

ESG REPORT 2024

This report has been prepared in accordance with the guidelines of the current GRI Standards (GRI Standards 2021).

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A Letter from the CEO

(GRI 2-22)

Dear Reader,

For a major player in the building materials market, economic success goes hand in hand with the responsibility of managing the social and environmental footprint of the business. We believe that the true value of a company is also determined by the impact it makes – whether in terms of the well-being of colleagues, supporting local communities, or commitment to sustainable operations. We have prepared our fourth ESG report in this spirit, not only reporting on our activities but also drawing up our vision for the future.

We have been present in Hungary since 2016, from the outset building a business model in which a green approach is not an additional element but a central part of strategic thinking. We already followed this direction when implementing the Dabas paving stone factory, being among the first companies to issue a green bond in 2021. We have been walking this path ever since: in 2022 we launched our building materials production in Kaposvár, using innovative technology to manufacture our fully recyclable GreenCon products with a recycled content of over 90%. This is product development and also a tangible example of our commitment to the circular economy.

In 2024 we made further progress in a number of areas. Our energy-saving projects resulted in a significant reduction in energy consumption, and thanks to the modernisation of lighting at our sites we now provide a more energy-efficient and more modern working environment. We launched a new greenfield investment in Budaörs with the aim of creating a modern site that serves the needs of the local community with solar panels and heat pump heating. In parallel to this, our quality assurance system was also strengthened: in 2024 we obtained the ISO 9001, 14001 and 45001 certifications for our factory in Dabas, and we also have an EPD for our own concrete paving elements. It is important for us to work with our suppliers to

offer products that are not only high quality but also have a low carbon footprint and contribute to the energy efficiency of end users. Environmentally conscious products represent a growing proportion of our portfolio every year. At the same time, we continue to support community and sports life in the vicinity of our sites, strengthening our local presence.

We trust that while this report provides insight into our company's operations, it will also serve as inspiration for all stakeholders. We encourage our partners to view ESG not merely as an obligation but as an opportunity to build a more liveable, just and sustainable future for the next generation – together.

Best regards,;

Iván František

Chief Executive Officer
STAVMAT Zrt.

About our report

(GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-12, 2-14)

Full name of the company

STAVMAT Building Materials Trading Private Limited Company

Abbreviated name

STAVMAT Zrt. (Plc.)

Head office

1107 Budapest, 1-3 Ceglédi road

Reporting period

This report covers the period from 1 January 2024 to 31 December 2024, in line with the financial year. The flow data in the report cover the entire reporting period, while the stock data show the status on the last day of the year (31 December).

Scope of the report

Our report covers STAVMAT Zrt. CityStoneDesign Kft., a subsidiary of STAVMAT Zrt., is not consolidated in the sustainability report in line with the financial report, but we do refer to it in relation to elements relevant from a sustainability perspective.

Frequency of reporting

We publish our ESG report annually.

Standard

When preparing our ESG report, in addition to taking into account

the requirements of the current regulatory environment we applied the "in accordance with" guidelines of the "GRI Standards 2021" of the Global Reporting Initiative, which came into force on 1 January 2023.

In compliance with the requirements of the standard we reviewed the applicable sector-specific standards, but found that none of them were relevant for our activities at the time of preparing the report.

External certification

STAVMAT Zrt. did not have its 2024 ESG report certified by an external, independent party.

Data sources

The data presented in the report was collected by the relevant entities and areas of STAVMAT and validated by their managers.

Management approval

The entire content of our ESG report and its material topics have been approved by the owners and CEO of STAVMAT Zrt.

Report publication date and availability

STAVMAT Zrt. will publish its 2024 ESG report on its website on 13.02.2026.

The mandatory annexes to the publication are:

GRI index and Glossary

Further information

If you have any questions regarding our ESG report, please contact our organisational representative responsible for ESG issues.

E-mail: esg@stavmat.hu

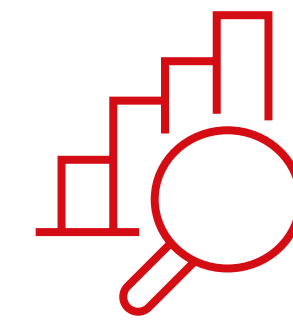
Facts and figures



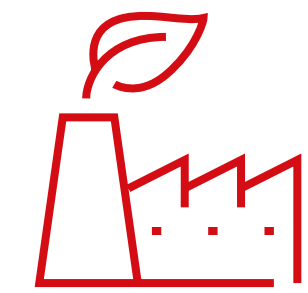
365
employees



1500+
partners



≈33.4 billion HUF
net sales



22% share of
green products in sales



30+ years of
professional experience



Nearly 700,000 MJ
energy savings in 2024
through EKR (EEOS) projects



0 serious or fatal accidents
at our sites



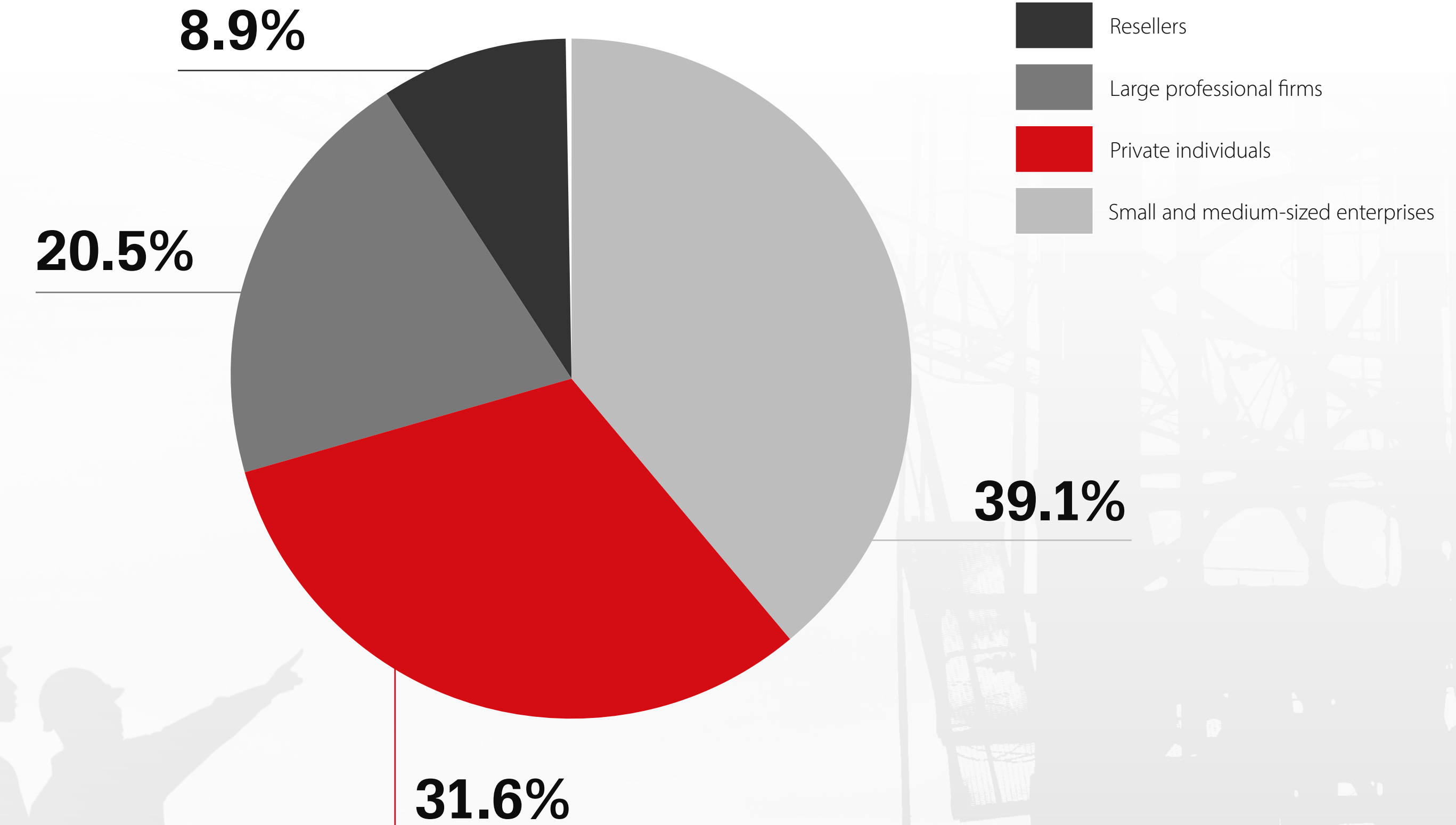
HUF 7 million
in sports sponsorship

Key partners



Customer base

Share of goods and services in revenue



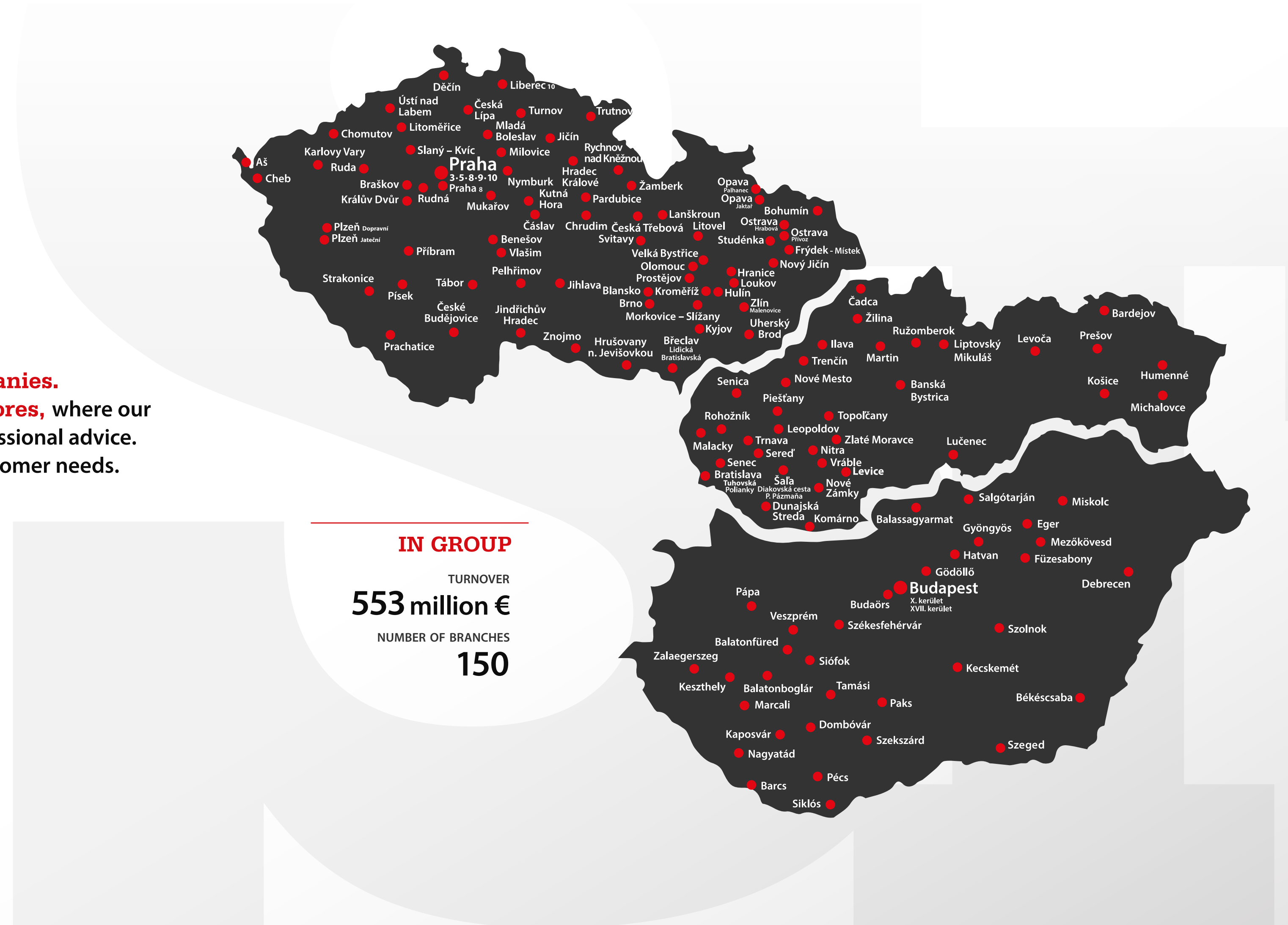
About STAVMAT

(GRI 2-6, 2-9, 2-13)

Our history dates back to 1950, when the first state-owned building materials networks were established in Hungary. Following the regime change Raab Karcher GmbH took over the commercial units in northern Hungary and southern Transdanubia, and founded Raab Karcher Tüzép Kft. In 2000 there was another change of ownership: the company was taken over by the French Saint-Gobain Group, which continued to operate under the name Saint-Gobain Építőanyag Kereskedelmi Zrt. until the end of 2015. In January 2016 the Slovakian IN GROUP a.s. acquired the entire Raab Karcher network in Hungary and the Czech Republic, marking the beginning of a new era under the name STAVMAT. The group has more than 150 locations in three countries: Hungary, Slovakia and the Czech Republic. The group covers the entire spectrum of the construction industry value chain from building materials trading and in-house production to general construction and real estate development.

Today we are **one of Hungary's leading building materials trading companies**. Our nationwide coverage is ensured by **33 locations and two department stores**, where our employees assist customers with a reliable, high-quality product range and professional advice. Through our digital channels including our webshop we also efficiently serve customer needs.

The strategy of our owner, IN GROUP, is based on creating a modern and sustainable commercial network that adapts flexibly to market changes and represents reliability and partnership for future generations. Sustainability has become the guiding principle of our group: we pay special attention to reducing waste, optimising energy consumption, reducing our carbon footprint and developing the environmental awareness of our employees and suppliers. This philosophy is embodied by GreenCon Solutions, the youngest member of IN GROUP, which uses an innovative approach to manufacturing environmentally friendly products from recycled raw materials, such as 100% recyclable panels that can be used as a substitute for plasterboard. Another exemplary project is the CITY STONE DESIGN paving stone factory built in Dabas in 2022, the operation of which is based on natural raw materials and low environmental impact.





ACTIVITIES

(GRI 2-6)

The activities of STAVMAT cover the entire value chain of the construction industry. Our services and products span the fields of trade, in-house manufacturing, construction and property development, enabling us to offer our customers complex and effective solutions.



Building materials trade

Our core business is the wholesale and retail trade of building materials through our nationwide network of 33 branches and 2 department stores. The vast majority of our customers are businesses or resellers but we also serve private individuals. Our product range includes more than 65,000 items including structural, roofing, facade, insulation and interior design materials as well as various accessories. We provide fast and personalised service through personal consultation and online sales via our webshop.



In-house production

Our own manufacturing capacities play a key role in our sustainable operations. We have been manufacturing our outdoor CITY STONE DESIGN concrete products at our plant in Dabas since 2022, taking environmental considerations into account as much as possible: we operate with low carbon dioxide emissions and energy efficiency. The recycled sheets manufactured by GreenCon Solutions help to reduce the environmental footprint of the construction industry in line with the principles of the circular economy. **In 2024 our concrete paving elements obtained the internationally recognised EPD (Environmental Product Declaration) certification**, which certifies their environmental performance over their entire life cycle.



Construction and property development

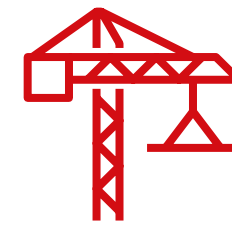
As a general contractor we are involved in the construction of industrial and residential buildings, working partly with our own products. Our real estate development projects are primarily focused on residential properties and always comply with the most stringent quality and energy efficiency standards..



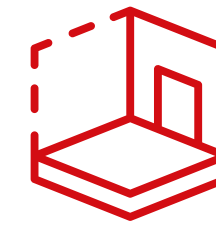
Sustainable operation and digitalisation

We actively support sustainability and the spread of digital solutions in our activities. We provide downloadable technical documentation for our product catalogues, develop our BIM integration capabilities, and use digital tools to help our customers with materials calculation, order management and product selection. In addition, we prioritise the use of renewable energy sources and energy-saving technologies in all our new investments, including the development of our Budaörs site..

