for avoiding significant damage.

With the continuous development of the Hungarocell Green Programme, **MASTERPLAST** aims to expand the network of Eco-Points and significantly increase the amount of collected cuttings, while exploring new uses and planning to use the recycled material in its own XPS production.

The introduction of sustainable packaging practices to meet the requirements of the EPR (extended producers' responsibility) scheme is also a priority. In the framework of green innovations, the company plans to use 500 tonnes of reclaimed cutting residues in the production of XPS by 31 December 2026.

E5-5_01, E5-5_04, E5-5_05 **Measurements and figures related to the circular economy**

MASTERPLAST gives preference to suppliers with low reject rates and stable quality when purchasing raw materials. Sub-standard phyllis and trilaminate materials from the production process are processed in our own reclaiming line, converting them into 100% recyclable reclaim granulate. This granulate is recycled back into the production process at a rate of 0-40%, while the excess is sold to partners using recyclate. To reduce the environmental impact of auxiliary materials, water-based dyes are used and recycled after dilution. For packaging, the Company recycles half-cylinders, reuses pallets and uses non-surface-treated labels.

The product groups include 2 and 3 ply films, fleeces (in natural and coloured versions) and their UV and flame retardant versions. Materials of unsaleable quality are fully recycled or reused. Recycled rubber produced during the manufacturing process is also recycled back into the technology, while Linopore and polypropylene raw materials ensure the durability and reusability of the products. Excipients such as water-based dyes, UV and FR additives minimise environmental impact. Among the packaging materials paper tubes, pallets, strapping, films, labels and edge protectors all provide recyclability and reusability, meeting the requirements of ISO 9001, 14001, 13485 and 50001.

The key products in the production process of **MASTERPROFIL Gyártó és Kereskedelmi Kft**. are cold-bent **plasterboard profiles** (UW/CW 50-75-100, CD 27/60 and UD 22-27) made of galvanized sheet of various thicknesses. These profiles are manufactured according to the principles of durability, dismantling and reusability, ensuring long life and easy installation. 100% of the technological waste and scrap profiles generated during the manufacturing process are collected and recycled through external partners. Product packaging is made entirely from recyclable materials (wood, plastic PP tape, steel strapping), thus reducing the environmental impact.

The **plinth starter profiles** are made **from** pre-cut **aluminium (ALU) strips** in different thicknesses and widths (UM 2m: 50-250 mm). From the point of view of the circular economy these products are also made for durability and reusability. 100% of the scrap ALU profiles and process waste generated during production is recycled through external recycling partners. Profiles are also packaged in a sustainable way using only recyclable materials (wood, stretch film), optimising material use and reducing the environmental footprint of production.

Share of recycled materials in manufacturing in 2024

Sites within the MASTERPLAST Group	Share (%)
MASTERPLAST Medical Kft.	2.20
MASTERFOAM Gyártó és Ker. Kft.	100.00
Fidelis BAU Kft.	100.00
MASTERPLAST YU D.o.o	100.00
MASTERPLAST Nonwoven GmbH	63.50
MASTERPLAST Italia Srl.	~ 5.00
T-CELL Plasztik Kft. (Zalaegerszeg)	11.00
T-CELL Plasztik Kft. (Hajdúszoboszló)	9.00

Product groups and related quality certificates[11]

2-ply films, transparencies (natural and coloured)	ISO9001, 14001, 13485, 50001
2-ply films, foils (natural and coloured) non-marketable quality materials	ISO9001, 14001, 13485, 50001
3-ply films, trilaminates (natural, tinted, UV and/or FR doped)	ISO9001, 14001, 13485, 50001
3-ply films, trilaminates (natural, coloured, UV and/or FR doped non-marketable grades)	ISO9001, 14001, 13485, 50001
Linopor	ISO9001, 14001, 13485, 50001
Recyclate	ISO9001, 14001, 13485, 50001
Raw materials (polypropylene)	ISO9001, 14001, 13485, 50001
Dyes (water-based)	ISO9001, 14001, 13485, 50001
UV	ISO9001, 14001, 13485, 50001
FR	ISO9001, 14001, 13485, 50001
Packaging materials:	ISO9001, 14001, 13485, 50001
Paper tubes	ISO9001, 14001, 13485, 50001
Pallets	ISO9001, 14001, 13485, 50001
Straps	ISO9001, 14001, 13485, 50001
Films (shrink and stretch, semi-tight)	ISO9001, 14001, 13485, 50001
Labels (paper, self-adhesive)	ISO9001, 14001, 13485, 50001
Edge protection profile	ISO9001, 14001, 13485, 50001

Certified sites within the MASTERPLAST Group	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	ISO 50001:2018
MASTERPLAST PLC	yes	yes	yes	yes
MASTERPLAST Hungária Kft.	yes	yes	yes	yes
MASTERPLAST International Kft.	yes	yes	yes	yes
MASTERPLAST Medical Kft.	yes	yes	yes	yes
MASTERPLAST Modulhouse Kft.	yes	yes	yes	yes
MASTERFOAM Gyártó és Ker. Kft.	yes	yes	not	yes
MASTERPROFIL Gyártó és Kereskedelmi Kft.	not	not	not	yes
Fidelis BAU Kft.	not	not	not	not
MASTERPLAST YU D.o.o	yes	yes	not	not
MASTERPLAST d.o.o.	N/A	N/A	N/A	N/A
MASTERPLAST Proizvodnja D.o.o.	not	not	not	not
MASTERPLAST D.O.O.	not	not	not	not
MASTERPLAST Sp. z o.o.	N/A	N/A	N/A	N/A
MASTER PLAST s.r.o	not	not	not	not
MASTERPLAST Nonwoven GmbH	N/A	N/A	N/A	N/A
MASTERPLAST ROMANIA S.R.L	not	not	not	not
MASTERPLAST TOV.	not	not	not	not
MASTERPLAST Italia Srl.	not	not	not	not
T-CELL Plasztik Kft. (Zalaegerszeg)	N/A	N/A	N/A	N/A
T-CELL Plasztik Kft. (Hajdúszoboszló)	not	not	not	yes

E5-5_02

[11] *The **MASTERPLAST** Hungarocell Green Programme is supported by INTERCERT Certification and Certification Ltd. MSZ EN ISO 14001:2015 certified circular management model in the Hungarian construction industry. It has been recognised with several objective, third-party sustainability awards.*

Expected durability of products marketed by MASTERPLAST compared to the industry average for each product group

	Life expectancy of product groups (industry average)[12]	Life expectancy of MASTERPLAST products (compared to the industry average)
EPS	>50 years	>50 years*
XPS	>50 years	>50 years*
Glass fabric	>50 years	>50 years*
Roof underlayment	30 years (>25 years)	30 years (>25 years) *

*In the case of a standard installation, based on available data. In accordance with industry standards.

E5-5_03 The product is 100% recyclable in its pure state for EPS, XPS and fleece.

E5-5_06, E5-5_13 Quarterly waste data are available for the whole group of companies, broken down by waste category generated, hazardous, recycling, disposal, and by type of waste. Data do not include estimates.

E5-5_07 In 2024 the Group generated a total of 2 905 588 kg[13] of waste.

E5-5_10, E5-5_11 The amount of non-recycled waste in 2024 was 1 552 013 kg, 53% of the total waste generated.

E5-5_08, E5-5_09, E5-5_12, E5-5_14 Municipal waste accounted for 111 818 kg[14] of the main waste types, representing almost 4% of the total waste

The total weight of **non-hazardous waste generated** was 2 793 217,24 kg15 , of which 1 463 010 kg was classified as 'Other non-hazardous waste'. The significant amount of this category is due to manufacturing reasons, as it is not possible to recycle the edges of the material from the cutting waste generated during the use of glass fabric.

The most significant non-hazardous waste is *wood waste* (543,468 kg), *paper and cardboard waste* (454,013.09 kg[16]), *packaging plastic waste* (138,850.15 kg[17]), *iron and steel waste* (84,080 kg) and *office paper waste* (6,185 kg[18]). More than 48% of non-hazardous waste, 1,333,539.24 kg, was recycled in some form. 1 032 572.24 kg was prepared for recycling and the remaining waste was recycled in other recovery operations. 1 448 477 kg of non-hazardous waste was disposed of by various means, 1 431 255 kg by landfilling and 322 kg by incineration.

The total amount of **hazardous waste generated** was 82 208 kg, which was less than 3% of the total amount of waste generated. Nearly 25% of the hazardous waste was recycled (20 036 kg) and 75% was disposed of (61 757 kg). 5 536 kg of the recycled hazardous waste was prepared for recycling and 14 500 kg was recovered in other ways. Of the hazardous waste disposed of, 55 523 kg was disposed of by incineration and 6 599 kg by landfilling.

E5-5_15 The total amount of hazardous waste generated by the whole group was 82 208 kg in 2024.

E5-5_16 The total amount of radioactive waste generated by the whole group was 0 kg in 2024.

E5-5_17 The significant amount of waste disposed/landfilled is due to manufacturing reasons, as it is not possible to recycle the edges of the material from the cutting waste generated during the use of glass fabric.

E5-5_18 The waste generated by the organisation is transported by a contracted third party for all companies in the group, and the waste is managed in accordance with the legal requirements. Waste recovery and disposal is always carried out off-site.