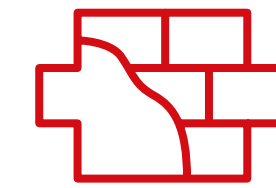
Our product range



Structural engineering



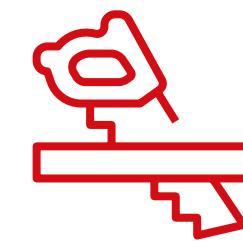
Dry construction



Facade construction, insulation



Paving, gardens



Building timber



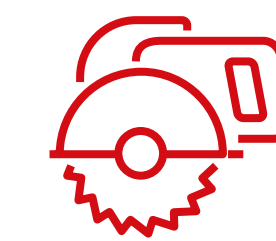
Interior design



Mortars, adhesives, plasters



Roofing, insulation



Tools

VALUE CHAIN AND SUPPLY CHAIN

(GRI 2-6, 203-2)

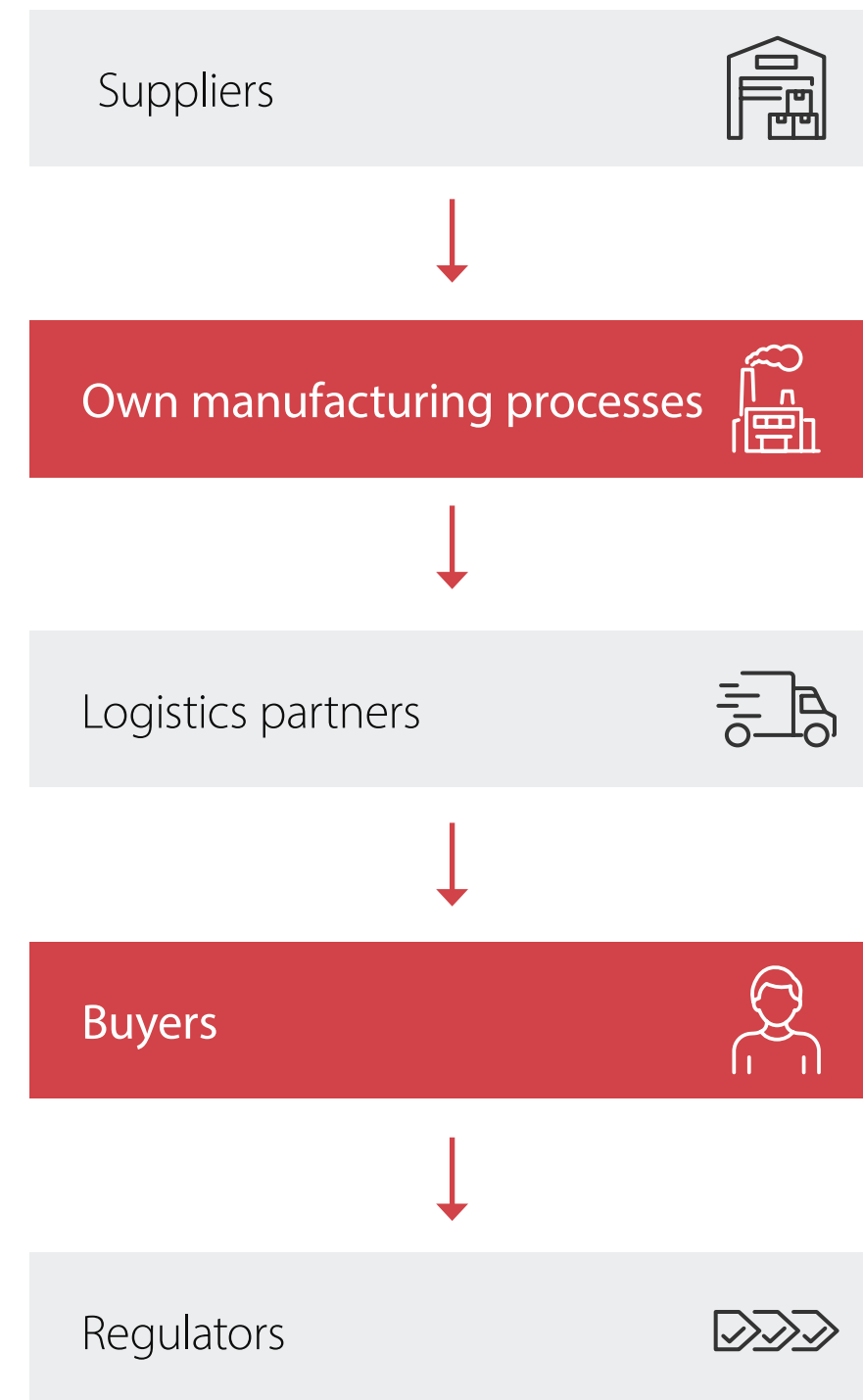
STAVMAT's value chain is fully integrated: we manage every process ourselves from procurement, manufacturing, warehousing and logistics to sales and customer service. We work with more than 1,500 domestic and international suppliers and manufacture our own branded products in accordance with a strict quality management system. Our network of sites (33 sites, 2 department stores) plays a key role in warehousing and logistics. We optimise deliveries through intelligent route planning and inventory management, reducing our environmental impact. We support our customers through physical and digital channels, while customer service provides warranty administration, complaint handling and continuous feedback collection, helping us to feed our experience back into manufacturing, procurement and other relevant areas so that we can continuously improve our operations.

Human resource management supports the efficient operation of the value chain by ensuring a skilled workforce and continuous training, technological development promotes digitalisation and innovation, and finally, corporate infrastructure acts as a strong pillar for ESG compatibility, strategic management and regulatory compliance. The aim of our marketing, sales and commercial activities is to provide relevant professional support to our customers and strengthen our market presence.

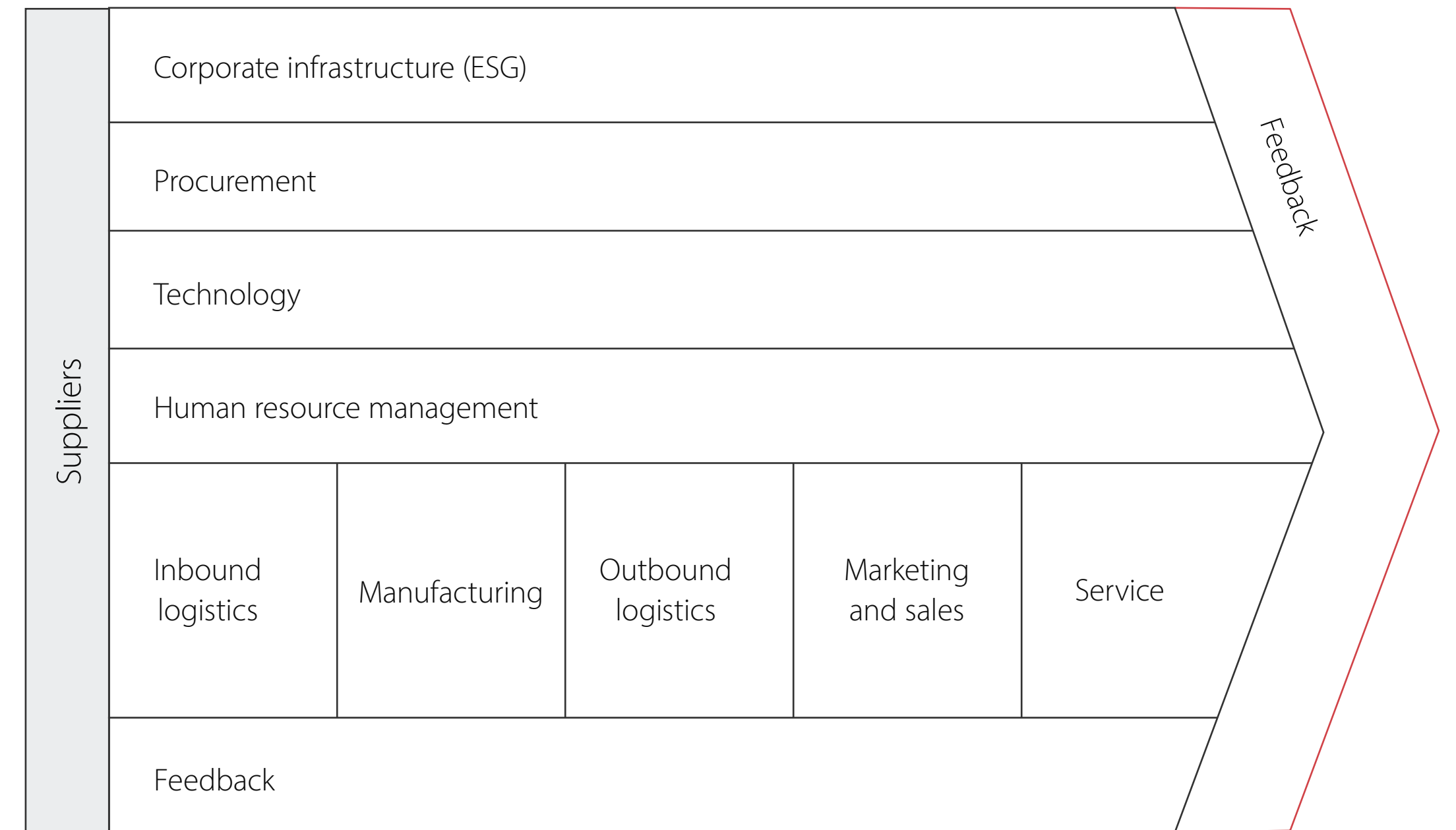
STAVMAT's supply chain covers the entire supplier and customer ecosystem, ensuring sustainable and responsible operations. A key element of the chain is the supplier system, which consists of building materials manufacturers, additive and packaging material suppliers and logistics partners. This is followed by the company's integrated value chain processes – procurement, manufacturing, warehousing, logistics, sales and customer service – which are organised in line with ESG principles. Product distribution is handled by our own and external carriers, while the end of the chain is represented by our customers: contractors, resellers and private individuals who actively shape

our processes with their feedback. The environment supporting the supply chain (e.g. regulatory authorities) also plays a key role in ensuring transparent, ethical and environmentally integrated operations.

The Stavmat supply chain



The Stavmat value chain



VISION AND VALUES

Vision

„Our vision is to operate a strong, modern regional service company within the European Union that is capable of meeting the latest challenges and competing with the more advanced Western European companies in the long term. The three pillars of this are environmentally conscious management, trusting, fair and mutually beneficial business relationships with our partners, and an attractive, employee-focused environment for our staff.”

IVÁN FRANTIŠEK, Chief Executive Officer

Values



Reliability



Quality



Expertise



Strategic thinking



Work-life balance

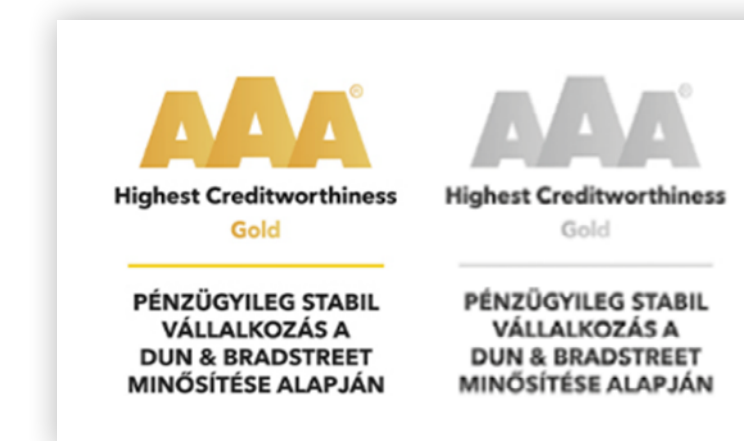
CERTIFICATIONS

Certificate*	Date of issue	Valid until
1. ISO 9001:2015	15 July 2024	14 July 2027
2. MSZ EN ISO 14001:2015	15 July 2024	14 July 2027
3. MSZ ISO 45001:2015	15 July 2024	14 July 2027
4. EPD certificate	10 October 2024	10 October 2029

AWARDS AND RECOGNITIONS



In 2024 our company was given the **Superbrands** award for the fifth time, confirming that we provide quality and reliable services to our customers and partners.



STAVMAT maintained its financial stability, **earning it a Dun & Bradstreet AAA** (triple A) certificate. In 2024 we received the Dun & Bradstreet certificate for financially stable companies for the fourth time.



*In 2024 our factory in Dabas obtained EPD certification for our concrete paving elements, as well as the ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety) certifications.

PROFESSIONAL MEMBERSHIPS

(GRI-2-28)



ESG Club Hungary

ESG Club Hungary assists Hungarian companies in complying with domestic and international ESG regulations and serves as a forum for sharing professional knowledge.



Hungarian Building Materials Trade Association (ÉKE)

The Hungarian Building Materials Trade Association (ÉKE) is an association of companies engaged in the trade and manufacture of building materials, where managers jointly develop professional positions on issues related to the development of the construction economy and the market.



Hungarian Credit Management Association

The aim of the Hungarian Credit Management Association is to bring together those working in the field of credit management and to share professional knowledge and know-how.



ECONOMIC PERFORMANCE OVER THE PAST TWO YEARS

(GRI-201-1, GRI-201-4)

	Unit	2023	2024
Economic value generated			
Revenues	million HUF	38,322	33,392
Economic value distributed			
Operating costs	million HUF	34,152	32,708
Employee wages and benefits	million HUF	2,471	3,340
Payments to equity investors	million HUF	0	0
Payments to governments by country (paid into the state treasury) ¹	million HUF	564	528
Community investments ²	million HUF	0	4
Retained earnings: directly generated economic value minus economic value (Economic value generated - Economic value distributed)	million HUF	1,135	553
Climate change adaptation and resilience			
Costs of measures taken to address climate change risks or opportunities	million HUF	N/A	N/A
Obligations under defined benefit and other retirement benefit plans (pension fund) ³			
If the obligations of the plan are covered by the organisation's general resources, the estimated value of these obligations.	million HUF	0	0
If there is a separate fund for the payment of pension obligations, indicate the extent to which the assets set aside for this purpose cover the obligations of the system.	million HUF	0	0
Percentage paid by the employee or employer	%	0	0
Extent of participation in pension schemes (e.g. mandatory or voluntary schemes, regional or national schemes)	%	0	0
Total amount of payments to the state treasury (TAO, VAT, IPA, product fees, contributions, etc.)	million HUF	564	1,415
i. tax allowances and tax credits	million HUF	2	1
ii. subsidies	million HUF	0	0
iii. investment subsidies, research and development subsidies	million HUF	0	0
iv. fees	million HUF	0	0
v. royalty exemptions	million HUF	0	0
vi. financial assistance from export credit agencies	million HUF	0	0
vii. financial incentives	million HUF	0	0
viii. other financial benefits received from any government	million HUF	0	0
If the state is present, to what extent is it present in the share structure?	%	0	0



¹ Profit tax + municipal trade tax + innovation contribution + other taxes accounted for as expenses, including payroll contributions - VAT is not included

² Donations + sponsorship, excluding TAO subsidies

³ We do not have a pension scheme. STAVMAT operates a monthly cafeteria payment system.

MEGATRENDS

The **construction industry** is one of the sectors with the greatest environmental impact globally: due to **its significant energy requirements, raw material consumption and carbon footprint** it plays a key role in the fight against climate change. In order to achieve decarbonisation targets, **sustainable construction solutions, recycling and life-cycle thinking** are becoming increasingly important in the industry.

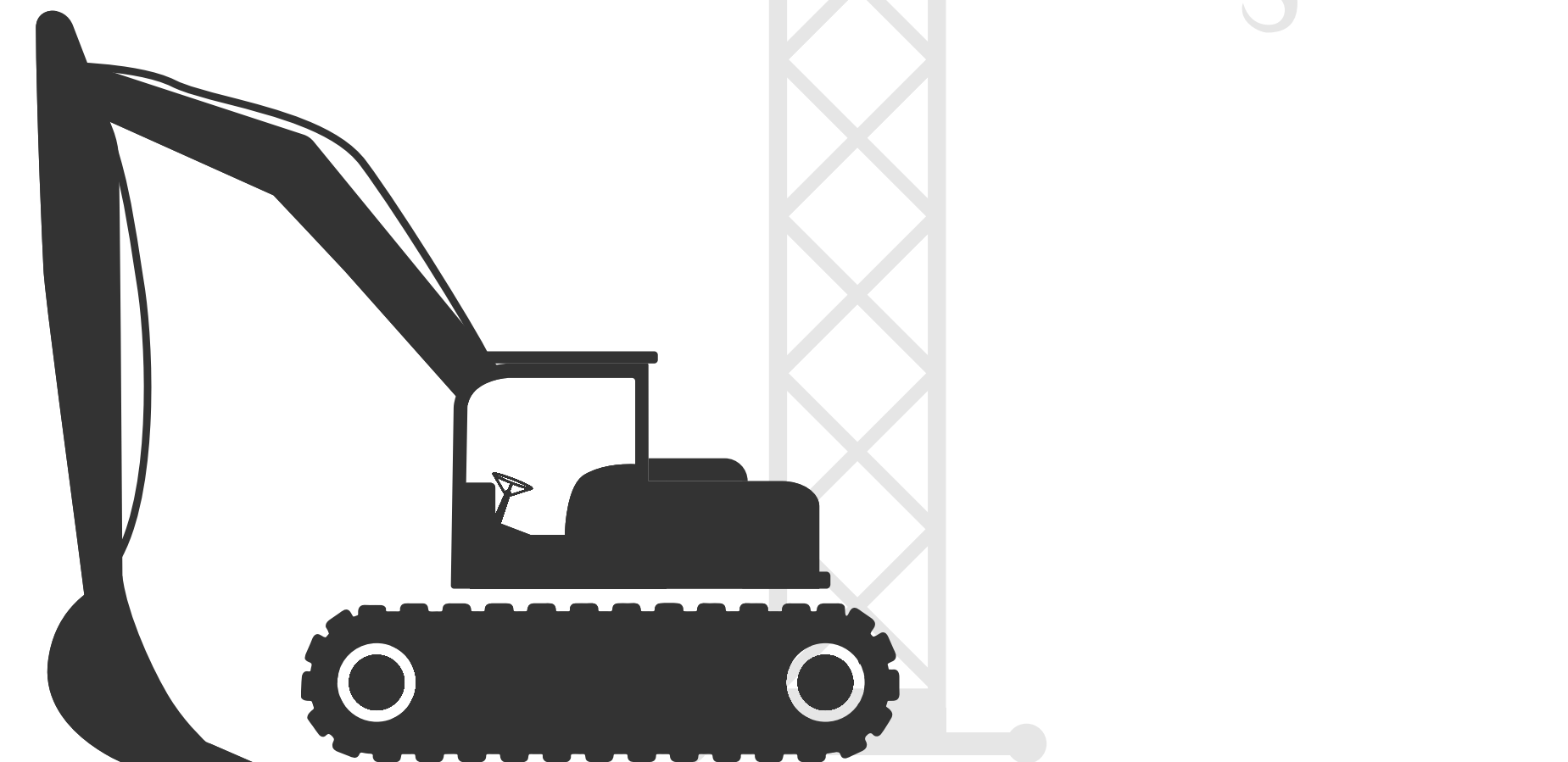
The challenges facing the sector include **increasing energy efficiency**, promoting the use of **low-environmental-impact raw materials and reducing carbon emissions from** construction processes. At the same time, systemic approaches such as the circular economy, smart infrastructure and green public procurement are coming to the fore. The market is placing increasing demand in terms of transparent, credible environmental performance indicators and certifications, such as EPD and LCA-based ratings.

A paradigm shift is also taking place in **the financing** of renewable technologies and **sustainable products**. More and more financial institutions and investors are prioritising projects evaluated on the basis of environmental and social criteria, which creates opportunities for accessing **green financing**. STAVMAT has also embarked on this path: our goal is to ensure that our investments and developments are as closely aligned as possible with the guidelines set out in **the EU Taxonomy**. This not only serves financial stability but is also key to our future-proof operation.

On the social side, the focus is on **demographic changes, the shortage of skilled labour, high staff turnover, and workplace safety and health**. Workplace diversity, training opportunities and measures to promote employee well-being are becoming increasingly important, especially in the construction industry where physical work and project-based organisation pose particular challenges.

The field of corporate governance is also undergoing transformation. Sustainability reporting obligations (e.g. **CSRD, ESRS**), **regulations requiring supply chain transparency** and social expectations for ethical operation (e.g. operating **a complaint handling system**) all contribute to a more conscious, long-term approach. ESG integration is no longer just a matter of reputation but a fundamental element of financial performance and **risk management** as well.

Taken together, these megatrends are transforming the construction industry with new materials, methods and forms of collaboration emerging. Companies that are able to respond to these changes in a timely manner can gain a competitive advantage, whether in terms of digital innovation, green portfolio development, social responsibility or transparent corporate governance. STAVMAT perceives these changes as a strategic opportunity and strives to be an active, value-creating player in sustainable transformation.



Sustainability strategy

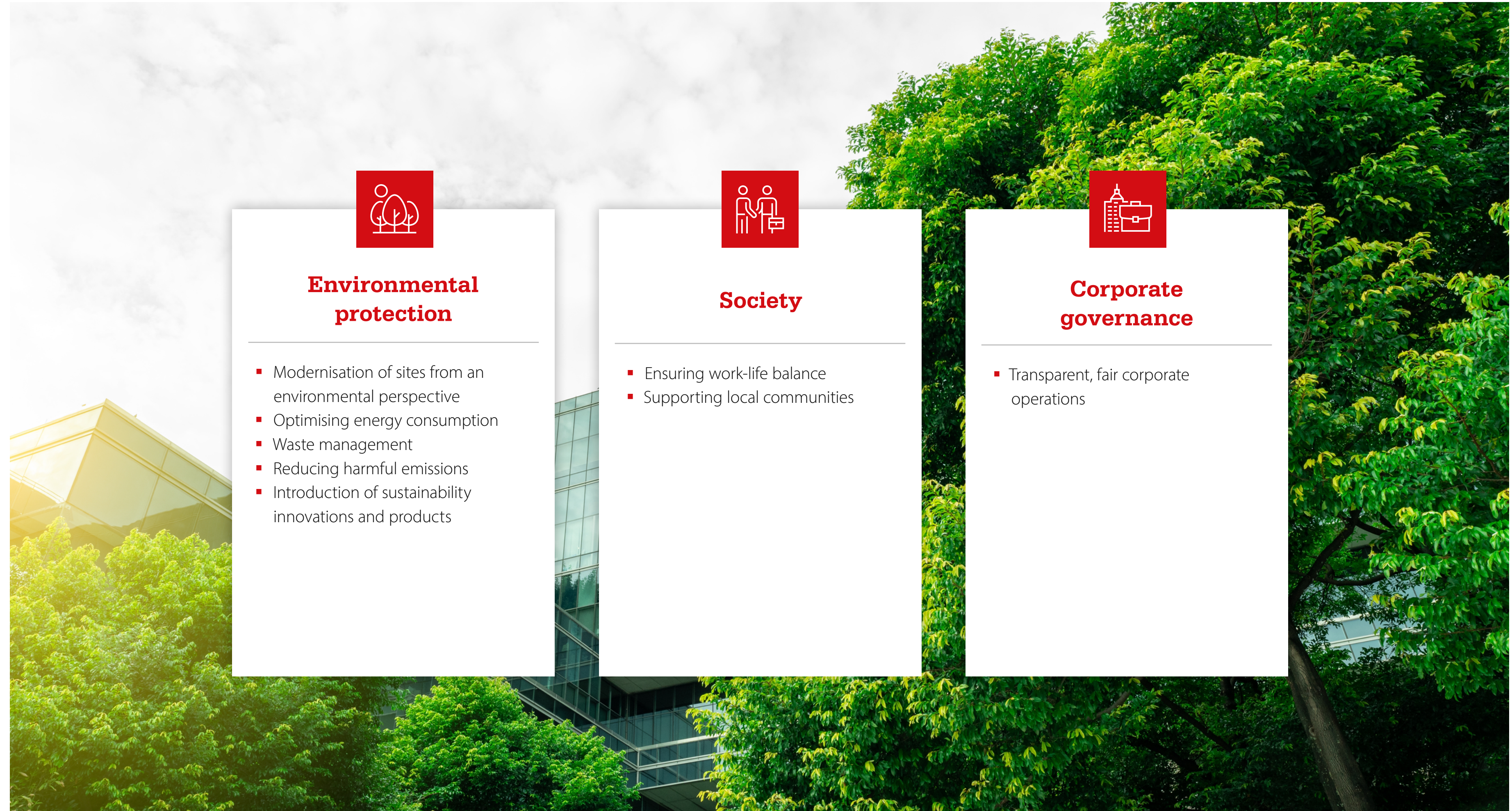
(GRI 2-22, GRI 2-23, GRI 2-24)

Our long-term strategy focuses on sustainable activity and reducing harmful environmental impacts, while also increasing our social responsibility. As a building materials trading company we are aware that our portfolio indirectly contributes to the significant carbon dioxide emissions of the construction industry, which is why we consciously strive to minimise this impact in our production processes. We use modern, low-emission technologies and raw materials that meet environmental requirements, demonstrating our commitment.

In our production processes we place particular emphasis on optimising water use and reducing emissions – the development of manufacturing technologies plays a significant role in this. We also pay special attention to responsible waste management: we recognise the importance of industrial and construction waste and the fact that it can be reintegrated into the economy.

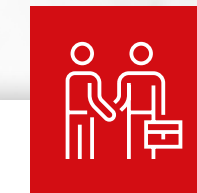
Through the GreenCon technology we contribute effectively to reducing the amount of industrial waste, making it possible that materials are reintegrated into the economy. With modern recirculation processes we ensure that materials do not end up in landfills but are reused as valuable resources.

When developing our sustainability strategy, we took into account European Union guidelines and international objectives that promote the development of ESG thinking in the business sector. Regulatory compliance is ensured by our internal environmental regulations and corporate policy, while we continuously monitor domestic and international sustainability trends.



Environmental protection

- Modernisation of sites from an environmental perspective
- Optimising energy consumption
- Waste management
- Reducing harmful emissions
- Introduction of sustainability innovations and products



Society

- Ensuring work-life balance
- Supporting local communities



Corporate governance

- Transparent, fair corporate operations

The pillars of the STAVMAT ESG strategy ▶

CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS

STAVMAT's sustainability strategy is closely aligned with the Sustainable Development Goals (SDGs) set by the UN in 2015. In our activities we pay special attention to reducing our environmental impact, to social responsibility and transparent operations. When developing our strategy, we examined which SDGs we could contribute to in a meaningful way and defined our sustainability commitments accordingly. Our

green bond issued in 2021 and the construction of the Dabas factory also serve these goals. Our ultimate goal is to achieve carbon neutrality by 2050, for which we have set milestones to ensure continuous development and traceability.

The status of our sustainability commitments formulated in 2023 and our new targets for 2024 ▼

Sustainability goals until 2030

Measures implemented in 2024 and their status compared to 2023

UN Sustainable Development Goals



We support local employment and contribute to the creation of new jobs through our investments.

Following the test phase, in May 2023 we started full-time production in our Dabas factory, with colleagues working 8 hours already. **In 2024 our main objective is to retain jobs** (due to the stagnation in the construction industry).



When compiling our product range we strive to increase the proportion of green products in our offering, thereby contributing to the creation of healthy homes.

The so-called green products group includes cement products and insulation materials. The former are natural resources, while the latter are green due to their function. In 2023 their share in sales was 21%. Our goal is to expand the range of green products over the next two years, **increasing their share to 30% by 2026**.



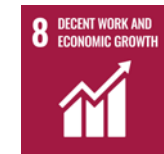
We pay attention to sustainable water consumption. In the case of our Dabas investment, we contribute to lower freshwater consumption by using modern equipment and machinery that operate with water obtained from drilled wells.

Our factory in Dabas began full-scale production in 2023, and necessary water consumption was assessed in the product manufacturing phase. It is difficult to replace water in the production of paving stones, but we can use the water evaporating in the drying room for products that contain less water. New, modern raw materials used in the product can help **reduce water consumption by 2-3% in the coming years**.



By installing solar panels we are significantly increasing the share of renewable energy in our own operations. We are striving to increase the proportion of our electrically powered material handling equipment.

In 2023 government intervention prevented the installation of new solar panels, so in the coming years we will strive to **increase our solar panel capacity year on year**, along with the installation of batteries. Our electric forklifts were put into operation in Dabas, and based on our positive experience we plan to replace one diesel forklift with a new electric one in warehouse logistics annually.



In order to improve the working conditions of our employees and promote sustainability and energy efficiency, we carry out modernisation works (lighting, heating, doors and windows, etc.) at 2-3 of our sites each year.

In 2023 boilers were replaced at our sites in Füzesabony and Gyöngyös. In line with our previous commitments, an air conditioning system suitable for heating was installed in Balatonfüred. In 2024 we replaced old-style light bulbs with **energy-efficient LED lighting** at two sites (Szolnok and Salgótarján) in a new wave of upgrades.



Thanks to our innovative approach, we are increasing the proportion of environmentally friendly, recycled products in our sales.

We support our partners' ESG compliance with our green-certified products. In 2023 we began preparations for a life cycle analysis of our own manufactured paving stones to be conducted in 2024, thereby obtaining an EPD certification for the product. In 2024 we obtained an EPD certification for our own concrete paving elements at our factory in Dabas, as well as **the ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety) certifications**.



We support local communities and local initiatives.

In 2023 we supported sports clubs located near our plants with **a total of HUF 10 million**. In 2024 we continued **supporting sports clubs and also the Magic Programme for kindergartens**.



We significantly reduce waste production through prevention, reduction, recycling and reuse.

As a result of the introduction of the EPR (Extended Producer Responsibility) system, in 2023 we introduced **a packaging fee incentive at our Dabas plant** to ensure that our pallets can be recycled in a circular system.



We contribute to low energy consumption by using modern equipment and machinery as well as by automating our processes.

We commissioned a state-of-the-art packaging and labelling machine at our Dabas factory in 2023. In 2024 we achieved **energy savings of 700,000 MJ** through EKR (Energy Efficiency Commitment System) projects.

STAKEHOLDERS

Our stakeholders – employees, investors, business partners and local communities – contribute to the stability of our operations. We continuously monitor their expectations and strive to incorporate them into our strategy. Feedback from stakeholders helps us increase satisfaction, strengthen relationships and ensure long-term corporate success. Our plant managers are in daily contact with suppliers and customers, enabling us to respond to requests quickly. Any suggestions are evaluated by the management board and, if relevant, incorporated into our business policy.

Our stakeholders and ways of communication and cooperation ▶

INTERNAL STAKEHOLDERS

Owners Senior and middle managers Employees



- Meetings
- Sharing workplace news and programmes (e-mail, workplace bulletin board)
- Community programmes
- Professional training
- Management evaluations

EXTERNAL STAKEHOLDERS

Consumers, customers



- Social media platforms
- Professional consulting
- Publications
- Industry exhibitions/events

Business partners (suppliers, contractors, partners)



- E-mail
- Personal contact with site managers
- Visits to manufacturers and suppliers
- Professional forums
- Professional collaborations

Investors, risk assessors (BÉT, banks, insurance companies, analysts, rating agencies)



- Investor information
- Company reports
- Bank and insurance questionnaires

Authorities, supervisory bodies, organisations (consumer protection, local governments, foundations, professional organisations, etc.)

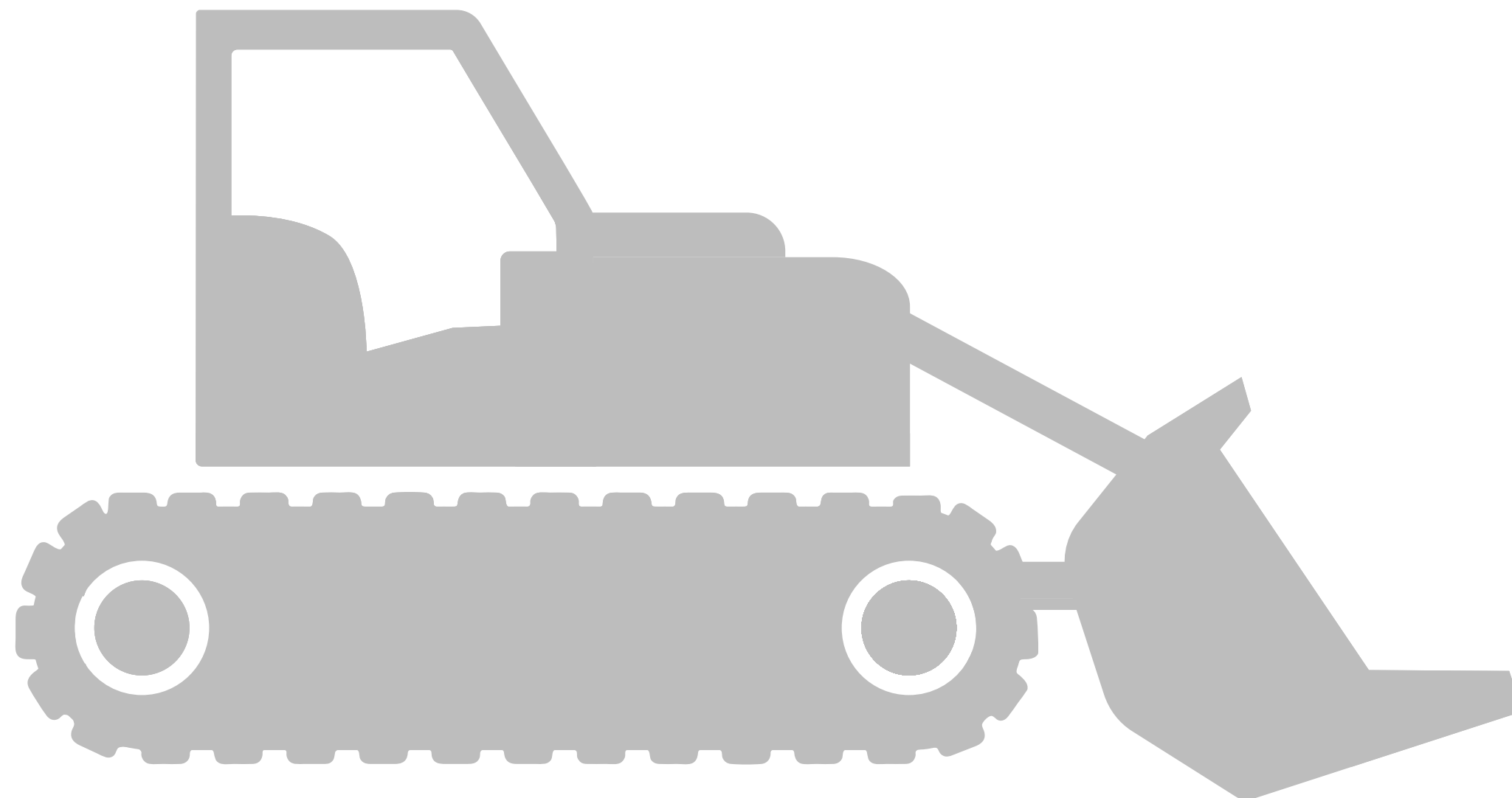


- Mandatory reporting
- Cooperation

Local communities



- Face-to-face and email consultations with representatives of local communities
- Community programmes



MATERIALITY ASSESSMENT

(GRI 2-29, GRI 3-1)

Prior to preparing our 2024 ESG report, we reviewed the relevance of the materiality assessment conducted in 2023. As there were no economic, regulatory or social changes that would have significantly affected our operations or impacts, we did not conduct a new materiality assessment, and management confirmed the previously identified key sustainability topics. We did not conduct a new questionnaire-based materiality assessment in 2024, as the topics identified in the previous year remained relevant. However, we continue to take into account feedback from our stakeholders – our employees, suppliers, customers and partners – and have used this to determine our sustainability focus areas for this year. We have confirmed the relevance of these issues through an internal review.

MATERIAL TOPICS

(GRI 3-1, GRI 3-2)

In our ESG report we provide an overview of the following material topics from an environmental, social and corporate governance perspective:



E Environment

- Efficient energy use
- Reduction of harmful emissions
- Responsible waste management
- Manufacturing innovation, sustainable use of materials
- Sustainably certified products
- Green financing



S Society

- The employees of STAVMAT
- Occupational health and safety
- Support for local communities



G Corporate governance

- Transparent corporate governance
- Ethical, legally compliant operations
- Fair taxation
- Data protection, information security
- Management of environmental and social impacts
- Procurement practices
- Quality assurance



Commitment to the environment

(GRI 3-3)

In 2024 STAVMAT took important steps towards sustainability: our factory in Dabas obtained the ISO 9001, ISO 14001 and ISO 45001 certifications and published its first internationally certified Environmental Product Declaration (EPD). These milestones reinforce our commitment to structured and transparent operations.

Our goal is to integrate environmental considerations into all areas of our operations at the design, manufacturing and logistics levels, going beyond the mandatory legal requirements. Our internal environmental policy, in force since early 2022, ensures environmental compliance and the conditions for sustainable operations, which we continuously update with the support of external environmental experts in addition to observing the relevant legislation.

The company's management is committed to the continuous improvement of environmental performance and expects the same from all its employees and partner companies. In order to develop and strengthen an environmentally conscious corporate culture, all our employees are required to undergo environmental training appropriate to their position. These training courses ensure that everyone is aware of the environmental requirements of their own job and actively participates in the implementation of preventive measures.

Our environmental principles



We organise our company's activities **with the least possible environmental impact** and consumption.



We **prevent environmental pollution** and avoid environmental damage.



We determine our resource use and impact based on assessments.



We do not damage the earth's surface or the layers, rocks and minerals beneath it.



We provide **extensive water protection** for surface and subsurface waters, their quality and quantity.



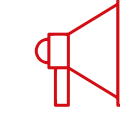
We avoid activities that harm the air.



We handle hazardous materials with appropriate care.



We reduce **the environmental impact** of waste generation.



We use solutions that protect against environmental noise and vibrations.