[12] The industry average life expectancy was determined on the basis of the EPDs (Environmental Product Declarations) available for construction products, taking into account the reference values provided by each manufacturer.
[13] No data available for MASTERPLAST D.O.O. for the year 2024
[14] Data for the year 2024 is not available for Fidelis Bau Kft, MASTERPLAST YU D.o.o., MASTERPLAST PROIZVODNJA D.o.o., MASTERPLAST D.O.O., MASTERPLAST s.r.o., MASTERPLAST Nonwoven GmbH, MASTERPLAST Italia Srl.
[15] No data available for the year 2024 for MASTERPLAST Nonwoven GmbH, MASTERPLAST D.O.O.
[16] No data available for the year 2024 for MASTERPLAST Italia Srl., MASTERPLAST Nonwoven GmbH, MASTERPLAST D.O.O.
[17] No data available for 2024 MASTERPLAST Italia Srl., MASTERPLAST D.O.O.
[18] *No data available for the year 2024 for MASTERPLAST Italia Srl., MASTERPLAST Nonwoven GmbH*

MASTERPLAST Group waste data [19]

Type and quantity of waste (in kg)	2024
A. Waste for recovery	**1 353 575.24**
- A.1. Hazardous waste	20 036.00
- A.1.1. Preparation for recycling	5 536.00
- A.1.2. Other recovery operations	14 500.00
- A.2. Non-hazardous waste	1 333 539.24
- A.2.1. Preparation for recycling	1 032 572.24
- A.2.2. Other recovery operations	0.00
B. Disposed waste	**1 552 013.00**
- B.1. Hazardous waste	61 757.00
- B.1.1. disposed of by landfilling	6 599.00
- B.1.2. disposed of by burning	55 523.00
- B.2. Non-hazardous waste	1 448 477.00
- B.2.1. disposed of by landfilling	1 431 255.00
- B.2.2. disposed of by burning	322.00
Other	
Amount of radioactive waste	0 .00
Total amount of non-recycled waste	1 552 013.00
Non-recycled waste as a percentage of total waste generated	53.41%

[19] *The 2024 data were provided according to the following methodology: data were collected at the different sites of the MASTERPLAST Group, the measured data were provided by the data managers of the responsible area on the basis of the annual waste report. The data for 2024 on raw materials and finished products used in production, scrap and recycled material are from the following production units: MASTERPLAST PLC, MASTERPLAST Hungária KFt., MASTERPLAST International Kft., MASTERPLAST Medical Kft, MASTERPLAST Modulhouse Kft., MASTERFOAM Gyártó és Ker. Kft., MASTERPROFIL Gyártó és Kereskedelmi Kft., Fidelis Bau Kft., MASTERPLAST YU D.o.o., MASTERPLAST d.o.o., MASTERPLAST Proizvodnja D.o.o., MASTERPLAST D.O.O., MASTERPLAST Sp. z o.o., MASTERPLAST s.r.o, MASTERPLAST Nonwoven GmbH, MASTERPLAST ROMANIA S.R.L, MASTERPLAST UKRAINE, MASTERPLAST Italia Srl., T-Cell Plasztik Kft. Zalaegerszeg, T-Cell Plasztik Kft. Hajdúszoboszló*

Sustainable products [20]

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

Key impacts, risks and opportunities *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information - link to business model, sustainability strategy
Product quality and product sustainability [21]	The company collects the clean, reclaimed cuttings through partners, transports them free of charge and uses them to make Thermobeton, a new insulation material. The Hungarocell Green Programme complies with the INTERCERT Certification and Certification Ltd. MSZ EN ISO 14001:2015.	Actual, positive impact	Own operation	Short term	**MASTERPLAST Group** pays particular attention to ensuring that its products meet the highest quality and sustainability standards. Hungarocell's Green Program practices comply with the requirements of MSZ EN ISO 14001:2015, ensuring environmentally friendly operations. In addition, the quality of the insulation materials produced by **MASTERPLAST** is continuously monitored and certified to meet energy efficiency and building regulations, thus strengthening sustainability and customer confidence.
Product quality and product sustainability	Increasing competitive advantage/ competitiveness	Current opportunity		Medium term	**MASTERPLAST Group**'s business model has always been based on product quality, and as a result of increasingly stringent product quality (sustainability) regulations, the company is able to stay ahead of the game.

Sustainable product policies

The Group's ISO standards support the professional operation of sustainable products. ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 compliant systems ensure consistent and reliable quality of sustainable products. In addition, a strict quality management system (ISO 13485:2016) is applied for healthcare products, and the Hungarocell Green Programme is implemented by INTERCERT Certification and Certification Ltd. MSZ EN ISO 14001:2015.

For EPS and XPS products, EPDs (Environmental Product Declarations) ensure that environmental impacts are minimised during the manufacturing, use and waste management stages for years to come. For both product groups EPDs and LCAs certify that no hazardous substances subject to REACH notification are used in the production process and that a significant proportion of the cutting residue recovered from the manufacturing process is recyclable or energy recoverable. Best practices in the production of XPS and EPS products and continuous environmental performance monitoring allow for the effective implementation of sustainability goals, while **MASTERPLAST** continues to strengthen its position in the EU green building materials market.

Sustainable product measures *MDR-A*

– In the ESG Report 2023 the Company informed its stakeholders about the plan to obtain an Environmental Product Declaration (EPD) for its strategic products. [22] Following the start of preparatory work, it took active steps to prepare for obtaining EPDs in 2024. During the preparation of this Sustainability Report, 3 EPDs of the Group have been successfully registered, providing transparent evidence of the environmental

[20] *This chapter is defined as a company-specific material topic that does not have an ESRS standard element. The information and key performance indicators (KPIs) presented have been defined and tracked at company level.*
[21] *The topic defined as relevant in the double materiality analysis under the heading "Product quality and sustainability" is presented in the sustainability report under the heading "Sustainable products"*
[22] *MASTERPLAST Group ESG Report 2023, page 29, https://www.masterplastfenntarthatosag.hu/files/masterplast_esg_2023-teljes.pdf*

performance of the products. The EPDs demonstrate the environmental performance of products throughout their life cycle, while the LCAs provide detailed information on the environmental impacts of the manufacturing, use and end-of-life stages. **MASTERPLAST** EPD documents have been prepared for white and grey (graphite) EPS (expanded polystyrene) and XPS (extruded polystyrene) thermal insulation products.

- In 2024 the company placed special emphasis on the inclusion of its products in the Construction Key Products Database of ÉMI (Építésügyi Minőségellenőrző Innovációs Nonprofit Kft.) in Hungary. This enabled the presence of **MASTERPLAST** products in the Home Renovation Programme to reach a wider range of renovators and also served as a quality guarantee, as the products had to meet the environmental certification criteria of ÉMI to be included in the database, which certified their quality and environmentally friendly properties. This has also increased the credibility and attractiveness of **MASTERPLAST**'s products for the conscious consumer.
- The commitment to sustainable products in 2024 was also been demonstrated by the Simplified Environmental Certification (EQC) of several products[23]. The aim of the certifications issued by ÉMI Construction Quality Control Innovation Non-profit Ltd. is to provide transparent and easily accessible information on the environmental impacts of construction products, thereby supporting users in their choice of sustainable construction materials and contributing to the uptake of sustainable construction practices.
- The Group is exploring the possibility of introducing products with a green logo (certification), taking into account the national GVH Green Marketing standards and EU regulations. No specific action was launched beyond this in 2024.

Key performance indicators and targets for sustainable products *MDR-M, MDR-T*

MASTERPLAST focuses on the introduction of products that meet sustainability criteria and thus supports the promotion of responsible consumption in addition to environmental indicators. EPD certifications ensure the publication of accurate environmental data in line with sustainability objectives, which is essential for compliance and competitiveness in European markets.

Key Performance Indicator (KPI)	Result achieved in 2024	Target
Products with EPD	Preparatory work for 3 Environmental Product Declarations (EPD) *More details: [24]* *Grey EPS (expanded polystyrene) thermal insulation sheet* *https://www.environdec.com/library/epd20110* *White EPS (expanded polystyrene) thermal insulation sheet* *https://www.environdec.com/library/epd10011* *XPS (extruded polystyrene) thermal insulation product* *https://www.environdec.com/library/epd20112*	By 2030 the Company should have an environmental product declaration for all insulation materials in its own production.

The company's flagship products, EPS[25] (expanded polystyrene) and XPS[26] (extruded polystyrene) insulation materials play a significant role in reducing energy consumption in buildings. These products provide energy savings of up to 90% by reducing heating and cooling costs, thus directly contributing to the reduction of CO_2 emissions. [27] The Environmental Product Declarations (EPDs)[28] and Life Cycle Assessments (LCAs)[29] of EPS and XPS products are in line with **MASTERPLAST**'s sustainability and EU zero emission targets, the principles of the circular economy and the sustainable servicing of market demand.

The environmental impacts of **MASTERPLAST**'s sustainable products are mainly related to the energy demand of the manufacturing processes, the type of materials used and the life cycle impacts resulting from the construction application. According to the LCA documents, the largest environmental impact of the manufacturing process is related to energy consumption and the processing of raw materials. However, the long life, durability and recyclability of the products provide a long-term environmental benefit. The EPD of EPS and XPS products

[23] *More details: https://www.termekinfo.emi.hu/epitesi_termekek?filter%5BmanufacturerId%5D%5BisAnyOf%5D%5B0%5D=17&ps=50*
[24] *The SPDs were published in 2025, the year in which this Sustainability Report was prepared.*
[25] *EPS: Expanded Polystyrene.*
[26] *XPS: Extruded Polystyrene.*
[27] *Source: https://galiandras.hu/hoszigeteles-vastagsagok*
[28] *EPD: Environmental Product Declaration.*
[29] *LCA: Life Cycle Assessment.*

highlights that the products have a minimised environmental impact throughout their life cycle, while meeting the most stringent European environmental standards.

Numerical data and explanations

EPS products have a coefficient of thermal conductivity of 0.038 W/mK and a lifetime equivalent to the lifetime of buildings, 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 increasing the energy efficiency of buildings with their excellent thermal insulation properties. The most important environmental factor in the manufacture of EPS products is the production of the raw materials, which is responsible for 42% of the global warming potential (GWP). The EPD highlights that these products maintain their technical properties for up to 100 years while minimising carbon emissions from buildings. In the production of EPS, **MASTERPLAST** strives to optimise energy consumption, recycle reclaimed cuttings and continuously reduce environmental emissions.

XPS products are mainly used for thermal insulation of basements, basement walls, plinths, low and medium load floors. XPS boards have excellent mechanical resistance 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[30] during the manufacturing process is 6.51 kg CO2 equivalent/m².

EPD and LCA documents show that EPS and XPS products have a low environmental impact throughout their life cycle.

Environmental characteristics of products

MASTERPLAST defines the environmental performance of its products in accordance with ISO 14025:2006 and EN 15804:2012+A2:2019. The EPDs and LCAs for EPS and XPS products provide detailed information on emissions, energy consumption and waste management during the manufacturing process. These documents ensure that products comply with EU environmental requirements throughout their life cycle.

The quality management system ensures the environmental compliance of products at all stages of the production process. In the production of ISO 13485 certified medical devices, **MASTERPLAST** pays particular attention to minimising waste and reducing environmental impact.

The EPD and LCA documents promote the circular economy in **MASTERPLAST**'s operations. Life Cycle Assessments enable the optimisation of manufacturing processes, increase energy efficiency and reduce material consumption, while EPDs ensure a transparent presentation of the environmental impact of products. These data help to increase recycling rates and the incorporation of secondary raw materials, thus contributing to a closed material cycle and the uptake of sustainable construction practices.