EFFICIENT ENERGY USE

(GRI 302, GRI 302-1, GRI 302-3, GRI 302-4, GRI 302-5)

Reducing energy consumption and making it more efficient is a fundamental part of our environmental sustainability efforts. As a construction company, it is particularly important for us to use energy resources consciously, as their use directly affects our ecological footprint and greenhouse gas emissions.

In 2024 we achieved an outstanding result of approximately 700,000 MJ in energy savings through EKR (Energy Efficiency Commitment System) projects. In addition, we continued the lighting modernisation developments of recent years, replacing old light bulbs with energy-saving LED lighting at two of our sites (Szolnok and Salgótarján).

We monitor our energy management with site-level meters and monthly energy reports. These not only contain comparisons with the previous year's data but also specific energy efficiency recommendations, such as insulation for mechanical systems. Senior management decisions are supported by annual energy consumption summaries.

At the Dabas paving stone factory we took expected energy requirements into account when planning the investment, and actual consumption did not exceed these. As part of the modernisation of our production technology we installed a new packaging machine in recent years, and the temperature and humidity-controlled curing chamber also contributes to energy-efficient operation.

We also look to reduce consumption at our sites by modernising heating and lighting systems and raising employee awareness of energy efficiency. Our goal is to strengthen sustainable operation not only through technological developments but also through awareness that becomes part of our daily practice.

Our company previously developed a four-part investment plan aimed at improving the energy efficiency of buildings, which focused on the following projects in 2024:



modernisation of lighting using LED bulbs



boiler room and heating modernisation



roof structure/facade renovation (insulation) and replacement of doors and windows



renewable energy use.

At STAVMAT we are constantly modernising our energy use: we have switched to LED lighting, installed motion sensors, and encourage our employees to be energy conscious. Lighting upgrades have resulted in average energy savings of 30-40%. When modernising our heating systems, we use condensing boilers and heat pump solutions which are environmentally friendly and provide a better working environment as well. In addition, we are renovating the insulation and windows and doors of our buildings, further reducing heat loss and our carbon footprint. We also place increasing emphasis on the use of renewable energy sources: we treat environmentally friendly energy supply as a basic principle in our new investments and install solar panel systems at our sites. As an energy-intensive player in the construction industry we are actively contributing to the achievement of climate protection goals.

Our goal is to continuously increase the share of renewable energy (electric-powered lifting equipment and solar panels).

Energy consumption data from the past three years clearly shows that we are using less and less energy in our operations. Our total energy consumption decreased by nearly 12% between 2022 and 2024, and by 3.6% compared to the previous year.

It should be noted that **our electricity consumption decreased by 16.2% in 2024.**

Energy consumption indicators over the past three years ▼

	Unit of measurement	2022	2023	2024
Total energy consumption	MJ	24,277,259	22,125,340	21,319,489
Annual electricity consumption	kWh	1,999,000	2,050,000	1,718,000
Annual natural gas consumption	m3	373,000	310,000	315,000
Annual PB gas consumption	kg	-	-	-
Annual diesel consumption	litres	102,130	94,230	88,220
Annual petrol consumption	litres	76,090	78,850	88,420
Annual LPG consumption	litres	0	0	0
Annual renewable energy consumption	MJ/year	N/A	N/A	N/A
Percentage of renewable energy in annual energy consumption	%	N/A	N/A	N/A
Annual energy savings	MJ	-	-	~ 700,000 MJ
Energy consumption per capita	MJ/person	50,720	48,080	46,880
Energy consumption per unit of production	MJ/tonne	97	92	104

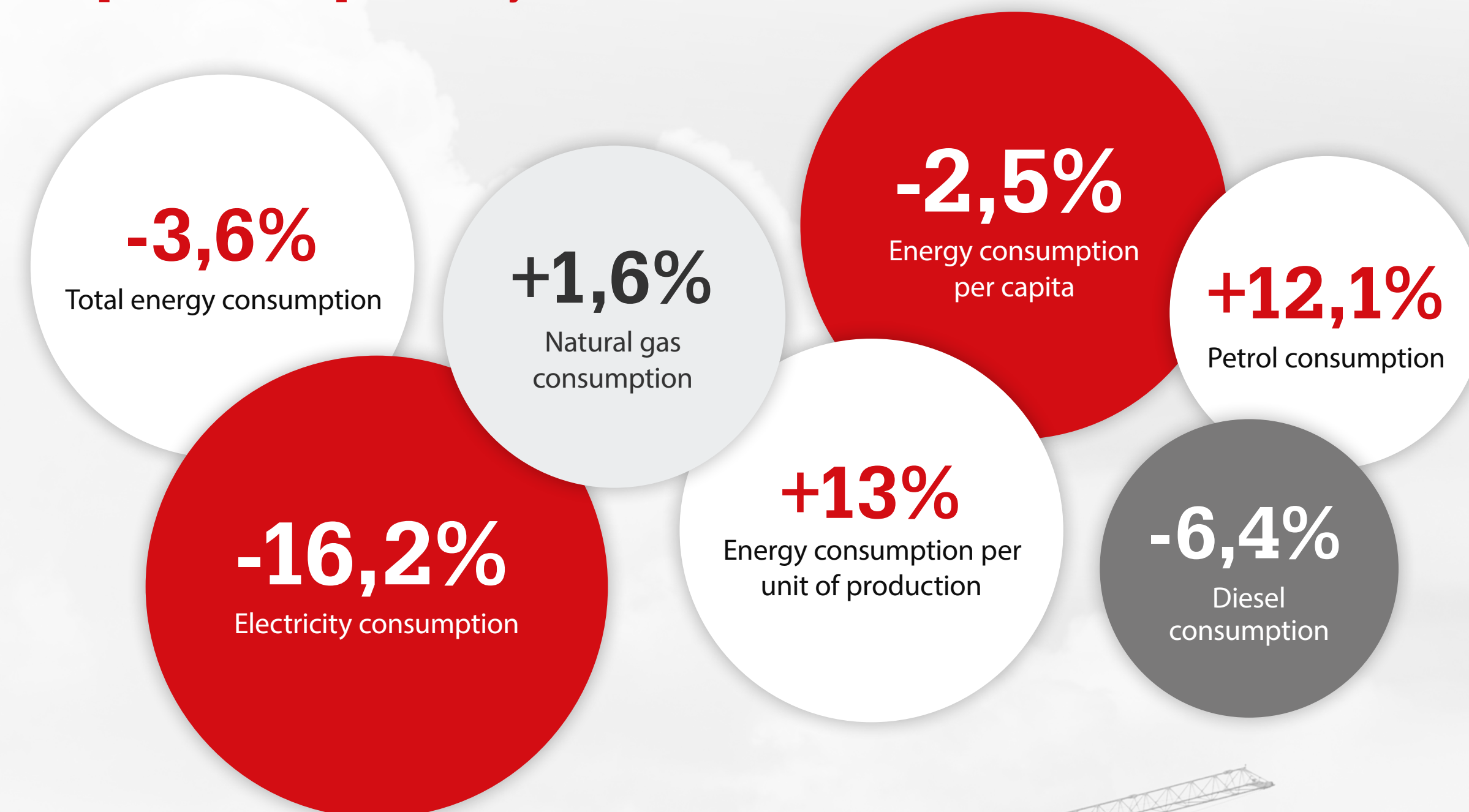
Gas oil consumption also decreased (-6.4%), while petrol consumption increased (+12.1%).

Our natural gas consumption increased slightly (+1.6%) compared to the previous year, but it still accounts for a smaller part of our total energy demand.

Per capita energy consumption **decreased by 2.5%** by 2024, while the indicator per unit of manufactured product increased. In 2024 we achieved **energy savings of 700,000 MJ** through our EKR projects.

Our goal is to modernise 40% of our sites in terms of energy efficiency by 2030.

Most significant changes compared to the previous year



VEHICLE FLEET IN 2024

Our current fleet consists of 119 forklifts, 81 passenger cars and 4 trucks. Twenty-nine of our forklifts are electric, while the rest are dominantly diesel-powered. In the spirit of sustainability, we mainly use electric forklifts at our Dabas plant thereby supporting our sustainability goals and reducing our environmental impact. In recent years, we have improved our data collection processes to obtain detailed information on the consumption of our vehicles.

In 2024 three forklifts were purchased for our three sites.

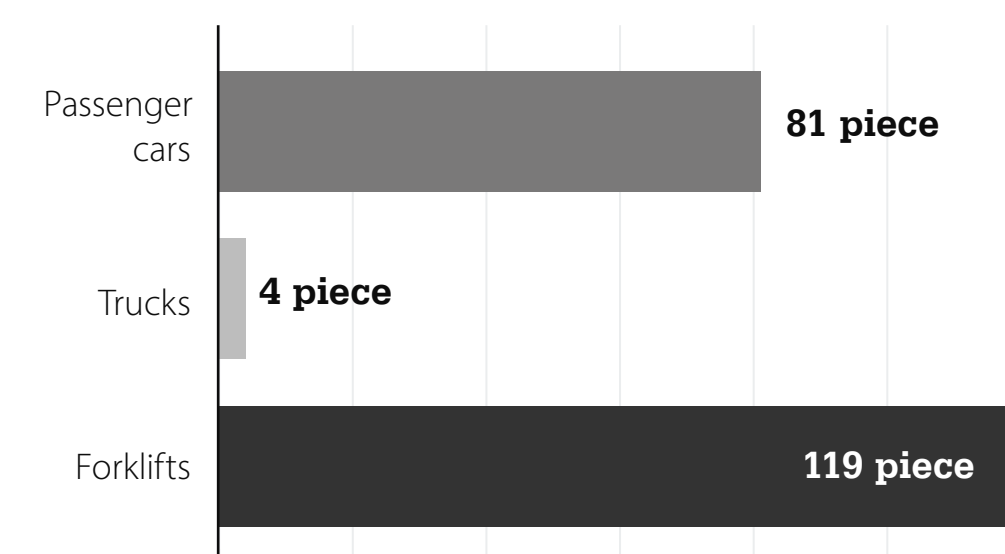
Fleet by vehicle type in 2024

Vehicle type	piece
Passenger cars	81
Trucks	4
Lorries	0
Work machines	0
Forklifts	119
Total	204

Fleet by drive type in 2024

Drive type	piece
Diesel	113
Petrol	58
Electric	29
Hybrid	0
Gas	2
Hybrid/electric/petrol	2
Total	204

Fleet by vehicle type in 2024



Forklift diesel consumption over the past two years

	2023.	2024.
Diesel fuel (litres)	57,759.00	53,762.47

Személy- és tehergépjárművek fogyasztása az elmúlt két évben

	2023.	2024.
Diesel (litres)	36,471	34,455
Petrol (litres)	74,566	88,220
Total (litres)	111,037	122,675

Energy awareness of employees and shaping attitudes

Conscious work practices are the basis of our sustainable operation. Optimising our energy consumption depends not only on technological developments but also on the everyday practices of our employees. To this end, as part of our annual energy audit we evaluate company processes and also provide practical advice to employees that helps improve energy efficiency both at work and at home. Our expectations include turning off equipment after use, using lighting sensibly and, in general, using energy prudently in all areas of work.



The GO Green newsletter supports awareness-raising by sharing useful tips and best practices on a monthly basis. We calculate our energy intensity indicator based on total energy consumption and the number of employees, and our goal is to reduce it in the long term through technological investments and the active involvement of our employees.



REDUCING EMISSIONS

(GRI 305, GRI 305-1, GRI 305-2, GRI 305-7)

We are aware that the construction industry is a sector with one of the highest environmental impacts globally, accounting for nearly 40% of all carbon dioxide emissions, including building material production, construction and operation. Accordingly, we pay particular attention to ensuring that our own operations only impact the environment to the extent necessary, and we actively work to reduce our emissions.

The primary sources of our carbon dioxide emissions are energy consumption (heating, lighting, machine operation) and fuel consumption related to the transport of goods. In order to monitor this, we regularly carry out energy surveys and assessments at our leased and own sites to obtain a realistic picture of the energy efficiency of our properties and to inform our investment decisions regarding energy-efficient developments.

We measure the greenhouse gas (GHG) emissions associated with our operations on a monthly basis with the involvement of an external energy specialist. Although we do not yet report fully in accordance with the GHG Protocol standard, we have set ourselves the goal of further developing our reporting system in the future to provide more transparent and comparable data. Our GHG emissions currently come from natural gas, electricity and LPG consumption.

In order to make our environmental performance more understandable to stakeholders, we have introduced the oak tree equivalent communication: this illustrates how many oak trees would be needed to neutralise our annual carbon dioxide emissions. This visualisation helps our employees and partners to understand the extent of emissions and the importance of reducing them.

In 2023 our corporate carbon footprint was 880.76 tonnes of CO₂ equivalent.



Our oak tree equivalent in 2023 was **1132 oak trees.***

Our estimated greenhouse gas emissions in 2024 based on energy consumption were as follows:

- **Scope 1:** 1,643.35 tonnes of CO₂ equivalents
- **Scope 2:** 490.14 tonnes of CO₂ equivalent

These data serve to monitor the company's energy-intensive operations more accurately and provide a basis for setting emission reduction targets.

AIR QUALITY AND POINT SOURCE EMISSION MANAGEMENT

In accordance with our legal obligations we regularly monitor point sources of air pollution at our sites. The measurements are carried out by a licensed, accredited expert, and the results are always reported to the competent authorities. Our three identified point sources – natural gas-fuelled boilers – have a capacity exceeding 140 kW, which means they are considered significant from an air protection perspective. These boilers are used for heating, hot water supply and manufacturing (drying) tasks. The measurements cover the relevant pollutants (e.g. particulate matter, CO, CO₂, NO_x, VOC, HAP, airborne dust). Emissions are determined by accredited laboratory tests, and we ensure that our operations have the least possible impact on air quality. Our goal is to minimise pollution and reduce specific CO₂ emissions, contributing to the protection of the health of our employees and the environment.

Non-greenhouse gas emissions (kilograms) ▼

Non-greenhouse gases	Unit	2023	2024
Pollutants (solid)	kg	0	0
NO _x	kg	7.77	62.18
SO _x	kg	0	0
Persistent organic pollutants (POPs)	kg	0	0
Volatile organic compounds (VOC)	kg	0	0
Toxic air pollutants (HAP)	kg	0	0
Particulate matter (PM)	kg	0	0
CO	kg	121.70	32.43
CO ₂	kg	39,798.68	85,490

* The oak tree equivalent shows how many healthy oak trees are needed to neutralise the carbon dioxide emissions from energy consumption in 2023 over a period of 50 years.



RESPONSIBLE WASTE MANAGEMENT

(GRI 306, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Our operations are primarily focused on the distribution of building materials, so we do not typically generate the high levels of waste often seen in the construction industry. Nevertheless, we consider it important to manage the waste generated in our daily activities in a responsible and transparent manner, in accordance with environmental regulations. Our waste management system covers the selective collection, storage, recording and transport of waste. These processes are carried out at all our sites in accordance with uniform internal environmental regulations, thus ensuring compliance.

Documenting waste generation at source enables us to identify areas where waste volumes exceed expected levels in a timely manner and take action to improve processes. STAVMAT does not have its own licensed waste treatment capacity, so the waste generated is taken over by licensed, specialised service providers. Our goal is to keep all recyclable and reusable materials in circulation as much as possible, which is facilitated by our cooperation with the GreenCon factory in Kaposvár. Non-recyclable waste is disposed of in accordance with regulations, but in some cases our partner companies may not provide detailed information about the methods used, so this information is not included in our report.

As part of our sustainability efforts, we also offer environmentally friendly solutions to our customers. Our transit sales system reduces unnecessary storage and transport, and we provide our customers with 100% biodegradable shopping bags. Our manufacturing plant in Dabas has already introduced a pallet packaging fee, which has proved to be an effective tool for encouraging the collection and reuse of packaging materials.

Our waste management covers selective collection, storage, recording and transport. Municipal waste is handled by the local public service provider, while industrial and hazardous waste by licensed specialist companies. We keep accurate records at all our sites, providing a basis for reporting to the authorities and for our annual waste declaration.

Our manufacturing strategy aims to reduce waste and increase recycling rates. We have significantly improved our record-keeping system in recent years, paying particular attention to the types and quantities of manufacturing waste generated, thereby enabling the rapid identification of waste sources and effective intervention.

At our factories in Dabas and Kaposvár we pay special attention to measuring and reducing scrap rate and to using only the minimum amount of packaging material for our finished products. We continuously monitor the efficiency of use with the help of an indicator developed specifically for this purpose. At the same time, we also monitor the efficiency of raw material use and production in order to operate a sustainable and competitive manufacturing system in the long term through our optimisation measures. We reduce the amount of waste generated during the packaging process with the help of our modern machinery, and we strive to use technical settings that further reduce unnecessary material generation. Our primary goal is to minimise waste generation resulting from technical errors, as these contribute significantly to unplanned material loss.