Modular building solutions and sustainability

MASTERPLAST's modular building system is an outstanding example of sustainable product development, minimising the environmental impact of construction while offering energy-efficient and long-lasting solutions. The prefabricated modules reduce the amount of labour and materials required for on-site construction, thereby reducing construction waste and the ecological footprint. Sustainability aspects permeate the entire manufacturing process: modules are produced in an optimised environment, independent of weather conditions, which contributes to the efficient use of resources and high quality standards. In addition, the compact design for road transport reduces the carbon footprint of logistics processes. For more information: *https://masterplastmodulhaz.hu/; https://www.masterplastgroup.com/2023/11/02/modularitas-a-jovo-epiteszeti-megoldasa/*

[30] *GWP: Global Warming Potential*

EU Taxonomy

Disclosure under EU Taxonomy means the provision of information as required by Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the "Taxonomy Regulation") and includes the rules set out in the Commission's Delegated Regulations governing the content and form of the disclosure [31]. The detailed rules for disclosure are set out in Delegated Regulation 2021/2178, commonly known as the Disclosure Act, 2021. The scope of the EU Taxonomy Disclosure Regulation covers the financial consolidation scope of the ***Masterplast Group*** *and does not extend to other companies in the capital consolidation scope. Article 8 of the Taxonomy Regulation requires non-financial companies to disclose information on the share of their turnover that is attributable to the companies in the scope of Articles 3 and 9 of the EU Taxonomy Regulation as well as of their turnover from products or services related to economic activities classified as environmentally sustainable under Articles 3 and 9; and the proportion of their capital expenditure and operating costs that relate to assets or processes related to environmentally sustainable economic activities under Articles 3 and 9.*

The purpose and business application of the EU Taxonomy framework

The EU Taxonomy Regulation (2020/852/EU) establishes a single classification system for identifying environmentally sustainable economic activities. It aims to promote sustainable investment, green transition and increase transparency of corporate activities by setting precise criteria for activities that make a significant contribution to the environment. **MASTERPLAST Group** has analysed its own activities accordingly for the financial year 2024 and has prepared its EU Taxonomy Report along the following process as part of the Sustainability Report to be published in the financial statements.

In defining appropriate activities, the European Union Regulation defines as environmentally sustainable economic activities those that make a significant contribution to at least one of the five environmental objectives, while not causing significant damage to any of the five remaining environmental objectives.[32]

Identification and alignment approach process of taxonomic activities

MASTERPLAST Group has carried out a multi-step assessment of its operations to comply with the EU Taxonomy disclosure requirements. In doing so, the following main analytical steps were carried out:

- Identification of activities (Verifiability test): the company has identified the economic activities that are potentially covered by the EU Taxonomy. The focus of the investigation was on the production 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 self-produced product lines have been identified as taxonomically relevant economic activities. The taxonomically relevant activities were identified on the basis of the company's TEÁOR/NACE codes and the contribution of each activity to turnover. As a result, the production of EPS and XPS insulating materials was identified as a taxonomically relevant economic activity, i.e. one that can be taxonomically adjusted.

- Taxonomic alignment analysis: the activities identified were compared with the EU Taxonomy Technical Screening Criteria. **MASTERPLAST** identified two taxonomy-aligned economic activities: the production of EPS and XPS insulation materials. These activities contribute significantly to the EU Taxonomy's

[31] *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 former Commission Delegated Regulation (EU) 2021/2139; (EU) 2023/2486 Commission Delegated Regulation - Environmental Delegated Act*

[32] *Six environmental objectives set out in the EU Taxonomy: 1. mitigate climate change; 2. adapt to climate change; 3. sustainably use and protect aquatic and marine resources; 4. promote the transition to a circular economy; 5. prevent and reduce pollution; 6. protect and restore biodiversity and ecosystems.*

environmental objective of mitigating climate change. It was examined whether the production of EPS and XPS insulation materials meets the criteria for a significant contribution to *climate change mitigation*. The technical parameters (e.g. thermal conductivity) and uses of the products have been assessed to demonstrate that they significantly reduce the energy demand of buildings, thereby contributing to the *Climate Change Mitigation* objective.

- Environmental Contribution Analysis: EPS/XPS production as an activity was found to contribute significantly (SC) *to climate change mitigation* among the six environmental objectives defined by the EU Taxonomy. It does not contribute directly to other environmental objectives (e.g. climate change adaptation, water and marine resources, circular economy, pollution prevention, biodiversity), so the SC criteria were applied primarily to climate change mitigation for the activities under consideration.

- Verification of the DNSH criteria: based on the Taxonomy[33] , the Company has assessed whether or not the listed activities cause significant adverse impacts on the achievement of the other environmental objectives (Do No Significant Harm - DNSH principle). The assessment covered the environmental impacts of EPS/XPS production, such as energy use, emissions, waste management and other potential impacts of the production processes. It was confirmed that the production of insulating materials does not cause significant harm to any of the other environmental objectives, provided that the relevant environmental regulations are complied with. For example, the technologies used in the production of EPS in Kál and EPS and XPS in Szabadka comply with EU standards (e.g. the use of lower environmental impact foaming gases for XPS), ensuring that the activity does not compromise water, the use of circular raw materials, pollution prevention or biodiversity.

- Minimum Social Safeguards Assessment: the Group also assessed the compliance with the Minimum Social Safeguards (MSS) in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights, including a review of **MASTERPLAST**'s policies and practices on labour rights, occupational health, business ethics, taxation and anti-corruption. Internal policies and control mechanisms ensure that the sustainability objectives are achieved in a socially and managerially responsible manner, in line with the minimum standards of Taxonomy. **MASTERPLAST** demonstrates responsible business conduct in compliance with international human rights conventions. This is enshrined in its Human Rights Policy, Code of Ethics and Supplier Code of Conduct and Ethics.

More details: *https://www.masterplastgroup.com/vallalatiranyitas/*

- Calculation of the financial indicators: finally, **MASTERPLAST** determined the ratio of taxonomy-compatible revenue, investment and operating expenditure for the year 2024. The calculations were made according to the methodology defined by the relevant EU Regulations (2021/2178/EU). Accordingly, the net revenue from EPS and XPS products within the consolidated revenue was separated and the capital expenditure (CapEx) and operating expenditure (OpEx) related to these activities and their sustainability were identified. These indicators form the basis of the Taxonomy report in the financial report.

MASTERPLAST Group has implemented strict internal processes and controls for reporting under the EU Taxonomy. Relevant data was collected by the company's financial and sustainability experts and consolidated to ensure its accuracy, comparability and auditability. The compilation of the statements has been subject to internal control and the final report has been approved by the company's management, guaranteeing its adequacy and credibility. It is important to underline that the calculations and background data included in the report have been subject to external audit verification, thus ensuring the reliability of the information provided.

[33] The compliance of the activity with the technical screening criteria has been assessed on the basis of the relevant points of Annex I to Commission Regulation (EU) No 2021/2139.

As a result of the analysis, it was concluded that the identified taxonomy-relevant activities of **MASTERPLAST Group** are fully aligned with the EU Taxonomy requirements. The production of EPS and XPS insulating 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 minimum social safeguards. This compliance provides the basis for the publication of the following financial indicators for the year 2024.

Financial indicators for 2024 according to EU Taxonomy

For the first time in 2024 **MASTERPLAST Group** will quantify and report the ratio indicators under the Taxonomy Regulation on the basis of its consolidated financial data. Below we present the relevant revenue, capital expenditure (CapEx) and operating expenditure (OpEx) ratios, both aggregated and disaggregated by product area for EPS and XPS manufacturing activities. These figures show the proportion of the Group's financial performance that is attributable to Taxonomy sustainable (aligned) activities.

- Sales: of the consolidated net sales for 2024, Taxonomy-adjusted sales ≈ EUR 20.3 million, representing approximately 15% of total sales. This amount is entirely derived from the sale of EPS and XPS insulation products manufactured in-house. Broken down by product range, the EPS product line contributed ~€16.6 million, while XPS products accounted for ~€3.7 million of the 2024 sales. Together, these two product lines provide the Taxonomy-compliant revenue reported, as revenue from other products in the group did not meet the technical criteria in 2024 and was therefore not considered from a Taxonomy perspective.

- Capital Expenditure (CapEx): During 2024 **MASTERPLAST** invested a total of € 416 thousand, which meets the EU Taxonomy criteria (15% of the total capital expenditure for the period under review). The Taxonomy-adjusted CapEx was predominantly related to the development of XPS production. Broken down by product area, investments related to XPS production amounted to approximately €369 thousand (e.g. capacity expansion in the extruded polystyrene plant in Serbia), while sustainability investments in EPS production amounted to approximately €47 thousand in 2024. The lower amount of investment in EPS production lines can be explained by the fact that new capacity expansions and technological improvements in this year were mainly targeted at XPS production. All the aligned investments identified were aimed at increasing the energy efficiency contribution of the company's products or reducing the environmental footprint of production.

- Operational Expenditure (OpEx): 80 thousand euros of the relevant operational expenditure as defined by Taxonomy in 2024 can be directly linked to the sustainable production of EPS and XPS products (6% of the total OpEx category under consideration). This includes, for example, maintenance costs related to these production areas, operational expenditure to improve energy efficiency, and R&D and training expenditure to further improve the environmental performance of EPS/XPS products. For the **MASTERPLAST Group**, the total operating expenses (Total OpEx) data for each subsidiary was calculated from the annual subsidiary-level Total OpEx data, pro-rated by the companies' Taxonomy-adjusted sales revenue. These data were aggregated to determine the Taxonomy-adjusted operating cost of the company at group level. The OpEx indicator shows that the company spent nearly a quarter of its operating budget in 2024 on activities that contribute to the achievement of its Taxonomy targets (e.g. making production equipment more efficient and reducing waste). By product area, OpEx expenditure is also related to EPS and XPS production, but a further internal breakdown of these is not provided in the report, as the majority of these are common resource overheads (e.g. energy use) that serve both product areas.

Based on the above financial indicators, a non-negligible part of **MASTERPLAST Group**'s revenues, investments and operating expenses in 2024 are already in line with EU Taxonomy requirements. EPS and XPS production, on the other hand, are already 100% taxonomy compliant for the **MASTERPLAST Group** companies within the financial scope of consolidation. All the alignment values presented in the report meet the criteria required by the Regulation: for the related activities, a significant contribution to the climate objective is demonstrated, the

DNSH principle is fully respected (no significant negative impact on other environmental objectives) and the Group's 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 robust way in the sustainability report.

Future prospects and opportunities for expansion

The strategic considerations for **MASTERPLAST Group** include the further extension and development of the EU Taxonomy classification in the future. The company will continuously monitor the expansion of the Taxonomy framework and the emergence of future criteria for new environmental objectives (e.g. the circular economy, decontamination) or possible social objectives. Accordingly, we plan to include additional activities and to certify new product innovations for sustainability as soon as they are in line with EU standards.