Waste generated in the last three years ▼

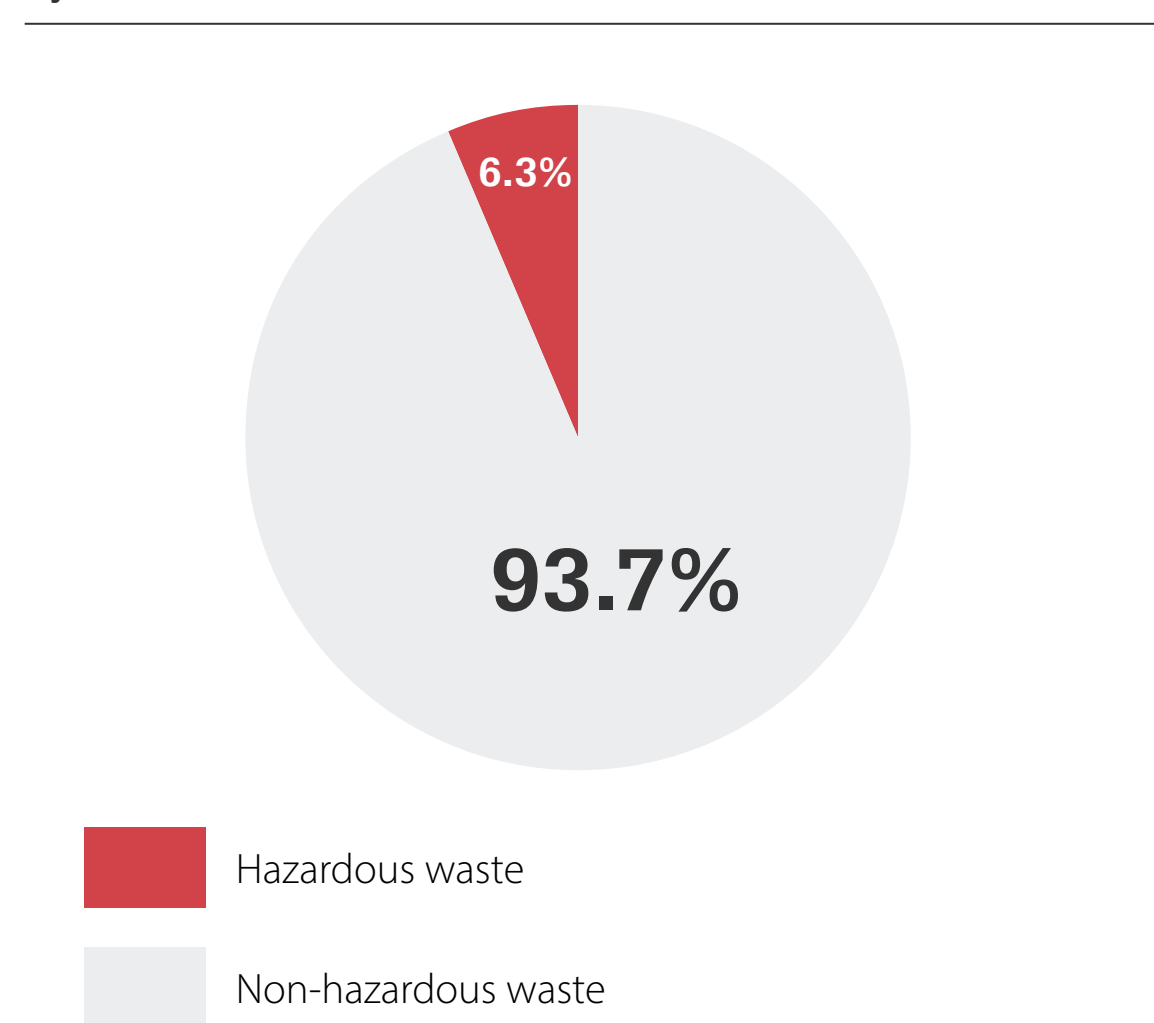
	Unit of measurement	2022	2023	2024
Total amount of waste generated	Tonnes	213,452	164,726	259,492
Non-hazardous waste	Tonnes	213,452	164,726	243,052
Hazardous waste	Tonnes	0	0	16,440
Recycled waste	Tonnes	N/A	N/A	N/A
Percentage of recycled waste	%	N/A	N/A	N/A
Total amount of waste disposed of	Tonnes	N/A	N/A	N/A

In 2024 STAVMAT generated a total of 259,492 tonnes of waste. Of this, 243,052 tonnes can be classified as non-hazardous waste, while 16,440 tonnes are hazardous, accounting for 6.3% of the total amount, meaning that the vast majority of waste is non-hazardous (93.7%).

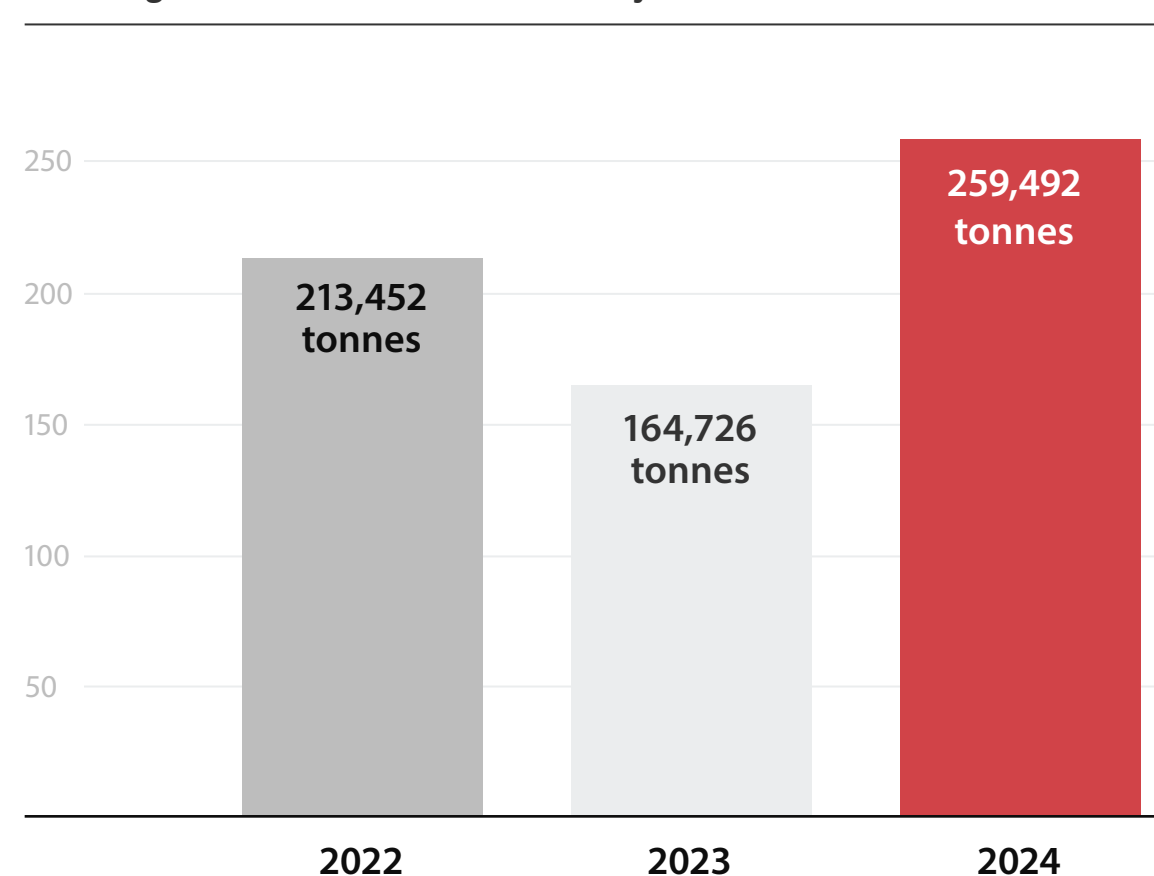


Based on 2024 data, **mixed construction and demolition waste accounted for more than half** (56.4%) of our total waste generation. **Nearly one-third** consisted of **waste from paper, cardboard, plastic and mixed packaging**, with **municipal waste** accounting for **nearly 5%**. These three categories together account for 93.7% of all waste generated in 2024, which clearly shows that our waste is mainly from construction and packaging, and to a lesser extent municipal. The company's goal is to reduce these proportions and increase the recycling rate, especially in its manufacturing activities.

Distribution of waste generated by hazardousness in 2024



Waste generated in the last three years



Typical types of waste generated

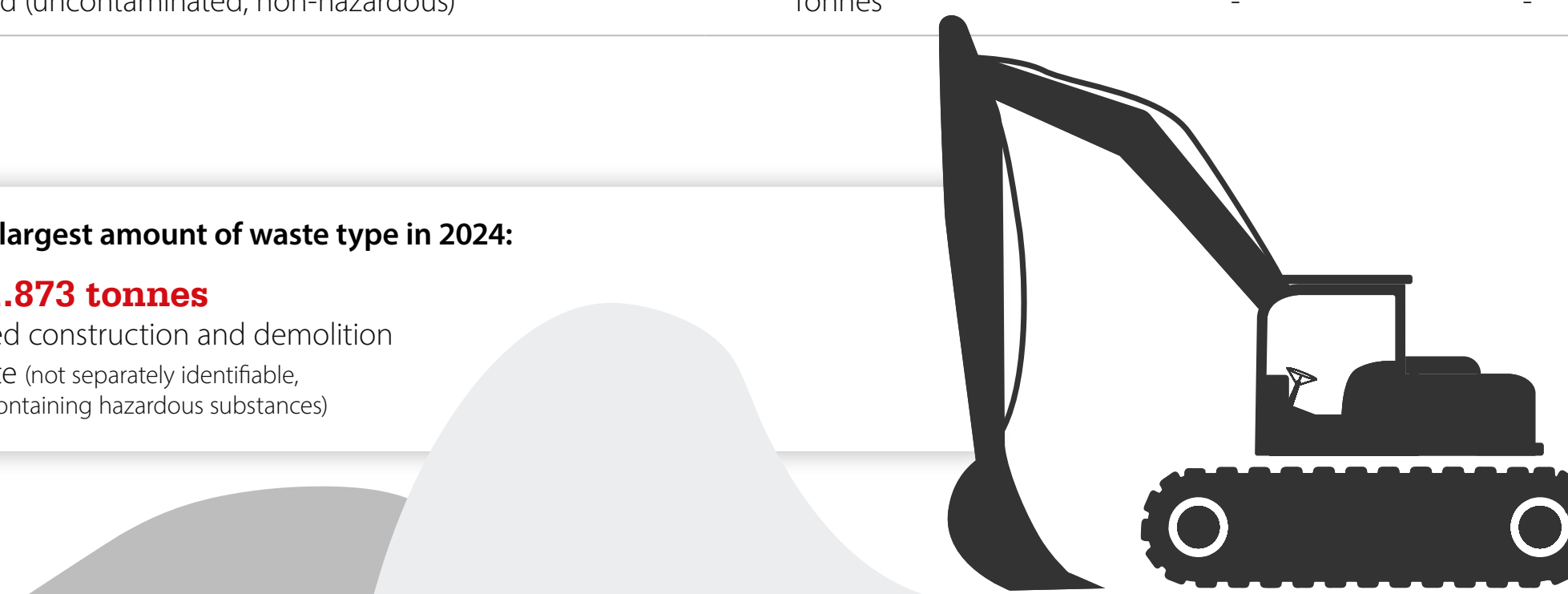
- **Municipal waste:** household waste, bulky waste, green waste from parks and gardens
- **Packaging waste:** paper, cardboard and plastic packaging waste, as well as mixed packaging waste sorted from these
- **Construction and demolition waste:** concrete, brick, wood, tile and ceramic waste mixture, mixed construction and demolition waste (which does not contain hazardous materials)
- **Rejects:** non-recyclable materials generated during the manufacturing process
- **Electronic waste:** discarded electronic equipment, including devices containing hazardous materials
- **Batteries:** used, expired or defective batteries
- **Other unspecified waste:** mixed or special waste that cannot be classified under any of the above categories

Waste types and quantities over the last three years

	Unit of measurement	2022	2023	2024
Paper and cardboard packaging waste	Tonnes	24.628	7.652	18.699
Plastic packaging waste	Tonnes	20.147	5.430	9.136
Mixed, selectively collected packaging waste (e.g. sorted from household waste)	Tonnes	8.933	5.854	14.909
Mixed construction and demolition waste (not containing hazardous substances)	Tonnes	25.860	53.670	24.450
Mixed construction and demolition waste (not separately identifiable, not containing hazardous substances)	Tonnes	140.083	89.855	121.873
Paper and cardboard (from municipal waste)	Tonnes	13.411	0.70	41.790
Municipal waste (otherwise unclassified, non-hazardous)	Tonnes	-	-	10.920
Other municipal waste (not otherwise specified)	Tonnes	-	1.075	1.335
Bulky waste (e.g. furniture, waste from periodic garbage removal)	Tonnes	-	0.490	4.330
Garden and park waste (e.g. leaves, plant parts)	Tonnes	-	-	1.920
Concrete	Tonnes	-	-	3.080
Brick	Tonnes	-	-	2.540
Wood (uncontaminated, non-hazardous)	Tonnes	-	-	0.008

The largest amount of waste type in 2024:

121.873 tonnes
Mixed construction and demolition waste (not separately identifiable, not containing hazardous substances)



MANUFACTURING INNOVATION, SUSTAINABLE USE OF MATERIALS

In 2024 we continued to pay special attention to minimising the environmental impact of our manufacturing activities. Our manufacturing plants belonging to the IN GROUP – in Dabas and Kaposvár – operate in accordance with current environmental legislation, while we strive to further increase efficiency and sustainability through continuous improvements. In the development and operation of our manufacturing technologies we prioritise the responsible use of resources, the promotion of recyclable materials and the reduction of waste generation.



CITYSTONEDESIGN®

CITY STONE DESIGN Sustainable foundations, modern solutions

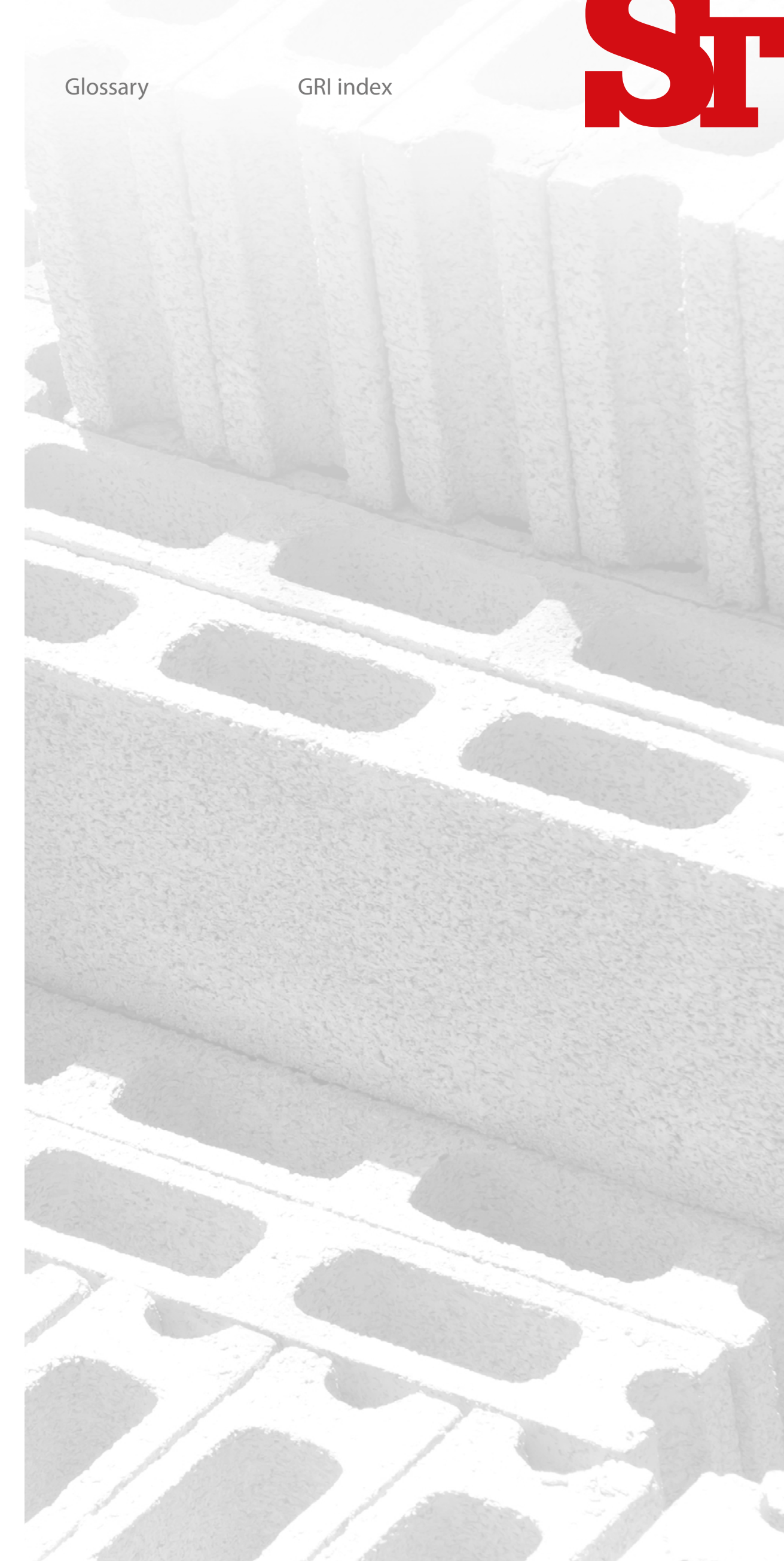
CITY STONE DESIGN is STAVMAT's environmentally conscious concrete product brand using natural raw materials such as gravel, cement, water and pigments. The innovative technologies used in production aim to minimise environmental impact and enable the reuse of products after their life cycle. The design of the products allows for the reuse of worn paving stones, thus fitting in with the principles of the circular economy. Ecological paving stones play a prominent role in the product range. Their special structure helps rainwater seep into the soil, supporting the local water cycle and reducing environmental impact. They are the ideal choice for sustainable urban development projects, passive houses and modern construction projects alike.

THE DABAS FACTORY – NATURAL RAW MATERIALS, RECYCLABLE SOLUTIONS

Environmental efficiency is a priority at our paving stone factory in Dabas. Under the CITY STONE DESIGN brand name we manufacture products based on natural materials – gravel, cement, water and pigments. We selected production lines based on low water and energy consumption and work with technology that has been further developed based on our experience in Slovakia. We return any waste products generated during the manufacturing process to the mixer, thus ensuring their reuse. We have also rationalised the use of strapping and packaging materials while maintaining production safety.

Our plant is engaged in continuous research and development, with a particular focus on the applicability of alternative cements, such as cyment. The aim of these developments is to reduce the use of traditional cements, thereby contributing to the development of more sustainable manufacturing practices. We carried out test production in the initial stages of manufacturing, then introduced quality improvements in parallel with sales.

We work with domestic, local suppliers and use energy-efficient machinery to reduce our carbon footprint.





GreenCon

GreenCon is the circular economy business unit of IN GROUP specialising in the manufacture of construction panels from recycled raw materials such as LDPE, PP and Tetra Pak.



THE KAPOSVÁR FACTORY – TECHNOLOGY IN THE SERVICE OF RECYCLING

At the Kaposvár plant of GreenCon Solutions we manufacture building materials from recycled plastic raw materials. The technology we developed allows us to process different types of secondary raw materials while reducing CO₂ emissions associated with production. GreenCon products comply with the EPD, BREEAM and LEED standards, thus contributing to the creation of green buildings. No harmful substances are used in the manufacturing process, and the temperature, pressure and additive settings ensure that the resulting sheets are not only functional but also environmentally friendly. The approach to waste reduction supports supply chain optimisation and contributes to the implementation of a circular economy at the same time.

Advantages of GreenCon products



up to 99% of input materials are recycled,



over 90% of the products are made from recycled materials,



the products themselves are 100% recyclable.



PRODUCTS CERTIFIED SUSTAINABLE

Our goal is to increase the proportion of our innovative and environmentally friendly products year on year.

STAVMAT is committed to sustainable building materials trade. To this end, we are constantly increasing the proportion of environmentally and socially responsible products in our range. We pay particular attention to ensuring that our partners source their products from reliable, certified sources and meet requirements such as the FSC label, which certifies the sustainability of forest management and the assurance of ethical manufacturing processes.

Since 2022 we have been selling products with the Life Cycle Analysis (LCA) and Environmental Product Declarations (EPD) which help customers make informed decisions. It is important for us to communicate our environmental performance transparently.

At our paving stone factory we monitor environmental impacts throughout the product development process – from the selection of raw materials through production to the end of the product's life cycle. Since 2024 our City Stone Design products have also had life cycle assessments, further promoting the spread of sustainable, green buildings.

In 2024 we completed a life cycle assessment for our own-brand products, earning the EPD certification.



EPD

The EPD, or Environmental Product Declaration, is an internationally accepted, independently verified and standardised document that transparently presents the environmental impact of a given product or product group based on a life cycle assessment (LCA). The purpose of the EPD is to provide comparable, objective and credible data to stakeholders in the construction, manufacturing and other sectors to make sustainable decisions, whether in terms of investment, procurement or regulatory compliance.

At STAVMAT we prepare our EPD certificates because we believe that communicating credible and public environmental data is a fundamental element of sustainability transparency. EPDs cover the entire life cycle of a product, from raw material extraction through manufacturing, transport and installation to the end of its life cycle (demolition, recycling, disposal). The EPD we have prepared complies with the EN 15804 standard, which is the most important European reference framework for construction products.



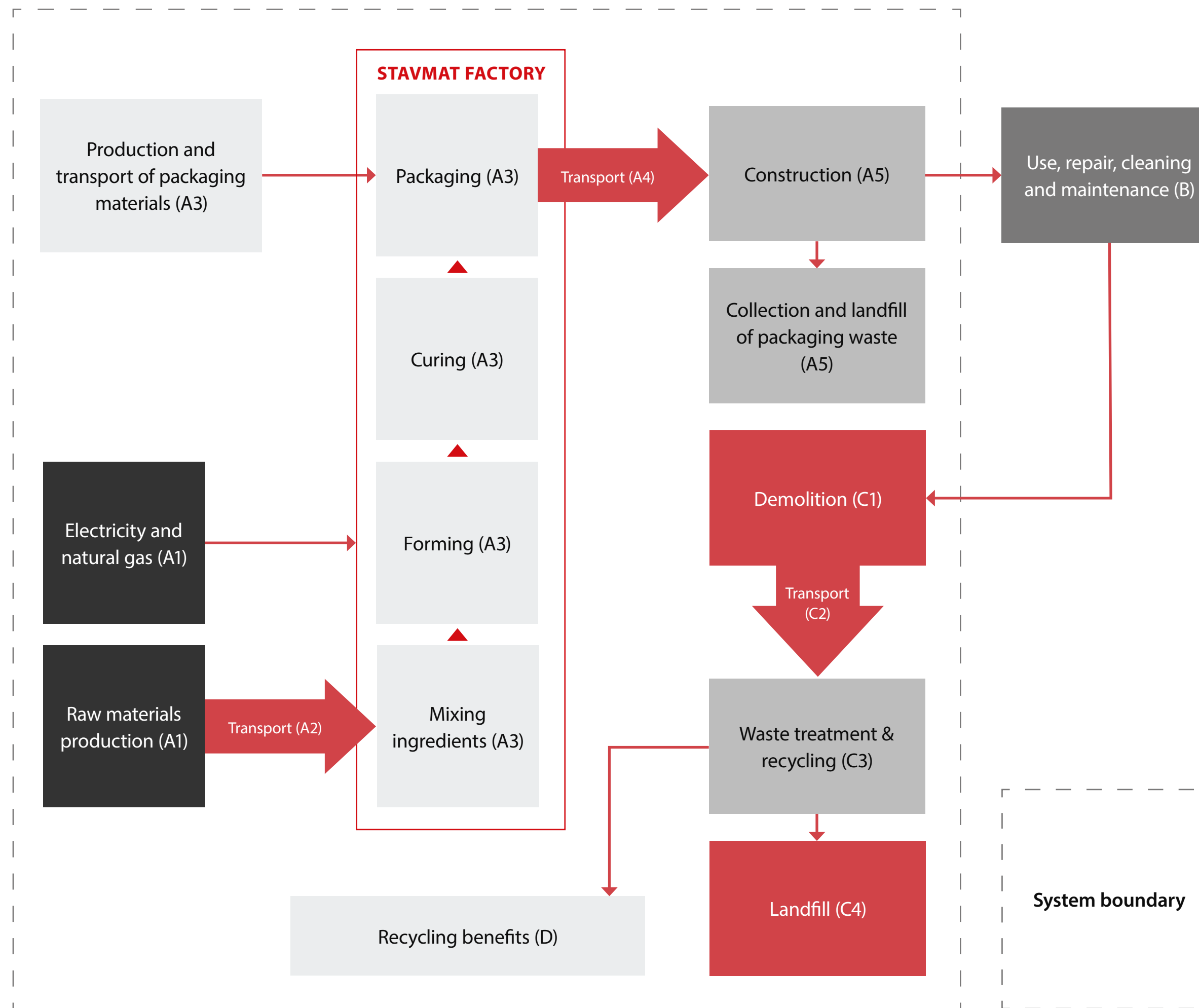
EPD FOR OUR OWN CONCRETE PAVING ELEMENTS

STAVMAT is committed to sustainability, which is why we completed our latest Environmental Product Declaration (EPD) in 2024, examining the entire life cycle of our own manufactured concrete paving elements. This certificate is based on a credible life cycle assessment (LCA) validated by our external energy experts and independent third-party experts, providing a comprehensive picture of the environmental impact of our products from the start of production to the end of their life cycle. The certification was carried out in accordance with the International EPD® System standards, based on European standards EN 15804 and EN 16757.

The paving stones available under the **CITY STONE DESIGN** brand name are manufactured with a variety of surface treatments and are typically used in public spaces, pavements and car parks. In addition to their excellent quality, they also represent sustainable use of materials and the principles of the circular economy. During production at our Dabas plant we constantly strive to minimise our environmental impact. We use technologies that enable us to optimise energy and water consumption and recycle waste. We return our rejects to the production cycle, thus achieving a closed-loop material use. During the life cycle analysis we tracked the entire journey of our products, from raw material extraction through manufacturing and delivery to installation, and finally to dismantling and recycling at the end of their service life. We paid particular attention to CO₂ emissions, energy sources and waste generation.

Our goal is for our products to contribute to a high-quality built environment with a minimal environmental footprint. The EPD enables our partners to make informed choices and certifies that our products comply with the requirements of the BREEAM and LEED green building systems and do not contain any substances that are harmful to health or the environment. The analysis also provides a basis for further developing our manufacturing processes and supporting sustainable construction.

Rendszerhatár



GREEN FINANCING

In 2021 we made a strategic decision to finance the Dabas paving stone factory: instead of a traditional bank loan, we issued green bonds with a nominal value of HUF 5 billion, based on the ICMA Green Bond Principles. The issuance is governed by a green bond framework certified by an independent expert, ensuring transparent use of funds and the fulfilment of sustainability goals. The process is supervised by a Green Committee.

The Dabas production plant was launched in 2022, operating at a capacity of 800,000 m² per year and equipped with the most modern technology in the country. During production we pay special attention to energy efficiency, optimising water consumption and recycling waste. The investment not only represents a technological advance but also reinforces STAVMAT's commitment to sustainability.

The issuance of the green bond was a significant milestone in terms of our sustainability efforts, and in line with our commitments set out in the framework we have made a responsible, environmentally conscious investment.



Commitment to society

(GRI 3-3)

It is important for us to build and maintain a corporate culture that provides a solid foundation for the long-term retention, commitment and development of our employees. We believe that a supportive, safe and inclusive work environment is essential for a well-functioning company. Our goal is to provide our nearly 500 employees with predictable, stable jobs where they can achieve a work-life balance and also their individual goals in line with the organisation's objectives. Our managers are open to feedback, support professional development and ensure competitive remuneration in line with the changing economic environment. We pay special attention to health and safety at work – in addition to strict compliance with legal requirements we operate our own health and safety awareness programmes as well.

Our social responsibility is not limited to the organisation, we also play an active role in stimulating the local economy. Many of our suppliers are Hungarian-owned companies, which means we indirectly contribute to preserving domestic jobs and the sustainable development of the economy. It is important to us that business success is measured not only in financial terms but also in terms of people's quality of life – the cornerstone of this is the appreciation, safety and long-term retention of our employees. We believe that STAVMAT can only be truly successful if our employees are proud and committed to being part of the organisation and work with us to shape the future of the company in the long term.

The key to the success of STAVMAT



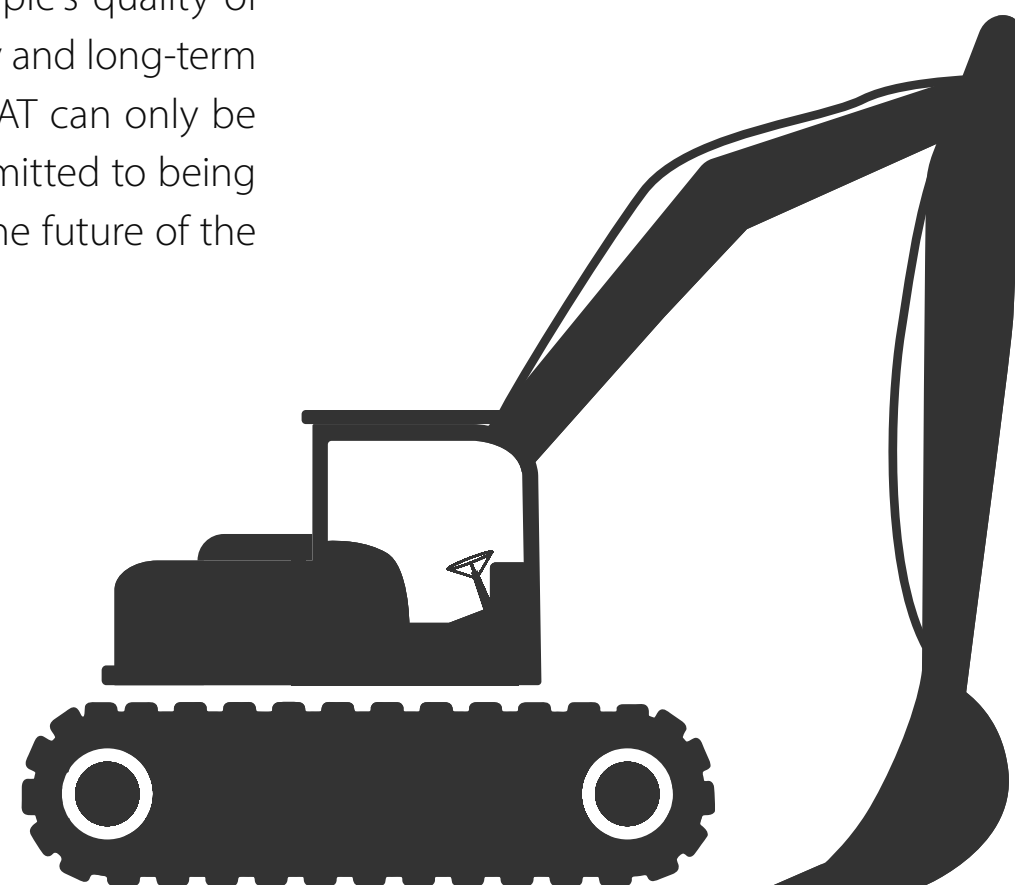
the work of well-trained, dedicated colleagues,



a customer-focused corporate culture,



adaptability to a constantly changing environment





EMPLOYEES

(GRI 2-7, GRI 2-8, GRI 401, GRI 401-1, GRI 401-2, GRI 401-3, GRI 405, GRI 405-1, GRI 405-2)

It is our contention that open and fair communication with our employees is of paramount importance. We look to ensure that everyone is informed about changes affecting their work, updates to internal regulations, or events organised for them in a timely manner, whether these are training courses or community-building events. We use several channels to achieve this, from noticeboards at our sites to emails and personal meetings, ensuring a smooth flow of information.

Despite operating as a large company, we maintain the friendly atmosphere that is characteristic of smaller organisations. Our local site employees form a close-knit community, which we specifically support with smaller, site-level events. These occasions, such as Christmas dinners and end-of-year celebrations, provide an excellent opportunity for informal conversation and strengthening team cohesion.

Our employee numbers were as follows: we employed 383 people in 2023 and 365 in 2024, representing a negligible change. Men make up 62% of our employees, which reflects the gender ratio typical of the construction industry. The vast majority of our employees, 99%, have permanent contracts, and 97% (354 people) work full-time. On 31 December 2024 11 people worked part-time, and we had no employees in simplified or other atypical forms of employment. We provide our employees with stable, long-term employment opportunities, which is reflected in the fact that we do not use temporary agency workers and only offer part-time work in justified cases, such as for those raising young children.

Number of employees over the past 3 years (based on year-end data) ▼

	Unit	2022	2023	2024
Total number of employees (fixed-term + permanent + non-guaranteed)	persons	413	383	365
Female	persons	167	145	139
Male	persons	246	238	226
Fixed-term contract employees	persons	2	0	2
Full-time employees	persons	2	0	2
Female	persons	2	0	1
Male	persons	0	0	1
Part-time employees	persons	0	0	0
Female	persons	0	0	0
Male	persons	0	0	0
Permanent contract employees	persons	413	383	363
Full-time employees	persons	394	370	352
Women	persons	167	145	130
Male	persons	246	238	222
Part-time employees	persons	19	13	11
Female	persons	17	12	8
Male	persons	2	1	3
Employees working non-guaranteed hours	persons	0	0	0
Female	persons	0	0	0
Male	persons	0	0	0
Number of other workers employed on a non-employee basis (temporary agency workers, hired workers, contractors, etc.)	persons	0	0	0

DIVERSITY

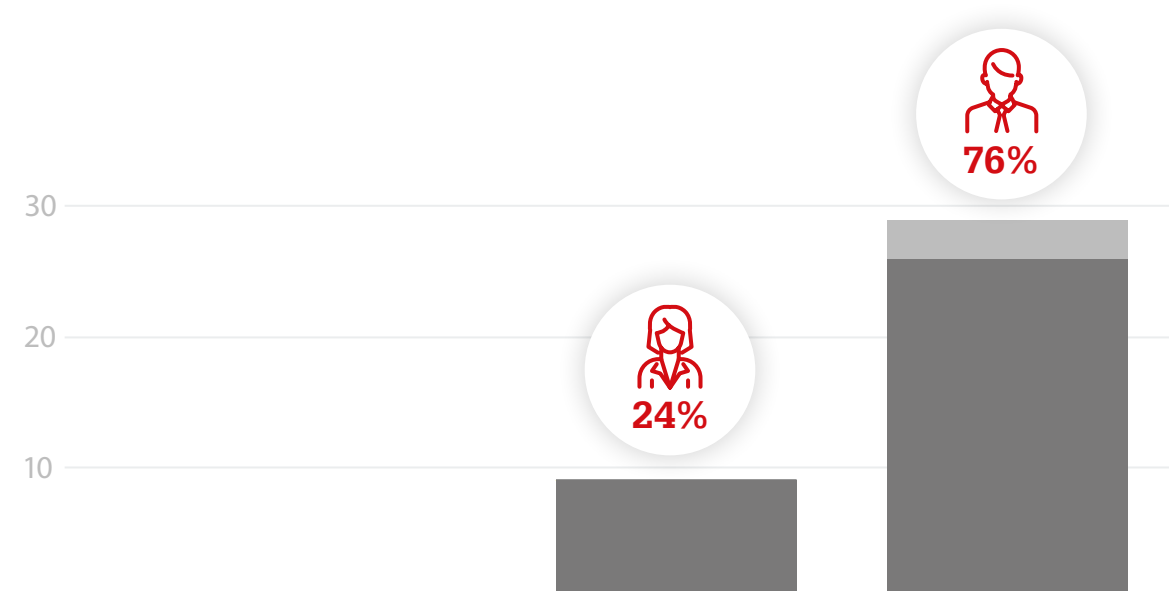
We value diversity and accordingly, we strive to involve employees from different backgrounds, ages and with different levels of experience. We believe that intergenerational cooperation contributes to creative solutions and the continuous maintenance of organisational learning. We pay special attention to supporting the integration of young talent, while also recognising and valuing the professional experience accumulated over many years.

In 2024 the proportion of colleagues under 30 exceeded 10%, while those over 50 accounted for 32% of the total workforce. We are committed to ensuring equal opportunities in terms of professional advancement and career development.