In the future, **MASTERPLAST** will seek to increase the proportion of sales that are in line with the taxonomy, for example by developing new products with a high recycled content or a lower carbon footprint. It is also considering further green investments (such as the installation of renewable energy sources at its production sites or improvements in production technology to reduce emissions), which could lead to a higher proportion of aligned items in future CapEx figures. These efforts will help **MASTERPLAST Group** to meet sustainability requirements in the long term and further strengthen its market position among the companies at the forefront of the green transition.

The company's management is committed to ensuring that the Sustainability Report, including the EU Taxonomy Report, provides an up-to-date, accurate and complete picture of **MASTERPLAST**'s environmental performance at all times. The 2024 report is an important milestone in this respect and will provide an appropriate basis for expanded reporting in the future. **MASTERPLAST** will continue to communicate its taxonomy compliance in a transparent manner, thereby strengthening trust among its partners, investors and the wider society.

Masterplast Group statement on nuclear and fossil gas activities

Line	Activities related to nuclear energy	
1.	The undertaking carries out, finances or has exposure to research, development, demonstration and practical implementation activities for innovative electricity generation facilities that produce energy from nuclear processes and in which a minimum amount of waste is generated in the nuclear fuel cycle.	**NO**
2.	The undertaking carries out, finances or has exposures to the construction and safe operation of new nuclear installations using best available technologies or the upgrading of such installations from a safety point of view, for the purpose of generating electricity or process heat, including district heating and energy production for industrial processes such as hydrogen production.	**NO**
3.	The undertaking carries out, finances or has exposures to the construction and safe operation of existing nuclear installations or the safety-related upgrading of such installations for the purpose of generating electricity or process heat from nuclear energy, including district heating and power generation for industrial processes such as hydrogen production.	**NO**
	Activities related to fossil gases	
4.	The undertaking carries out, finances or has exposure to the construction or operation of electricity generating installations which produce electricity from fossil gaseous fuels.	**NO**
5.	The undertaking carries out, finances or has exposures to the construction, conversion and operation of combined heat and power and cooling and electricity generation facilities using fossil gaseous fuels.	**NO**
6.	The undertaking carries out, finances or has exposure to the construction, conversion or operation of heat generating installations which produce heating or cooling energy from fossil gaseous fuels.	**NO**

Turnover

				Essential contribution criteria						DNSH criteria (Compliance with the principle of no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute amount of turnover (3)	Share of turnover (4)	Climate change mitigation	Climate change adaptation	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change	Climate change adaptation	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-adjusted share of turnover Year N (18)**	Category (supporting activity or) (20)	Category (migration activity) (21)
Text		*EUR*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*T*	*Á*
A. TAXONOMY-ADAPTED ACTIVITIES			15%																
A.1. Turnover from environmentally sustainable (taxonomy-adapted) activities																			
3.5. Manufacture of energy efficiency equipment for buildings		20 267 629	15%	100%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	15%	T	
Turnover from environmentally sustainable (taxonomy-adapted) activities (A.1)		20 267 629.00	15%	15%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	15%	15%	0%
A.2 Turnover from taxonomically adaptable but environmentally unsustainable (non-taxonomically adaptable activities) activities																			
Turnover from taxonomically adaptable but environmentally unsustainable activities (non-taxonomically adaptable activities) (A.2)		0.00	0%																
Total (A.1+A.2)		20 267 629.00	15%																
B. NON-TAXONOMIC ACTIVITIES																			
Turnover from activities not related to taxonomy		115 869 816.00	85%																
Total (A+B)		136 137 445.00	100%																

CapEx

				Essential contribution criteria						DNSH criteria (Compliance with the principle of no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute amount of CapEx (3)	CapEx ratio (4)	Climate change mitigation	Climate change adaptation (7)	Water and marine resources (8)	Pollution (9)	Circular economy	Biodiversity and	Climate change	Climate change adaptation (13)	Water and marine resources (14)	Pollution (15)	Circular economy (16)	Biodiversity and ecosystems	Minimum safeguards (17)	Taxonomy-adjusted share of CapEx Year N (18)**	Category (supporting activity or) (20)	Category (migration activity) (21)
Text		*EUR*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*T*	*Á*
A. TAXONOMY-ADAPTED ACTIVITIES			15%																
A.1. CapEx of environmentally sustainable (taxonomy-adapted) activities																			
3.5. Manufacture of energy efficiency equipment for buildings		416 483.00	15%	100%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	15%	T	
CapEx of environmentally sustainable (taxonomy-adapted) activities (A.1)		416 483.00	15%	15%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	15%	15%	0%
A.2 Taxonomy-adapted but environmentally unsustainable activities (non-taxonomy-adapted activities) CapEx-e																			
CapEx of taxonomically-adapted but environmentally unsustainable (non-taxonomically-adapted activities) activities (A.2)		0.00	0%																
Total (A.1+A.2)		416 483.00	15%																
B. NON-TAXONOMIC ACTIVITIES																			
CapEx of activities of activities that are not taxonomy-adjustable		2 365 249.00	85%																
Total (A+B)		2 781 732.00	100%																

OpEX

				Essential contribution criteria						DNSH criteria (Compliance with the principle of no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute amount of OpEx (3)	OpEx rate (4)	Climate change mitigation	Adapting to climate change (7)	Water and marine resources (8)	Pollution	Circular economy (9)	Biodiversity and ecosystems	Climate change	Adapting to climate change (13)	Water and marine resources (14)	Pollution	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-adjusted share of OpEx Year N (18)**	Category (supporting activity or) (20)	Category (migration activity) (21)
Text		*EUR*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*T*	*Á*
A. TAXONOMY-ADAPTED ACTIVITIES			6%																
A.1. Environmentally sustainable (taxonomy-adapted) activities OpEx-e																			
3.5. Manufacture of energy efficiency equipment for buildings		80 472.00	6%	100%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	6%	T	
OpEx of environmentally sustainable (taxonomy-adapted) activities (A.1)		80 472.00	6%	6%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	6%	6%	0%
A.2 Taxonomically compatible but environmentally unsustainable (non-taxonomically compatible activities) activities OpEx-e																			
OpEx of taxonomically compatible but environmentally unsustainable (non-taxonomically compatible activities) activities (A.2)		0.00	0%																
Total (A.1+A.2)		80 472.00	15%																
B. NON-TAXONOMIC ACTIVITIES																			
Activities OpEx of activities not adapted to taxonomy		1 202 359.00	94%																
Total (A+B)		1 282 831.00	100%																

SOCIETY

Own workforce

As the largest Hungarian-owned building materials company in Central Europe, ***MASTERPLAST*** *is present in 10 countries and its more than 1,100 employees work together to ensure the success of the company. Its employees are the company's main asset, so it pays special attention to occupational safety and a safe working environment as part of its corporate culture. The Group believes that open and regular dialogue with employees is essential to building a strong, engaged community.*

Under the own workforce theme, relevant impacts, risks and opportunities have been identified in terms of health and safety. This is presented in detail in the next sub-chapter.

The most significant impact of **MASTERPLAST**'s operations is on its own employees working in the manufacturing area, as they are directly affected by the working environment and safety measures. The vast majority of the physical workers in **MASTERPLAST**'s own workforce are directly employed by the company, typically on permanent contracts and full-time.

MASTERPLAST has not identified any systemic or widespread material negative impacts and risks, including child labour, forced labour, in its areas of operation, including both EU and non-EU countries.

The significant positive impacts on **MASTERPLAST**'s own workforce are mainly related to the provision of a safe working environment, health and safety measures, and training and development programmes. These activities have a particular impact on manual workers.

This is reflected in the system of occupational safety and health training, the provision of personal protective equipment, regular inspections, and first aid and prevention measures to keep workers healthy and safe.

MASTERPLAST does not currently have a systemic assessment that links material impacts, risks or opportunities on its own workforce to specific employee groups (e.g. age group, location, country). The impacts and measures identified currently relate primarily to the total physical or mental workforce or the total workforce.

The company's operations depend to a large extent on the availability of a skilled and committed workforce, especially in manufacturing areas, so maintaining job security and motivation is key.

MASTERPLAST Group is committed to climate-neutral operations, including the achievement of emission reduction targets. Planning and preparing for this type of transition currently does not result in a material negative impact on its own workforce, as it is expected to involve technological improvements and energy efficiency investments. However, the Group will monitor the potential impact of the changeover measures on workforce.

MASTERPLAST has currently not taken any specific measures to mitigate the negative labour impacts of the transition to a climate neutral economy as the preparations and preparatory steps taken so far have not affected the employment or job roles of the workers. Accordingly, no retraining or relocation was necessary. However, the company is monitoring future regulatory and market changes and is ready to introduce programmes to support employees' adaptation to the green transition if necessary.

Overview of the people employed by MASTERPLAST Group [34]

Number of female and male[35] employees by country on 31 December 2024

Country	Masterplast Group consolidation scope			Masterplast Group capital consolidation scope [36]		
	Total	*Women*	*Men*	Total	*Women*	*Men*
NORTHERN MACEDONIA	5	0	5	5	0	5
CROATIA	8	6	2	8	6	2
POLAND	19	4	15	19	4	15
HUNGARY	306	75	231	364	84	280
GERMANY	43	4	39	43	4	39
ITALY	7	1	6	7	1	6
ROMANIA	38	10	28	38	10	28
SERBIA	706	260	446	706	260	446
SLOVAKIA	8	2	6	8	2	6
UKRAINE	64	23	41	64	23	41
Total	**1204**	**385**	**819**	**1262**	**394**	**868**

Number of female and male[37] employees by type of employment contract and employment type on 31 December 2024

	Masterplast Group consolidation scope			Masterplast Group capital consolidation scope [38]		
Category	Total	Women	Men	Total	Women	Men
Total number of employees	*1204*	*385*	*819*	*1262*	*394*	*868*
By type of employment contract						
Employees with permanent (indefinite term) employment contract	1204	385	819	1079	338	741
Employees with fixed-term contract, Temporary staff	0	0	0	183	56	127
By type of employment						
Full-time employees	1180	371	809	1233	378	855
Part-time employees	24	14	10	29	16	13

In 2024, the Group employed a total of 1,262 people (headcount), of which 394 were women (31.2%) and 868 were men (68.8%). 28.8% of the employees *were employed in* Hungary and *71.2% outside Hungary.* 1,079 people, 85.5% of the employees, were employed on permanent contracts, while 183 (14.5%) were employed on fixed-term contracts.

Of its workforce, 909 are manual workers and 353 are white-collar workers. In Hungary, the number of manual workers is 196 and the number of white-collar workers is 168. The number of full-time employees is 1 233, of

[34] The data is collected by Masterplast's HR area and is given in headcount and includes both active and inactive staff.
[35] *Other category: irrelevant*
[36] *In addition to the financial scope of consolidation, the scope of consolidation also includes the data of T-CELL Plasztik Kft. and MASTERPROFIL Gyártó és Kereskedelmi Kft.*
[37] *Other category: irrelevant*
[38] *In addition to the financial scope of consolidation, the scope of consolidation also includes the data of T-CELL Plasztik Kft. and MASTERPROFIL Gyártó és Kereskedelmi Kft.*

which 378 are women and 855 men. The number of part-time employees is 29, of which 16 women and 13 men. There were no non-employees.

In 2024, a total of 515 new entrants joined the group, while 520 people exited employment. In the reporting period the exit rate was 38.5%, while the entry rate was 38.1%.

During the period under review, new projects, capacity expansions and technological developments required the recruitment of new entrants, while the rapidly changing operating environment naturally had an impact on the composition of the workforce. It is important to underline that turnover is also partly a consequence of 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 an active and diversified company.

MASTERPLAST Group has made it a priority to increase stability and long-term employee retention by focusing on the development of internal training, motivational tools and leadership programmes.

Policies and guidelines for our own workforce

MASTERPLAST considers the protection of human life and safety, equal treatment and the right to a healthy environment and mental health as core values and 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 diversity of cultural and social contexts and of its employees, which also vary from country to country. It places great emphasis on non-discrimination and equal treatment.

Human rights complaints can be reported anonymously through the Whistleblowing system. https://sites.google.com/view/mpishu No complaints with a human rights impact were identified in 2024. For more information, see Business Conduct.

Equal opportunities, diversity

MASTERPLAST provides for equal treatment, direct or indirect discrimination and pays particular attention to respecting cultural and social diversity. The whistleblowing channels provided to employees also offer the possibility to report anonymously any form of harassment or discrimination.

The EU directive on the women's quota, known in full as the "Women on Boards Directive" (Directive (EU) 2022/2381), came into force in November 2022 and the deadline for Member States and the companies concerned to comply is 30 June 2026. The Directive aims to improve gender balance on the boards of listed companies. The Group is preparing to meet the deadline.

Data management

Since the entry into force of Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), the Group has not experienced any complaints, data theft, data loss or data leakage. The privacy notice is publicly available on the website.

Occupational health and safety

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

More details on occupational health and safety can be found in the Health and safety chapter.

Communication and advocacy

MASTERPLAST builds its cooperation with its own workforce on open dialogue and continuous feedback, and therefore a continuous and open dialogue with its employees is a priority, and communication is

ensured at several levels. The day-to-day employee relations and HR-related issues are primarily the responsibility of the heads of HR or HR-specific functions in each entity, while management and strategic issues affecting the company as a whole, such as employee forums, are handled by the managers and the CEO, who ensure direct dialogue. At the same time, in performance reviews the managers concerned are responsible for providing feedback to ensure continuous improvement and employee involvement in the achievement of common goals.

MASTERPLAST communicates with its staff in person, by email, by phone, in a closed community (Facebook) group and at events. It also liaises with colleagues on maternity leave. The company collects ideas and suggestions from colleagues by putting out a suggestion box.

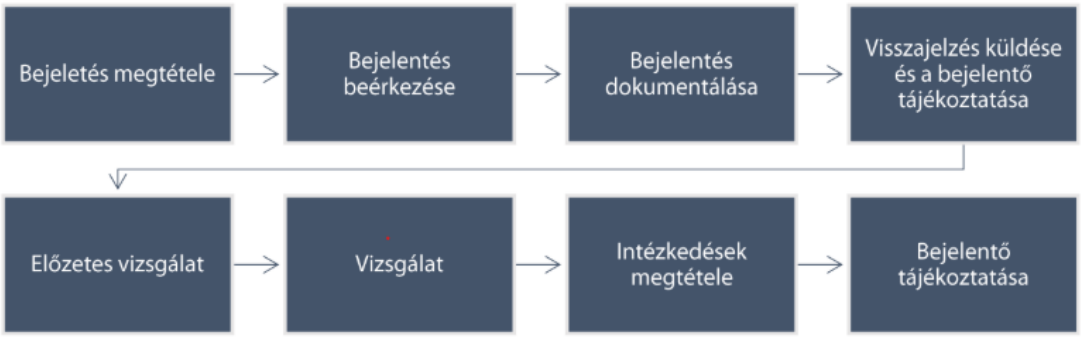
Employees have the right to elect a representative or representatives from among their number to represent their rights and interests in relation to occupational health and safety.

Whistleblowing system

The companies of **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 violations of EU law and on complaints, Act XXV of 2023 on complaints, whistleblowing and rules on reporting abuse, and the **MASTERPLAST Group's** policy on the operation of Whistleblowing. The purpose of the Whistleblowing system is to investigate reported information about illegal or suspected illegal acts or omissions or other abuses in accordance with the requirements of the relevant legislation. New entrants are informed of the possibilities to lodge a complaint. The Monitoring and investigation of reports of abuse, the determination of the outcome of the investigation and any further action to be taken on the basis of the report is the responsibility and competence of the Whistleblowing Committee. The Commission shall, where possible in view of the way in which it is contacted, liaise with the whistleblower through the whistleblowing system, and may invite the whistleblower to complete or clarify the report, to clarify the facts and to provide further information. In 2024 it did not identify any human rights impact complaints among its own staff. *For more information, see the Business Conduct section.*

If **MASTERPLAST** becomes aware that its own activities have had a significant negative impact on its employees, it launches an internal investigation and take remedial or preventive action depending on the seriousness of the case. The Company does not currently carry out a regular assessment of its employees' awareness of or confidence in the available grievance mechanisms.

How the Whistleblowing system works and the process for investigating reports



Measures affecting the company's own workforce

MASTERPLAST is committed to ensuring that its operating practices have a positive impact on its own workforce and to avoiding or preventing significant negative impacts on employees. To this end, it applies various measures

to help maintain a safe and fair working environment, support the well-being of its employees and contribute to the continuous development of its organisational culture. Through its training programmes it focuses on the development of occupational safety, accident prevention, ethical behaviour, values, corporate culture, leadership and sales skills, manufacturing expertise, agile operations, collaboration, digital competences and ESG knowledge, ensuring the continuous development of its employees.

Based on the double materiality analysis (DMA), health protection is a high priority among the impacts on its own workforce and includes material issues (IROs). Accordingly, the company focuses primarily on mitigating health risks and implements targeted measures in this area, which are explained in detail in the Health and Safety chapter.

Health and safety

MASTERPLAST Group *is committed to creating a safe and healthy working environment. Its aim is to provide its employees with an environment that meets occupational health and safety standards and supports long-term health promotion. It seeks to minimise risks in the workplace through regular training, inspections and improvements, while encouraging its employees to develop a safety-conscious attitude. Occupational health and safety is an integral part of the company culture, contributing to sustainable operations and the well-being of employees.*

Significant impacts, risks and opportunities and their linkage to business model, sustainability strategy *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy
Working conditions - Health and safety	The company aims to create safe working conditions and protect the health of its employees, complying with current legislation and thus avoiding accidents.	Actual, positive impact	Own operation	Short term	Providing a safe working environment and preventing accidents directly affects the well-being and satisfaction of employees, which contributes to the continuity and efficiency of the company's operations. In addition, compliance with legislation and the application of health and safety measures help to avoid fines and reputational risks that could have a negative impact on the company's image and long-term sustainability.
Working conditions - Health and safety	As a result of accidents at work, the company may be fined or investigated by the authorities, which could have a negative impact on the company's reputation.	Current risk		Short term	In addition to the potential fines and the financial burden of legal proceedings, the stock market impact of reputational damage is not negligible in financial terms and may affect the competitiveness of the company in the short term.

Health and safety related policies *MDR-P*

The Organisational and Operational Rules, the Human Rights Policy and the Code of Ethics guide the work.

- *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*

Human rights policy

Human rights policy includes the creation of a healthy and safe workplace in line with the UN Guiding Principles.

MASTERPLAST is committed to protecting and improving physical and mental health. It takes into account the fundamental requirements of human dignity, hygiene and a healthy environment when designing working conditions. It provides a clean, safe and healthy working environment.

It respects human rights, be they employees, partners, stakeholders, trainees, students, etc.

MASTERPLAST's policies on its own workforce, in particular its Human Rights Policy and Code of Ethics, explicitly exclude all forms of human trafficking, forced labour, bonded labour and child labour, both in the company's own operations and in its supply chain. The company 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 staff must respect the safety and well-being of other staff in their work. All employees shall comply with and act in accordance with all applicable mandatory safety and health rules and procedures. Accidents, injuries, malfunctioning of tools and equipment must be reported immediately in the manner specified in the regulations.

Health protection

The company's fundamental ambition is to protect the human being as the highest value. In this endeavour, it aims to preserve and, where possible, improve both physical and mental health. The details of this are set out in its Human Rights Policy.

Expectations during work

Employees must be available during working hours in a fit state to perform their duties with the utmost care and professionalism. The employer reserves the right to carry out random checks on the fitness for work.

Drinking alcohol at work and at official events is prohibited. Exceptions to this may include moderate consumption of alcohol at company events authorised by the employer.

All employees are required to cooperate, support each other and share information necessary to work effectively.

Health and safety related measures *MDR-A*

Occupational safety and health education, training and testing

MASTERPLAST pays particular attention to ensuring that its employees have the theoretical and practical knowledge necessary to work safely and without endangering their health throughout their employment. In order to ensure the effectiveness of the training, the training materials include theoretical and, depending on the nature of the job, practical elements, in accordance with the educational topics defined in the Occupational Health and Safety Code. At the end of the training the workers take an examination to test the knowledge acquired.

MASTERPLAST is committed to ensuring that its operations do not have a significant negative impact on its workforce. The company strives to ensure that workloads, work schedules, purchasing or sales practices do not have an indirect negative impact on the safety and well-being of its employees. The company considers HR and occupational health and safety aspects before making decisions on significant impacts.

Occupational health and safety systems (e.g. ISO 45001), responsible purchasing and sales practices and GDPR-compliant data management all serve this purpose. Where there is a tension between business pressures and employee well-being, the company puts safety and health first.
Types of occupational safety and health education:

- Pre-employment training
- On-the-job training and familiarisation
- Annual training in occupational safety and fire protection
- Training required in case of workplace or job changes
- Training on the introduction of new technologies
- Training when adapting a workplace or installing new work equipment
- Special education in special situations

Content of education and training:

- Health and safety legislation, workers' rights and obligations
- Relevant provisions of the Occupational Health and Safety Code
- Identifying and preventing accident hazards
- Use of protective equipment and consequences of not using it
- Technological, operational, handling and maintenance requirements
- Hazardous substances management and environmental impact reduction
- Accident procedures and obligations
- Transport safety, health, fire and environmental protection standards

Workplace safety and health representation

Employees have the right to choose an OHS representative to participate in the development and monitoring of OHS measures to protect their interests and safety.