Diversity at STAVMAT in 2024 (persons)

	Unit	2024
Employees under 30	persons	38
Women	persons	17
Men	persons	21
Employees aged 30-50	persons	209
Women	persons	81
Men	persons	128
Employees over 50	persons	118
Women	persons	41
Men	persons	77
Number of workers belonging to minority or vulnerable groups	persons	0
Number of workers belonging to other specified groups	persons	0

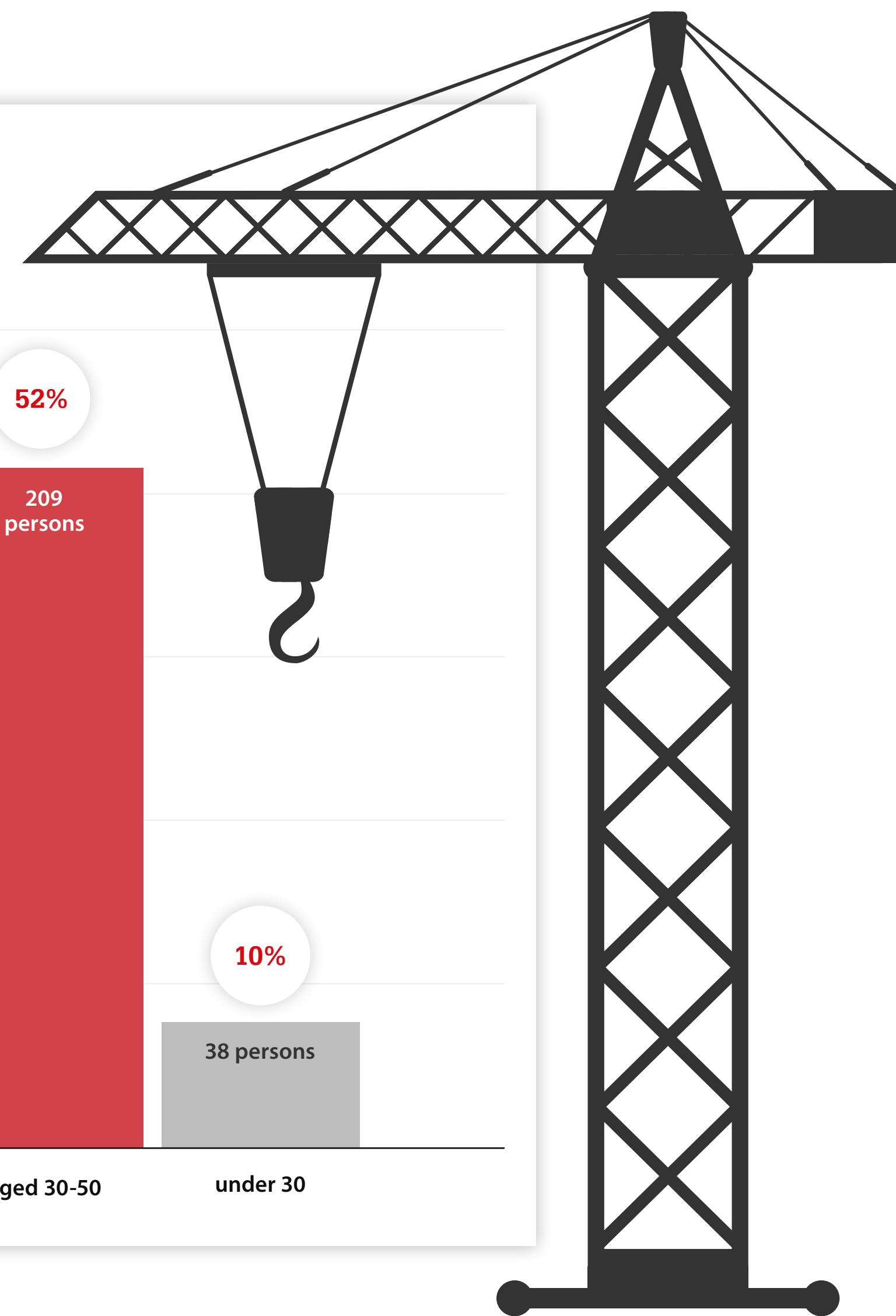
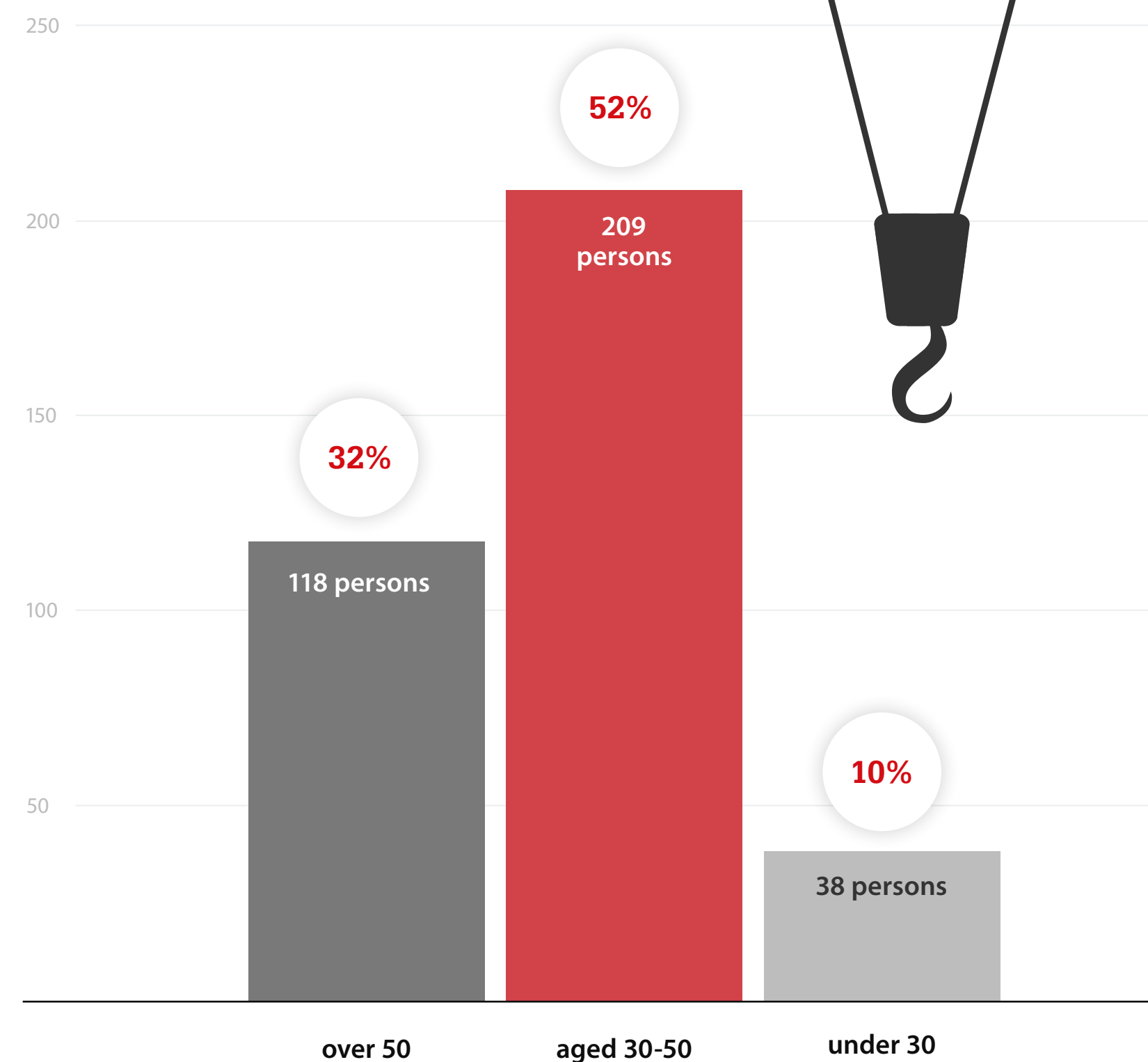
Management composition (number of people)



	Women	Men
Senior management	0	3
Middle management	9	26

	Unit	2024
Number of employees within the organisation's governing bodies	persons	38
Employees under 30	persons	0
Women	persons	0
Men	persons	0
Employees aged 30-50	persons	19
Women	persons	4
Men	persons	15
Employees over 50	persons	19
Women	persons	5
Men	persons	14

Age distribution in 2024

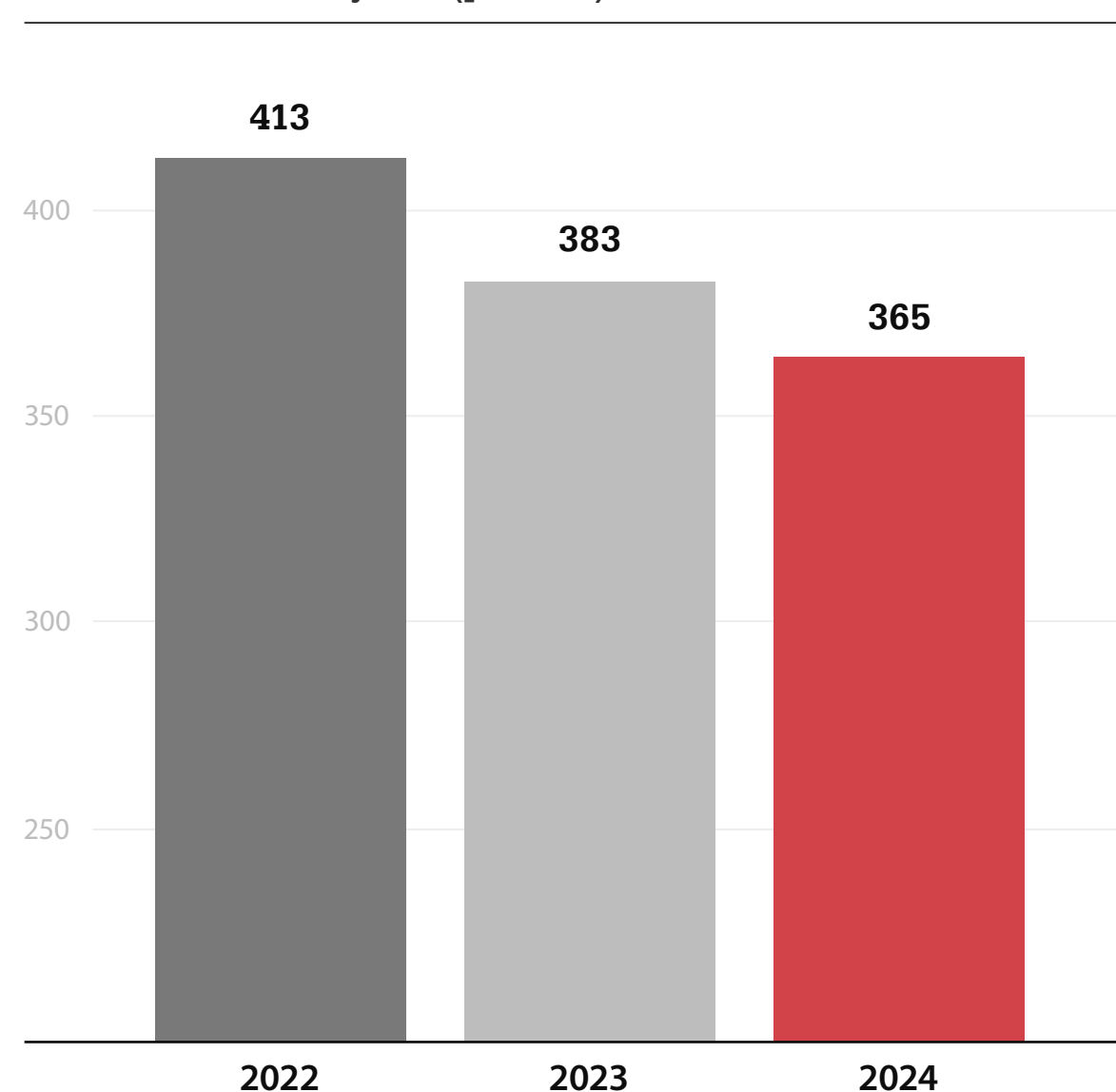


TRENDS IN EMPLOYEE TURNOVER

The construction sector is characterised by high labour turnover, which has long been a challenge for market players – a phenomenon further exacerbated by the unfavourable economic environment in recent years. However, our company saw a positive change in 2024: the number of employees leaving the company decreased significantly compared to the previous year: turnover rate decreased from 37% to 32%, while the entry rate was 31%.

Our team grew by a total of 113 new colleagues in 2024, including 30 female and 83 male employees. During the same period 29 of our employees had their employment terminated by the employer, while 87 left of their own accord.

Change in total headcount over the last three years (persons)



Employees joining and leaving the company in the last three years (number of persons, based on year-end data)

	Unit	2022	2023	2024
Total	persons	413	383	365
New hires	persons	112	119	113
Women	persons	45	49	30
Men	persons	67	70	83
Leavers	persons	85	140	118
Women	persons	46	53	34
Men	persons	39	87	84
Employees dismissed (excluding employees who quit voluntarily)	persons	N/A	N/A	29
Employees quitting during the year	persons	N/A	N/A	87
Employee turnover rate during the reporting period (=number of new hires/ total number of employees*100)	%	27	31	31
Employee turnover rate during the reporting period (= number of leavers / total number of employees * 100)	%	21	37	32



PARENTAL LEAVE AND CHILDCARE-RELATED ABSENCES

In accordance with GRI guidelines, we monitor the number of employees taking parental leave and the percentage of those returning to work. During the reporting period 13 women and 8 men were on childcare-related leave in 2024. One person returned to active work after the end of their parental leave, and this year we had no employees who were still working for our company 12 months after the end of their parental leave.

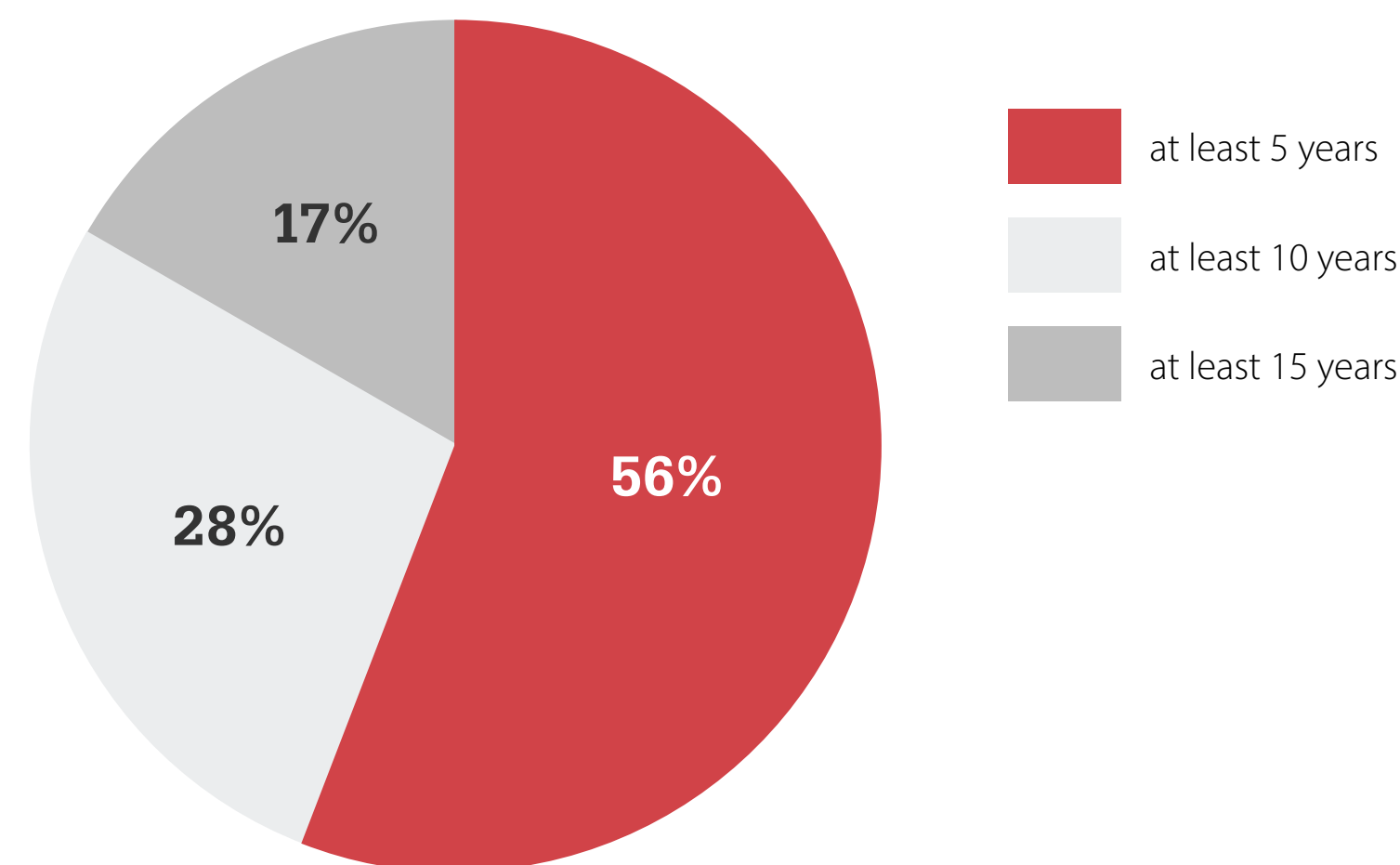
ONBOARDING

We help our new colleagues settle in with a mentoring programme in which sales staff working at our sites and administrative staff at our head office take on the role of mentors. These are experienced colleagues who not only have a thorough understanding of how the company works but can also help new colleagues integrate into the company socially. In our experience, this is key to creating a good community atmosphere. We conclude the training phase with a joint team-building event, which provides a good opportunity to get to know each other and strengthen informal relationships. Our recruitment practice is transparent and value-based: we measure all applicants by the same standards, excluding discrimination and giving preference to those whose values fit in with our corporate culture.