Occupational Health

MASTERPLAST requires all its employees to undergo an occupational health examination before starting work and then annually. This ensures occupational health, legal compliance and effective prevention.

Managing dangerous situations

For **MASTERPLAST** the prevention, identification and professional handling and correction of hazardous situations is of paramount importance. In order to ensure the safety of our employees and our partners, the relevant rules and regulations must be followed in all cases.

- In the event of a fire emergency, staff must follow the Fire Emergency Plan, the Fire Safety Code and the procedures outlined in the regular fire safety training.
- In the event of an accident, the appropriate action will be taken in accordance with the protocol laid down in the Health and Safety at Work Regulations and the procedures outlined in the health and safety training.

The health and safety at work and fire regulations apply to all work areas, employees, student workers and external workers, as well as subcontractors' employees and partners visiting the company's premises.

Developing protective equipment and health protection

MASTERPLAST pays particular attention to the protection of the safety and health of its employees, and to this end is continuously improving its health and safety measures:

- Provision of personal protective equipment: the company provides all relevant employees with the necessary personal protective equipment, which is regularly reviewed and improved. In 2024 we provided personal protective equipment for 1 486 employees.
- Increasing the number and training of first aid staff: to increase safety in the workplace the number of first aid staff is constantly being increased. At group level 83 people have a first aid qualification.
- Developing health promotion programmes: preventive health checks and mental health programmes to protect the long-term health of workers.
- 1 screening and mental health programme was in operation in 2024.

Further priority actions in 2024

MASTERPLAST Group

- set up a MEBIR inspection plan to continuously monitor and control occupational safety, health and fire safety
- held 26 regular information sessions and 630 hours of training for employees
- held 43 senior management meetings with the OSH representative
- took a total of 58 security measures at group level
- carried out 15 OSH risk assessments
- carried out 76 health and safety inspections to confirm compliance with the rules
- implemented 63 improvements at Group level to eliminate or reduce risks, and participated in 3 social consultations.

Health and safety targets *MDR-T*

MASTERPLAST aims every year to achieve zero fatal and serious workplace accidents, while continuously striving to reduce lost time injuries (LTIs) and illnesses. The aim is to reduce the number of serious occupational injuries from 5 in the base year 2024 to an average of no more than 2 per year between 2025 and 2030, preferably with a target of zero accidents, avoiding the possible negative reputational consequences.

At present, the definition and evaluation of **MASTERPLAST** objectives is mainly done at management and expert level, 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 experience and feedback of its employees in the area of occupational safety and health.

MASTERPLAST aims to implement ISO 45001 at more of its manufacturing sites by 2030.[39]

S1-14_01

ISO 45001

By complying with the requirements of occupational safety and health legislation and the MSZ ISO 45001 Occupational Health and Safety Management System (MEBIR) standard, it ensures hazard management and risk reduction by defining objectives and responsibilities, and supports compliance and improved health and safety perceptions. Its certification is regularly renewed by the company. This system ensures the protection of workers' health and safety and the continuous identification, assessment and reduction of risks in the working environment.

The percentage of employees audited by external and internal auditors is 24.33% among the companies participating in the reporting exercise. The aim is to increase this rate to over 80% by 2030.

S1-14_02, S1-14_05

The number of working days lost due to accidents at work, occupational diseases and fatalities, and the number of occupational diseases and fatalities related to workers

In 2024 there were 31 accidents, 7 fewer than in 2023 (38 accidents). In the reporting period 2024, as in the previous years (2022, 2023), there were still no fatal accidents and the number of occupational illnesses remained unchanged at zero. In 2024 **MASTERPLAST Group** received one occupational health and safety fine. The number of lost working days in 2024 was 1,030. The most common types of workplace accidents were surface cutting and hand injuries.

[39] The table in the Circular Economy section, entitled Certified sites within the MASTERPLAST Group, details the company's ISO certifications.

Accidents at work 2024				
	Number of working days lost	Number of illnesses	Number of fatal accidents	Number of accidents at work
MASTERPLAST Nonwoven GmbH	32	0	0	1
MASTERPLAST d.o.o.	0	0	0	0
MASTERPLAST Italia Srl.	0	0	0	0
MASTERPLAST Sp. z o.o.	0	0	0	0
MASTERPLAST Proizvodnja D.o.o.	62	0	0	4
MASTERPLAST ROMANIA S.R.L	0	0	0	0
MASTER PLAST s.r.o	0	0	0	0
MASTERPLAST D.O.O.	0	0	0	0
MASTERPLAST YU D.o.o	539	0	0	22
Green MP Invest	0	0	0	0
Fidelis BAU Kft.	128	0	0	1
MASTERFOAM Gyártó és Ker. Kft.	0	0	0	0
MASTERPLAST Hungária Kft.	32	0	0	1
MASTERPLAST International Kft.	0	0	0	0
MASTERPLAST Medical Kft.	225	0	0	1
MASTERPLAST Modulhouse Kft.	0	0	0	0
MASTERPLAST PLC.	12	0	0	1
Total consolidation scope of Masterplast Group	**1030**	**0**	**0**	**31**
MASTERPROFIL Gyártó és Kereskedelmi Kft.	0	0	0	0
T-CELL Plasztik Kft.	0	0	0	0
Masterplast Group capital consolidation round [40]	**1030**	**0**	**0**	**31**

In 2024 the number of registered accidents at work was 31, which **represents 2.46 accidents per 100 persons** compared to the total number of accidents at the end of the year (1262 persons).

Incidents, complaints and serious human rights impacts *S1-17_08-S1-17_12*

During the reporting period there were no serious human rights issues or incidents involving our own workforce that would have constituted a violation of the UN Guiding Principles or the OECD Guidelines for Multinational Enterprises. Accordingly, no fines, penalties or compensation were imposed and no related financial liabilities were incurred

In the reporting period 2024 the company did not receive any formal reports of discrimination or harassment and no cases of this type have been registered.

The above information is taken from **MASTERPLAST**'s internal ethics reporting and complaint handling system. While the company aims to ensure anonymity and thorough investigation of whistleblowing, there were no incidents requiring intervention or sanction during the year 2024.

[40] *In addition to the financial scope of consolidation, the scope of consolidation also includes the data of T-CELL Plasztik Kft. and MASTERPROFIL Gyártó és Kereskedelmi Kft.*

CORPORATE GOVERNANCE

Corporate culture

Business Conduct - Corporate Culture

*For **MASTERPLAST Group** business conduct and corporate culture are fundamental pillars for sustainable growth and long-term success. The Company believes that operating responsibly and ethically is not only about complying with legal and regulatory requirements but also about embodying corporate values and social responsibility. The Code of Business Conduct and Corporate Culture guides all levels of day-to-day operations and aims to contribute to the achievement of corporate objectives while respecting the interests of employees, partners and society.*

Significant impacts, risks, opportunities and their linkage to business model, sustainability strategy *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy
Corporate culture	The Group is committed to responsible, transparent and effective corporate governance and fair business practices. It operates to high ethical standards and in compliance with the law. As a responsible corporate citizen, it makes every effort to ensure that basic ethical standards are embedded in its day-to-day work, in the relationships between its employees and in its relations with customers, owners, suppliers and all stakeholders. It is committed to operating ethically and transparently and to competing fairly with its competitors.	Actual, positive impact	Own operation	Short term	Accountable and transparent corporate governance and fair business practices ensure long-term trust from customers, suppliers and other stakeholders, which directly affects our business results. The application of high ethical standards reduces legal and reputational risks, ensuring sustainable growth and competitive operations.
Corporate culture	Breaches of corporate culture, such as: engaging in unfair business practices, can put the company's reputation at risk.	Expected risk		Short term	An immediate impact on the stock market is forecast, but some impact on the results of the activity is also expected. *

***** Unfair business practices and breaches of corporate culture can carry serious reputational, financial and legal risks. To avoid such situations, **a comprehensive strategy is** needed to ensure the transparency and integrity of the company's operations.

1. Code of Conduct and company policies
The Code of Ethics defines fair business practices, prohibits corruption and conflicts of interest, regulates gifts, entertainment and business relationships, and sets ethical standards for internal and external communications. 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
The company has an internal control system to minimise risks:
Internal audit: regular internal audits ensure the adequacy of financial and operational processes.
Risk analysis: continuous assessment of critical points and prevention of potential abuses. This also ensures compliance with the Hungarian ESG Act.

3. Corporate governance and management responsibility
Independent Board of Directors: the Board of Directors is composed of independent members to ensure objective decision-making.
Responsible management decision-making: leadership by example and transparent decision-making processes.
4. Reporting channels and abuse management
For employees and business partners, **MASTERPLAST** provides the possibility to report violations:
A whistleblowing system to ensure the protection of whistleblowers.
5. Sustainability and social responsibility (ESG)
To maintain the long-term credibility and stability of the company it must operate in an ESG (Environmental, Social, Governance) context:
Sustainable business practices: integrating environmental and social responsibility objectives into corporate strategy.
Transparency and disclosure: Regular ESG reporting that demonstrates the company's ethical and sustainability commitments.
Fair supply chain: working with partners who also follow ethical and sustainable principles.

MDR-P

MASTERPLAST Group Corporate Culture and Business Conduct Policy

The **Code of Ethics** of **MASTERPLAST Group** sets standards for relations with employees, 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 address all possible situations but provides guidelines highlighting key issues. In general, it is expected that in all cases the interests of the Group and the Partners should be taken into account, and that in matters not covered by the Code, the responsible manager should be consulted.

The provisions of this policy are binding and apply to all employees of **MASTERPLAST Group** and to those who do business with or work together with any of the companies of **MASTERPLAST Group.**

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

The supplier relations policy of **MASTERPLAST Group** is set out in the **Supplier Code of Conduct and Business Ethics.** Details of this are presented in *the Supplier Relations section <reference>.*

The Chief Executive Officer is responsible for communicating the codes of ethics (Codes of Conduct) and for informing employees.

MASTERPLAST Group recognises the ten principles of the UN Global Compact and supports and seeks to embed the OECD Guidelines for Multinational Enterprises throughout its business. It actively promotes these principles through the application of high ethical and moral business standards in the areas of human rights, labour standards, the environment and the fight against corruption.

Communication and training

Changes to the codes are communicated in writing to those concerned. Revised, up-to-date codes are also available on our company website: *https://www.masterplastgroup.com/vallalatiranyitas*

When updating the Code of Ethics, the Company also provides training to its stakeholders where appropriate.

Although policies are developed at management level, **MASTERPLAST** has also taken into account knowledge gained from practical experience and internal feedback when developing and reviewing policies.

G1.GOV-1_01 **The role of MASTERPLAST Group's governing body with regard to business conduct**

The **MASTERPLAST** 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*> is issued by the Group CEO.

All employees conducting business on behalf of **MASTERPLAST** must sign a certificate of compliance with the Code when they take up their position, when the Code is amended and once a year. The person designated in the relevant subsidiary of the Group or the Human Resources area is responsible for keeping records of the declarations of compliance. Compliance audits in relation to the Code of Ethics are carried out in accordance with the internal audit policy. The Code of Ethics issued in 2009 was revised in February 2024. **MASTERPLAST**'s Code of Ethics version 6.0 includes significant updates and enhancements. The new version places greater emphasis on anti-money laundering and anti-terrorism measures, data protection, anti-harassment and anti-discrimination, and introduces an anonymous ethics reporting system. It also takes into account the principles of the UN Global Compact, while further strengthening the company's responsible and fair business practices.

G1.GOV-1_02 **Business conduct expertise of MASTERPLAST Group's governing body**

The Board of Directors is the main governance and management body of **MASTERPLAST Group**, and its members are committed to transparent business conduct and ethics, and to a corruption-free corporate culture. Their decades-long professional track record defines their professionalism in business conduct.

The members of the **MASTERPLAST** Board of Directors and Audit Committee have significant experience in corporate governance, sustainability and business ethics. Board members include experts with extensive experience in corporate law, risk management, ESG strategy and compliance.

One member of the Audit Committee is an internationally recognised compliance and corporate governance expert. Many of the members have financial and legal backgrounds, with a particular focus on ethical risk management.

More information: *https://www.masterplastgroup.com/igazgatotanacs/*

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

In 2024 the Group's leaders continued to focus on learning about international and domestic sustainability regulations and preparing to meet their obligations through the Green Committee meetings.

G1 **Developing and improving the corporate culture of MASTERPLAST Group**

Part of the corporate culture is the **'Basics of Collaboration**', a code of conduct developed with employees and management that sets out how employees communicate with each other, how they run the organisation and its systems, and promotes teamwork that ensures mutual respect. In this way, the Company aims to ensure that communication at all levels is open, honest and critical.

A corporate culture that emphasises market focus, individual responsibility and entrepreneurship is the cornerstone of **MASTERPLAST**'s success. **MASTERPLAST** is a company built on employee value creation, 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 describe how it operates in detail.

The company places great emphasis on the implementation of corporate governance recommendations and policies, taking into account the organisation and capabilities of the group of companies formed by the Company and its subsidiaries. The management, under the guidance of the Board of Directors, continuously improves its operational and control practices, regularly reviewing the principles applied in order to comply with the evolving international best practices in this area.

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

The Group's Code of Ethics also sets out expectations for managers (point 1.5) that members of management, directors and executives should continuously monitor and promptly report any signs of unethical behaviour or actions that may be contrary to the interests and values of the company. Employees who become aware of conduct contrary to the Code or other misconduct must report it to their line manager, to the internal auditor or to **MASTERPLAST Group's** Whistleblowing Platform (section 1.7).

Whistleblowing reports received, whether through the Code of Conduct or the whistleblowing channel, are investigated in accordance with the Whistleblowing Policy and are handled in an impartial manner with the protection of data subjects' rights as a priority.

Whistleblowing Committee: the Whistleblowing Committee is responsible for following up and investigating allegations of abuse, determining the outcome of the investigation and taking any further action on the basis of the allegation. The Whistleblowing Reporting Committee is an organisational unit within **MASTERPLAST Group** which acts to ensure the correct investigation of whistleblowing, careful follow-up, protection of the whistleblower (and any third parties who may be affected by the whistleblowing) and fairness in the operation of the system. The Committee is composed of 3 members who elect a chairperson from among themselves.

The internal auditor monitors compliance with the principles set out in the Code of Ethics and the operation of the company in accordance with the principles laid down. All staff members are expected to be fully available and to cooperate with the audit. In the event of ethical misconduct, the circumstances must be investigated and the perpetrator held accountable. Any staff member who breaches the rules of the Code of Ethics will be subject to disciplinary action. Depending on the extent of the misconduct, employment or criminal proceedings will be initiated. In the event of a criminal offence, the Company will file a complaint and may terminate the employment of the employee(s) concerned.

Violations of laws, ethical standards or significant risks can also be reported anonymously through **MASTERPLAST Group's Whistleblowing Interface** *(www.masterplastgroup.com).* Except in cases of bad faith, the whistleblower shall not suffer any detriment as a result of making a report.

No abuse reports were received in 2024.

Training courses

In 2022 the Group launched a series of operational training courses, which continued in the following years. The aim of the trainings carried out under this programme is to enable both managerial and non-managerial staff to acquire and apply the skills related to empowering leadership.

Involving staff

MASTERPLAST Group has recently reinforced its values on business conduct and corporate culture by involving its employees. To further strengthen the collaboration between management and employees, the **HRMaster mobile** app was launched at the headquarters during the reporting period in the first quarter of 2025 to support employee engagement and internal communication. It is a modern platform that provides a simple, fast and efficient way to reach colleagues in different areas who do not have a computer and/or email address, as well as providing the opportunity for continuous employee feedback. The application is currently being developed and enhanced to make the communication between employers and employees even more direct and personal.

Relationships with suppliers

Business conduct - Supplier relations

MASTERPLAST *is committed to building long-term, sustainable and responsible supplier relationships. Working with suppliers is not only about ensuring quality and business efficiency but also about consistently applying sustainability and ethical principles. The role of* ***MASTERPLAST*** *in the supply chain is a responsible one, and it pays particular attention to ensuring that its partners comply with the expectations set out in its Code of Business Conduct.*

Significant impacts, risks and opportunities and their linkage to business model, sustainability strategy *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy *
Managing relationships with suppliers, including payment practices	The Company focuses on building long-term, mutually beneficial partnerships with suppliers. To develop strong partnerships, it provides continuous feedback while adhering to the highest ethical standards. It pays particular attention to sustainability, environmental and human rights issues in its supplier relationships.	Actual, positive impact	Own operation	Short term	Addressing sustainability, environmental and human rights issues in the supply chain has a direct impact on a company's reputation and legal compliance. In addition, building ethical business practices and mutually beneficial partnerships promotes long-term stability and smooth supply chain operations, which are essential to maintaining a company's competitiveness.
Managing relationships with suppliers, including payment practices	Any substitution (and/or exclusion) of suppliers results in extra costs for the company.	Expected risk		Short term	On the supplier side there is a wide range of suppliers, so competition exists and any suppliers that are not available can be replaced.

***MASTERPLAST** integrates sustainability as a key element in its business model and strategy through procurement decisions. The company pays attention to the selection of energy efficient and low carbon production processes. Consideration of the ethical and social responsibility of suppliers is also an important aspect. The company ensures that its suppliers comply with global sustainability standards through certificates and certifications. Consideration of suppliers' recycling and waste management practices helps reduce environmental impacts. Through these measures **MASTERPLAST** ensures that sourcing decisions are in line with its sustainability goals. The sustainability of the business model contributes to the long-term competitiveness and success of the company.

G1-2. **Supplier relationship management**

MASTERPLAST Group places a high priority on conducting business in an ethical, socially responsible and environmentally sustainable manner. It is committed to fair business conduct in its relationships with its suppliers. It strives for effective collaborations, long-term relationships and optimised processes in its sourcing to create a sustainable and responsible supply chain for the Company.

The MASTERPLAST Group Supplier Code of Conduct and Ethics sets out the principles and expectations that the Group has of its suppliers to ensure ethical, socially responsible and environmentally sustainable business operations. The document, currently available online in 6 languages on the website *(https://www.masterplastgroup.com/vallalatiranyitas)* covers social and environmental standards, corporate governance requirements, legal compliance and ethical business practices. The company aims to ensure that its suppliers contribute to sustainable and responsible business operations by adhering to the Code's standards.

MASTERPLAST reserves the right to verify that the Suppliers' Code of Conduct and Ethics is respected by using the following methods:

- supplier self-declaration,
- third party notification,
- submission of certificates and
- carrying out on-the-spot checks.

The Supplier Code of Conduct and Ethics is an integral part of the contracts between **MASTERPLAST Group**, its suppliers and their subcontractors.

MASTERPLAST Group reserves the right not to enter into a supplier contract or to suspend a supplier contract with any party that is found not to comply with the Supplier Code of Conduct and Ethics until the Code is complied with. **MASTERPLAST** is entitled to verify compliance by means of an audit. More 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

G1-2_01 **MASTERPLAST Group** set out its policy on the prevention and management of late payments in its Organisational and Operational Rules. At the time of writing the current report, a separate policy on the management of arrears is being prepared to provide detailed regulation.

The payment of supplier invoices is governed primarily by the terms of the contract and the payment deadline stated on the invoice.

G1-2_02 **MASTERPLAST** focuses on building long-term, mutually beneficial partnerships with its suppliers and provides feedback to develop strong partnerships while maintaining the highest ethical standards. It pays particular attention to sustainability, environmental and human rights issues in its supplier relationships.

Communication between MASTERPLAST Group and its suppliers

Form of communication	Frequency
e-mail	regular
personal contacts, visits to suppliers and manufacturers	regular
direct discussions with supplier key account managers	regular
supplier forums, surveys, training	annual, according to business decision
participation in international exhibitions	annual, according to business decision

Training courses

The annual technical training of sales colleagues consists of technical tests, presentations by supplier partners, presentations on new products introduced in the company or other important technical topics. The annual training of sales colleagues focuses on the acquisition of the latest technical knowledge and the transfer of important information on the use of products, with particular emphasis on technical tests and industry trends, as well as on new solutions introduced by the company. The company organises tests for salespeople several times a year, aimed at providing a thorough understanding of product knowledge and correct application.

Optimal supply chain

MASTERPLAST Group is committed to shortening the supply chain. Fossil raw materials are sourced from the Middle East in addition to the countries where the production sites are located. For non-fossil raw materials - fibreglass - the Far East is also a supplier and currently represents the most advantageous sourcing opportunity.

The packaging materials, both fossil and non-fossil, are sourced from the countries of the site through a short supply chain.

G1-2_03

The **MASTERPLAST Group** Supplier Code of Conduct and Ethics governs the policies and actions applicable to suppliers, including supplier disclosure.

During the period of preparing this Sustainability Report, the Company is also preparing for ESG reporting and the related documented risk management system to comply with the Hungarian ESG Act. Details of this are not available for public disclosure at this time.

Payment practices

For **MASTERPLAST Group** responsible and reliable business conduct is of paramount importance, including timely financial performance towards suppliers. It pays particular attention to ensuring that small and medium-sized enterprises (SMEs) are not disadvantaged by late payments.

In its contracts **MASTERPLAST** typically commits to 60-90 days payment to its partners. For service providers:

- logistics 15-30 days,
- other services 8-30 days,
- to SMEs the typical payment deadline is 8-15 days.

63% of **MASTERPLAST**'s payments to its partners were made on time and in accordance with the general contractual conditions during the period under review.

Payments are typically made on the day of the payment deadline or 1-2 days before, but in the last two quarters of the reporting period there were delays of approximately 15-30 days in payments due to liquidity difficulties. In the case of SMEs the Group has taken particular care to ensure that they are not put in a disadvantaged situation. In these cases active consultation and communication supported the prioritisation of deliverables. In the case of sole traders, payment deadlines were met on time.

In 2024 no legal action was brought against **MASTERPLAST** for late payment.

ESRS Content Index

Standard	Disclosure Requirement (DR)	Name of the Disclosure Requirement	Page number	Material
ESRS 2	**Basis of preparation (BP)**			
ESRS 2	BP-1	General basis for the preparation of a sustainability statement	4	
ESRS 2	BP-2	Disclosures relating to specific circumstances	6	
ESRS 2	**Governance**			
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	7	
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	11	
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	12	
ESRS 2	GOV-4	Statement on due diligence	12	
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	13	
ESRS 2	**Strategy**			
ESRS 2	SBM-1	Strategy, business model and value chain	14	
ESRS 2	SBM-2	Interests and views of stakeholders	17	
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	19	
ESRS 2	**Impact, risk and opportunity management**			
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	23	
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	83	
Environmental information				
ESRS E1	**Climate change Climate change mitigation Climate change adaptation Energy**			**Material**
ESRS E1	E1-1	Transition plan for climate change mitigation	28	
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	32	
ESRS E1	E1-3	Actions and resources in relation to climate change policies	33	
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	34	
ESRS E1	E1-5	Energy consumption and mix	35	
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	37	
ESRS E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits		X
ESRS E1	E1-8	Internal carbon pricing		**X**
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		**X**
ESRS E2	**Pollution**			**X**
ESRS E2	IRO		26	
ESRS E3	**Water and marine resources**			**X**
ESRS E3	IRO		26	

ESRS E4	**Biodiversity and ecosystems**			**X**
ESRS E4	IRO		26	
ESRS E5	**Resource use and the Circular economy Resource outflows related to products and services**			**Material**
ESRS E5	E5-1	Policies related to resource use and circular economy	45	
ESRS E5	E5-2	Actions and resources in relation to resource use and circular economy	46	
ESRS E5	E5-3	Targets related to resource use and circular economy	47	
ESRS E5	E5-4	Resource inflows		**X**
ESRS E5	E5-5	Resource outflows	49	
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities		**X**
ESRS E	N/A	Disclosures under Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	56	

Social information

ESRS S1	**Own workforce Working conditions - Health and safety**			**Material**
ESRS S1	S1-1	Policies related to own workforce	68	
ESRS S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts	65	
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	66	
ESRS S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	66	
ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	71	
ESRS S1	S1-6	Characteristics of the undertaking's employees	64	
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	64	
ESRS S1	S1-8	Collective bargaining coverage and social dialogue		**X**
ESRS S1	S1-9	Diversity metrics		**X**
ESRS S1	S1-10	Adequate wages		**X**
ESRS S1	S1-11	Social protection		**X**
ESRS S1	S1-12	Persons with disabilities		**X**
ESRS S1	S1-13	Training and skills development metrics		**X**
ESRS S1	S1-14	Health and safety metrics	71	
ESRS S1	S1-15	Work-life balance metrics		**X**
ESRS S1	S1-16	Compensation metrics (pay gap and total compensation)		**X**
ESRS S1	S1-17	Incidents, complaints and severe human rights impacts	72	
ESRS S2	**S2**	**Workers in the value chain**		**X**
ESRS S3	**S3**	**Affected communities**		**X**
ESRS S4	**S4**	**Consumers and end-users**		**X**

Corporate governance information

ESRS G1	**Business conduct Corporate culture Management of relationships with suppliers including payment practices**		**Material**

ESRS G1	G1-1	Corporate culture and business conduct policies and corporate culture	74	
ESRS G1	G1-2	Management of relationships with suppliers	77	
ESRS G1	G1-3	Prevention and detection of corruption and bribery		X
ESRS G1	G1-4	Confirmed incidents of corruption or bribery		X
ESRS G1	G1-5	Political influence and lobbying activities		X
ESRS G1	G1-6	Payment practices	79	
Non-standard	**Chapter E**	**Sustainable products**		**Material**
Own disclosure	Own KPI	Products with EPD	53	

Appendix

Relationship between the ESRS Standard and EU legislation

Disclosure requirement and related datapoint	SFDR reference[23]	Pillar 3 [24] reference	Benchmark regulation [25] reference	EU Climate Law [26] reference	Disclosure materiality	Page number
ESRS 2 GOV-1 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 [27]		Material	7
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Annex II to Delegated Regulation (EU) 2020/1816		Material	7
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator No 10 in Table 3 of Annex I				Material	12
ESRS 2 SBM-1 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 [28] Table 1: Quality information on environmental risk and Table 2: Quality information on social risk	Annex II to Delegated Regulation (EU) 2020/1816		X	
ESRS 2 SBM-1 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"		X	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) ii	Indicator No 14 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1818 [29], Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 1				Regulation (EU) 2021/1119, Article 2(1)	X	
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 1: Banking book -	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d)-(g) and 12(2).		X	

		Climate change adaptation risk: credit quality of exposures by sector, by emission volume and by remaining maturity				
ESRS E1-4 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) No 2022/2453, Table 3: Banking Book - Climate Change Convergence Risk: Adjustment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	34
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator 5 of Table 1 and Indicator 5 of Table 2 of Annex I				X	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator No 5 in Table 1 of Annex I				Material	35
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator No 6 in Table 1 of Annex I				Material	44
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicator 1 and 2 of Table 1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 1: Banking book - Climate change adaptation risk: credit quality of exposures by sector, emission volume and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Articles 6 and 8(1)		Material	37
ESRS E1-6 Gross GHG emissions intensity paragraphs 53-55	Indicator No 3 in Table 1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Table 3: Banking Book - Climate Change Convergence Risk: Adjustment metrics	Regulation (EU) 2020/1818, Article 8(1)		X	
ESRS E1-7 GHG emissions and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	X	
ESRS E1-9			Delegated Regulation (EU) 2020/1818,		X	

Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66			Annex II, Delegated Regulation (EU) 2020/1816, Annex II			
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) **ESRS E1-9** 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 Risk: Exposure to Physical Risks.			X	
ESRS E1-9. Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) No 2022/2453, Recital 34; Table 2: Banking Book - Climate Change Convergence Risk: Loans secured on real estate - Energy efficiency of collateral			X	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		X	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator No 8 in Table 1 of Annex I, Indicator No 2 in Table 2 of Annex I, Indicator No 1 in Table 2 of Annex I, Indicator No 3 in Table 2 of Annex I				X	
ESRS E3-1 Water and marine resources paragraph 9	Indicator No 7 in Table 2 of Annex I				X	
ESRS E3-1 Dedicated policy paragraph 13	Indicator No 8 in Table 2 of Annex I				X	
ESRS E3-1 Sustainable ocean and seas paragraph 14	Indicator No 12 in Table 2 of Annex I				X	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator 6.2 in Annex I, Table 2				X	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator 6.1 in Annex I, Table 2				X	

ESRS 2 - IRO 1 - E4 paragraph **16**(a)(i)	Indicator No 7 in Table 1 of Annex I				X	
ESRS 2 - IRO 1 - E4 paragraph **16**(b)	Indicator No 10 in Table 2 of Annex I				X	
ESRS 2 - IRO 1 - E4 paragraph **16**(c)	Indicator No 14 in Table 2 of Annex I				X	
ESRS E4-2 Sustainable land use/agricultural practices or policies Paragraph 24(b)	Indicator No 11 in Table 2 of Annex I				X	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator No 12 in Table 2 of Annex I				X	
ESRS E4-2 Policies to address deforestation paragraph 24(d)	Indicator No 15 in Table 2 of Annex I				X	
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator No 13 in Table 2 of Annex I				X	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator No 9 in Table 1 of Annex I				X	
ESRS 2 - SBM3 - S1 Risk of incidences of forced labour, paragraph 14(f)	Indicator No 13 in Table 3 of Annex I				X	
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14(g)	Indicator No 12 in Table 3 of Annex I				X	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				X	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS S1-1 processes and measures for preventing human trafficking paragraph 22	Indicator No 11 in Table 3 of Annex I				X	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator 1 in Table 3 of Annex I				Material	68
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Indicator No 5 in Table 3 of Annex I				X	

ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator No 2 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	71-72
ESRS S1-14 Number of days lost due to injury, accidents, fatalities or illness 88(e)	Indicator No 3 in Table 3 of Annex I				Material	71-72
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator No 12 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator No 8 in Table 3 of Annex I				X	
ESRS S1-17 Incidences of discrimination, point 103(a)	Indicator No 7 in Table 3 of Annex I				X	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator 10 in Table 1 and Indicator 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		X	
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Annex I, Table 3, indicators 12 and 13				X	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				X	
ESRS S2-1 Policies related to value chain workers paragraph 18	Annex I, Table 3, indicators 11 and 4				X	
ESRS Non-respect of UNGPs on Business and Human Rights principles 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)		X	
ESRS S2-1 Due diligence policies on matters covered by ILO core conventions 1-8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator No 14 in Table 3 of Annex I				X	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				X	

ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 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)		X	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator No 14 in Table 3 of Annex I				X	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				X	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 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)		X	
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator No 14 in Table 3 of Annex I				X	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator No 15 in Table 3 of Annex I				X	
ESRS G1-1 Protection of whistle-blowers paragraph 10(d)	Indicator No 6 in Table 3 of Annex I				Material	76
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator No 17 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)L_202302772EN.000101.fmx.xml	Indicator No 16 in Table 3 of Annex I				X	

Imprint

MASTERPLAST Nyrt. Headquarter: Hungary, HU 8143 Sárszentmihály, Árpád street 1/A

www.masterplastgroup.com

www.masterplastfenntarthatosag.hu

Facebook:https://www.facebook.com/masterplastgroup

LinkedIn: https://www.linkedin.com/company/masterplastgroup/

Youtube: https://www.youtube.com/channel/UCRxvmba5pPcklE0fLCEqo8w

Instagram: https://www.instagram.com/masterplast_official/