⁴ The fixed-term contracts of two employees expired, they are not included in the table
⁵ Includes absences due to CSED, GYED, GYES, and additional leave days for fathers

Breakdown of employees based on the number of years spent at STAVMAT (persons) ▼

Loyalty	Unit	2023	2024
Employees with the company for at least 5 years	persons	180	172
of which women	persons	75	71
of which men	persons	105	101
Employees with the company for at least 10 years	persons	88	85
of which women	persons	30	30
of which men	persons	58	55
Employees with the company for at least 15 years	persons	54	51
of which women	persons	20	21
of which men	persons	34	30

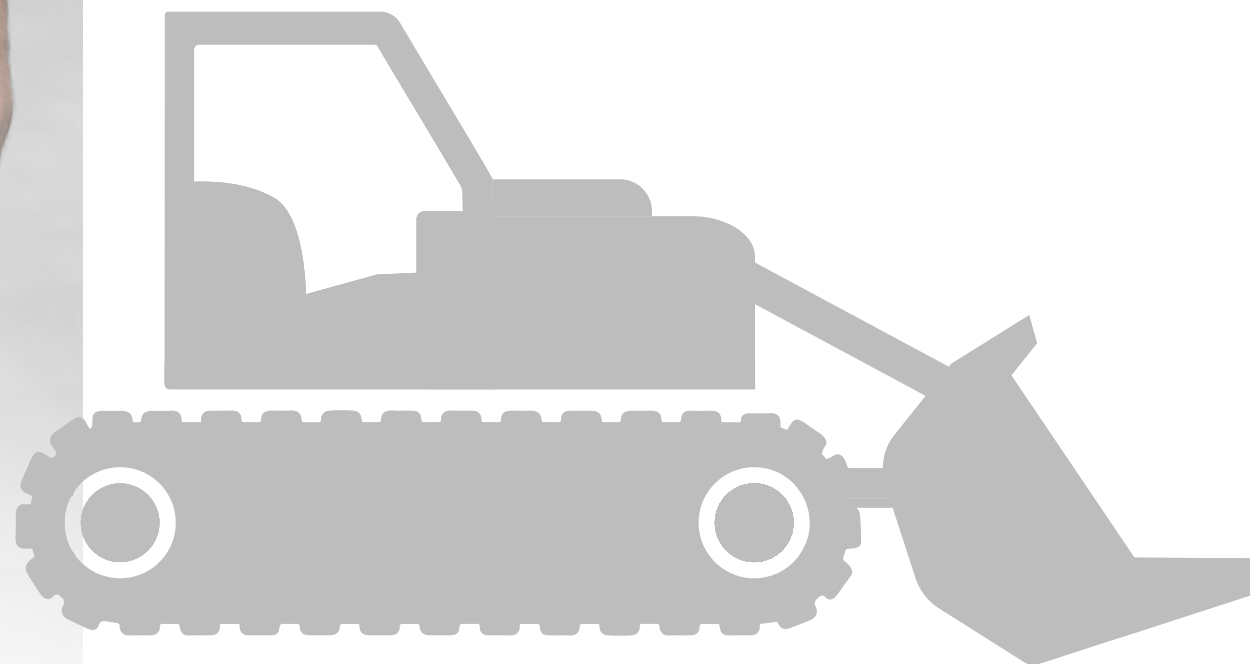


WORK-LIFE BALANCE

We believe that one of the keys to long-term sustainable performance is a good work-life balance. That is why we support our employees with predictable working hours, transparent regulations and a flexible approach. We regulate the maximum number of hours worked per week and per day, and pay close attention to planning rest periods. Our work organisation practices are designed to avoid overtime, we agree on holidays in advance, and we compensate for overtime with time off in lieu or payment.

Although Saturday opening hours are typical for our commercial activities, we look to minimise evening and weekend work so that our colleagues have time to regenerate, spend time with their families and recharge their batteries. Working hours are based on the time frame specified in the employment contract, which ensures that our employees work a maximum of 12 hours per day and 48 hours per week. Our basic principle is to tailor the work schedule to the individual work patterns of our employees, paying particular attention to ensuring and scheduling adequate rest periods.





REMUNERATION

(GRI 2-19, GRI 2-20, GRI 405, GRI 405-1)

We have a competitive, fair and motivating remuneration system that takes into account changes in the economic environment and the different needs of our employees. Our cafeteria policy allows all our colleagues, whether they are on fixed-term or permanent contracts, full-time or part-time, to receive benefits in addition to their basic salary, based on uniform principles. The purpose of the benefits package is to support employees in their professional development and in making good use of their free time.

The remuneration of our managers is determined by the owner. No separate Remuneration Committee has been set up, but the Board of Directors has developed a Bonus Policy to provide performance-based incentives. Retaining and satisfying our workforce is of key importance to us, which is why we have implemented wage increases in recent years, particularly for our site-based employees. As part of our benefits system we offer company car use, performance-related bonuses, Christmas gift packages, travel expense reimbursement, and access to the Recreation and Training Centre.

Benefits



Company car for permanent and occasional use (eligibility based on the Company Car Policy)



Cafeteria



A Christmas bonus package



Performance-based monthly, half-yearly or annual bonus



Travel expense allowance



Use of the Recreation and Training Centre

OCCUPATIONAL HEALTH AND SAFETY

(GRI 403, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10)

We reached an important milestone in 2024: our site in Dabas obtained the ISO 45001:2018 Occupational Health and Safety Management System certificate, which certifies the regularity of our operations as well as our long-term commitment to providing a safe, healthy and supportive working environment for our employees. In order to obtain the certificate, we reviewed the operation of our site and our internal procedures, and further developed them in line with international standards. As part of this, we strengthened our risk assessment, protective equipment provision, training and feedback processes so that we can respond even more quickly and effectively to any risks that may arise.

We believe that regulated operations, awareness and cooperation are the basis of our health and safety performance. Therefore, we implement a number of detailed regulations that apply to all our sites and employees. Compliance with these policies is ensured through regular inspections, training and internal audits, in which we also involve our occupational safety expert and occupational health service provider.

OCCUPATIONAL HEALTH AND SAFETY REGULATIONS

All new employees familiarise themselves with our regulations before starting work and receive refresher trainings at regular intervals. Our training is supplemented with practical demonstrations and first aid courses as required. To implement our occupational safety activities, we have contracted an external expert service provider who carries out environmental, occupational safety, fire safety and health protection measurements and also provides advice to help us comply with legislation. Our employees undergo occupational health examinations, and their fitness for work is determined on the basis of medical assessments, especially in the case of colleagues who perform physical work.



Occupational safety regulations

They define the general requirements for work, the responsibilities of managers and employees, the accident prevention system and the use of mandatory protective equipment. It includes the methodology for assessing workplace risks, preventive measures and procedures for investigating accidents at work.

Regulations on the provision of personal protective equipment

They specify the type, procurement and use of protective equipment for different jobs. The purpose of the regulations is to ensure the physical safety of employees during all work activities and that the use of equipment complies with applicable health and safety regulations.

Fire safety regulations

They are prepared in accordance with the relevant official fire safety regulations and supplemented by a mandatory training for all employees. The document details the regulation of fire-hazardous activities, the fire alarm plan, the location of fire extinguishing equipment and the necessary fire safety measures at all our sites..

Lifting and loading equipment regulations

They define the requirements for the safe operation of lifting equipment, the conditions for authorisation and the inspection procedure. They also cover the regular technical inspection of the lifting equipment, the aptitude of operators and the scheduling of mandatory maintenance.

Loading machine regulations

Rules for the use of forklifts and similar machines, highlighting the so-called "golden rules" that every driver must know and apply. The purpose of the regulations is to prevent accidents, ensure safe traffic in confined operating areas and support loading.

Materials handling and storage regulations

They describe the conditions for the safe operation of warehouse logistics and goods handling, along with routes, safety zones and storage principles. They also set out the ergonomic principles of manual materials handling, the conditions for machine handling, and the stability and fire safety requirements for storage.

Rules for using the Recreation and Training Centre

They ensure that our employees use the designated rest areas properly and safely, contributing to employee regeneration and well-being. The use of the Training Centre is regulated in accordance with occupational safety and training regulations to ensure that the training courses held there comply with the applicable regulations.

INJURY AT WORK

Our goal is to keep the number of accidents as low as possible every year. To this end, we investigate every event and, if necessary, introduce new procedures. In 2024 there were a total of three reportable work accidents at our sites, none of which resulted in serious, permanent damage to health.

Trends in the number of workplace accidents over the past three years (number) ▼

	2022	2023	2024
Reportable accidents	3	1	3
Work-related ill health	0	0	0
Serious accident at work	0	0	0
Fatal accident at work	0	0	0



SUPPORT FOR LOCAL COMMUNITIES

(GRI 413, GRI 413-1, GRI 413-2)

Our company's social responsibility extends beyond our business activities: we believe that our long-term success is based not only on the trust of our customers and partners but also on the well-being and development of local communities. That is why we pay special attention to supporting community initiatives, especially those aimed at child development, helping socially vulnerable groups, or developing community spaces and institutions. We typically provide support through tenders or direct requests: our decisions are always based on local needs and the principle of maximum social benefit.

The **STAVMAT Magic Programme** and the **STAVMAT Children's Drawing Competition** have become our company's flagship initiatives in recent years, and we continued them in 2024 as well. As part of the Magic Programme, we once again offered a STAVMAT voucher worth HUF 1 million to a nursery school, to be used for building materials, tools or other renovation equipment. Applications were submitted online, and the general public was also able to participate in the voting. We announced the highly popular STAVMAT Children's Drawing Competition on our website with the title "My Dream Room" in three age groups. The most creative entries received valuable prizes including Régió Játék and STAVMAT vouchers, as well as gift packages.

Támogatások 2024-ben

ST Magic Programme – kindergarten support tender	1,000,000 HUF STAVMAT voucher
Children's drawing competition (talent contest)	225,000 HUF prize + 180,000 HUF STAVMAT voucher + gifts
Foundation for Paediatric Surgery Patients	89,733 HUF



SPORTS SPONSORSHIP

We contribute to promoting a healthy lifestyle and maintaining local sports life through our sports sponsorship activities. We are proud to have been supporting the Füzesabony SC Handball Club, Dabas KC Kft., the Pécs City Shooting Club and other sports clubs in various parts of the country for many years.

Sports teams and venues STAVMAT supports:

- Füzesabony Handball Team (STAVMAT has been title sponsor since 2021)
- Pécs City Shooting Club
- Dabas KC Kft. Dabas Handball Team
- Bátaszék Sports Association Karate Section
- Tibor Zsíros Basketball Academy
- Nagybjom Athletics Club

Other sponsorships in 2024 included supporting Csemadok, the Horseman Equestrian Sports Association and a foundation with donations of building materials, as well as a rally car project. These donations took different forms – financial contributions, building materials or vouchers –, what they had in common was that they all served a specific community or charitable purpose. We are convinced that investing in communities is not only a matter of social responsibility but also of long-term value creation. In this spirit, **we will continue these activities in 2025.**





Responsible corporate governance

(GRI 3-3)

Transparent and regulated corporate governance is one of the most important pillars of our company's long-term, sustainable operation. We firmly believe that responsible business practices give us a competitive advantage and are essential for maintaining the trust of our partners, customers and employees at the same time. To this end, we are committed to **ethical conduct, full compliance with the law and fair taxation.**

Conscious **data protection, information security and ethical procurement practices** are an integral part of our corporate governance system. We pay particular attention to ensuring that all our business decisions are made in a transparent and regulated manner, taking into account the interests of internal and external stakeholders. **Our quality assurance system** is also a fundamental tool for ensuring that we operate at a high standard and keep improving.

STAVMAT operates in accordance with internal regulations and certified management systems. The general principles of conduct and procedures, the Code of Ethics and the Procurement Code ensure uniform, responsible operating standards. This is reinforced by the ISO 9001, ISO 14001 and ISO 45001 certifications obtained by our factory in Dabas in 2024, making our company's operations transparent and auditable in line with international standards.

TRANSPARENT CORPORATE GOVERNANCE

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-15, GRI 2-17, GRI 2-18)

The principles of corporate governance at STAVMAT are based on compliance, transparency and ethical operation. As a responsible large company, we consistently base our business decisions on an approach that ensures sustainable development and stable operations in the long term. Our strategy focuses on a vision of the future in which, in addition to economic performance, environmental and social value creation plays a key role.

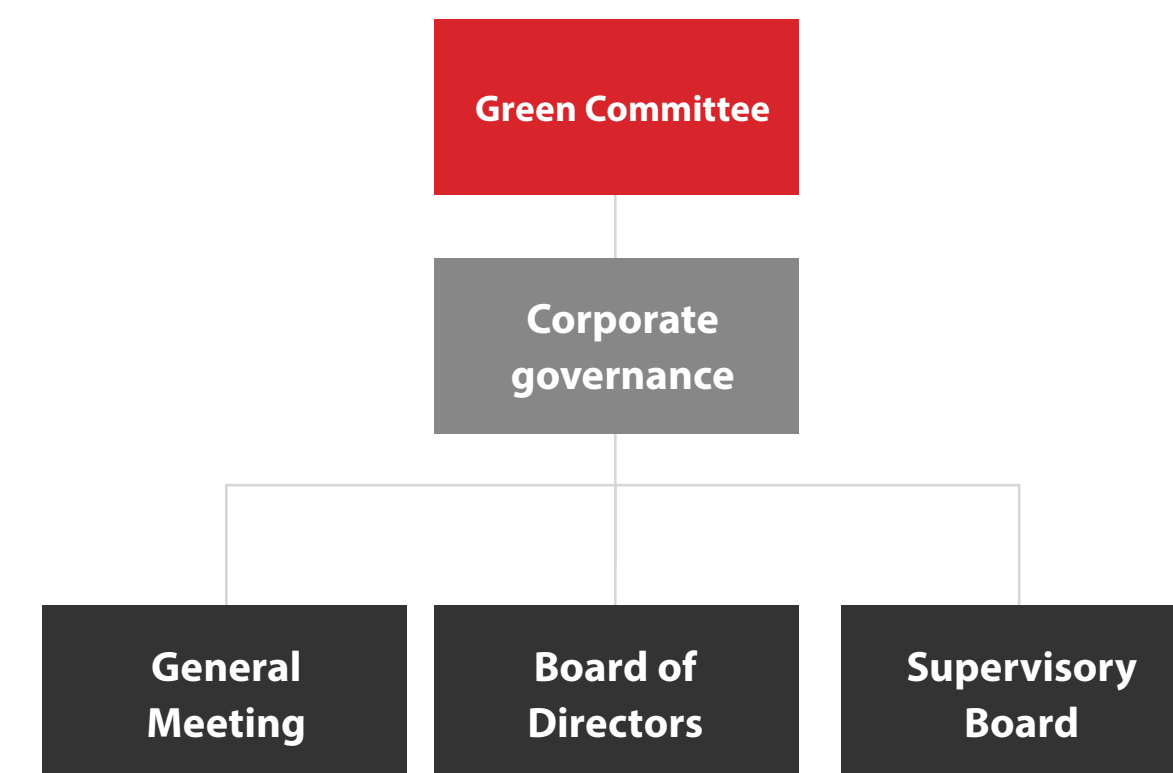
Our company operates under a shareholder structure where the general meeting exercises the highest decision-making authority in matters within its competence through written authorisation. Our three-pillar corporate governance model ensures that shareholder interests are fully respected in our operations, while our strategic goals are implemented in line with this.

The highest governing body of our company is the General Meeting, whose members are appointed by the shareholders. The General Meeting has the most important strategic decision-making powers including determining the long- and short-term corporate strategy, approving the annual financial reports, and electing the members of the Board of Directors and the Supervisory Board. The decisions of the General Meeting determine the direction in which our company develops. Ownership control is exercised by Pavol Kollár, the Chairman of the Board of Directors elected by the General Meeting and also the main shareholder of our company. The majority of strategic decisions are implemented by the Board of Directors which operates as a body of 3 to 7 members. The approval of investments above a certain value

limit is the responsibility of the Chairman of the Board of Directors, while decisions below this limit fall within the collective competence of the Board of Directors. Signing authorities are also aligned with this decision-making mechanism.

The Board of Directors responsible for implementation delegates tasks to middle management in line with the strategy, thus ensuring efficient and responsible operational functioning. Middle managers are accountable to designated members of the Board of Directors: management issues are supervised by the CEO, commercial matters by the commercial director, and financial matters by the financial director. The Green Committee, which also consists of members of the Board of Directors, plays a prominent role in the management structure, ensuring that ESG issues are handled in an integrated manner at the highest level of company management.

3-pillar corporate governance ▼



Members of the Board of Directors

- MSc. Arch. Pavol Kollár, Chairman of the Board of Directors
- Iván František, Chief Executive Officer
- Péter Turjászki, Member of the Board of Directors
- Roland Sarmon, Member of the Board of Directors

The Supervisory Board reviews the proposals submitted to the General Meeting, and also makes findings presented to the participants at the General Meeting. During the reporting period **the members of the**

Supervisory Board were:

- Zsolt János Ondrész (regional manager, plant manager)
- Ildikó Karacs (controller)
- Juliana Szócsová (chief accountant)

SUSTAINABILITY IN CORPORATE GOVERNANCE

At STAVMAT sustainability is a strategic priority. The General Meeting sets the guidelines, while the Board of Directors and the company's ESG committee, the Green Committee, are responsible for practical implementation and the coordination of day-to-day operations.

The Green Committee was established at the same time as the green bond was issued, and is responsible for selecting and supervising sustainability projects and approving the content of the ESG report. The committee meets at least twice a year and monitors domestic and international ESG trends and regulations.

In 2024 we significantly strengthened the implementation of our sustainability strategy by integrating the ISO 9001, ISO 14001 and ISO 45001 certifications into our operations. These three standards enable us to follow quality management, environmental protection and occupational safety regulations at a systemic level and to incorporate the associated objectives into our corporate management processes. With the acquisition of these certifications the Green Committee's remit has been further expanded: we now develop and operate our ESG strategy in line with these frameworks.

We provide expertise on sustainability from both internal and external sources. We guarantee the professional and credible implementation of our strategic objectives with the help of our external experts such as consultants, energy audit specialists, and occupational safety and fire protection experts. The education of our employees is also a priority for us: we encourage our colleagues to actively participate in sustainable operations through our electronically distributed internal magazine, Go Green, and regular internal communication campaigns.

We also pay special attention to our procurement processes, as our commercial activities have an indirect impact on the sustainability of the supply chain. In our procurement practices we give preference to products with CE marking, and we consider it important that our partners comply with legal requirements, pay their taxes fairly, and that their market behaviour is in line with our ethical expectations. Although we do not require ESG reporting from all suppliers, we know that most of our partners apply sustainability considerations in the manufacture of their products.

Sustainability is a core corporate value that is reflected at all organisational levels. The different departments are actively involved in achieving environmental and social goals, and we clearly communicate our objectives and best practices to our employees.

We continue to develop our sustainability practices by regularly participating in conferences, sharing knowledge and following the best domestic and international practices. In 2024 our leaders participated in several ESG and sustainability events, ensuring that STAVMAT remains a responsible and forward-looking player in the construction and commercial sectors.

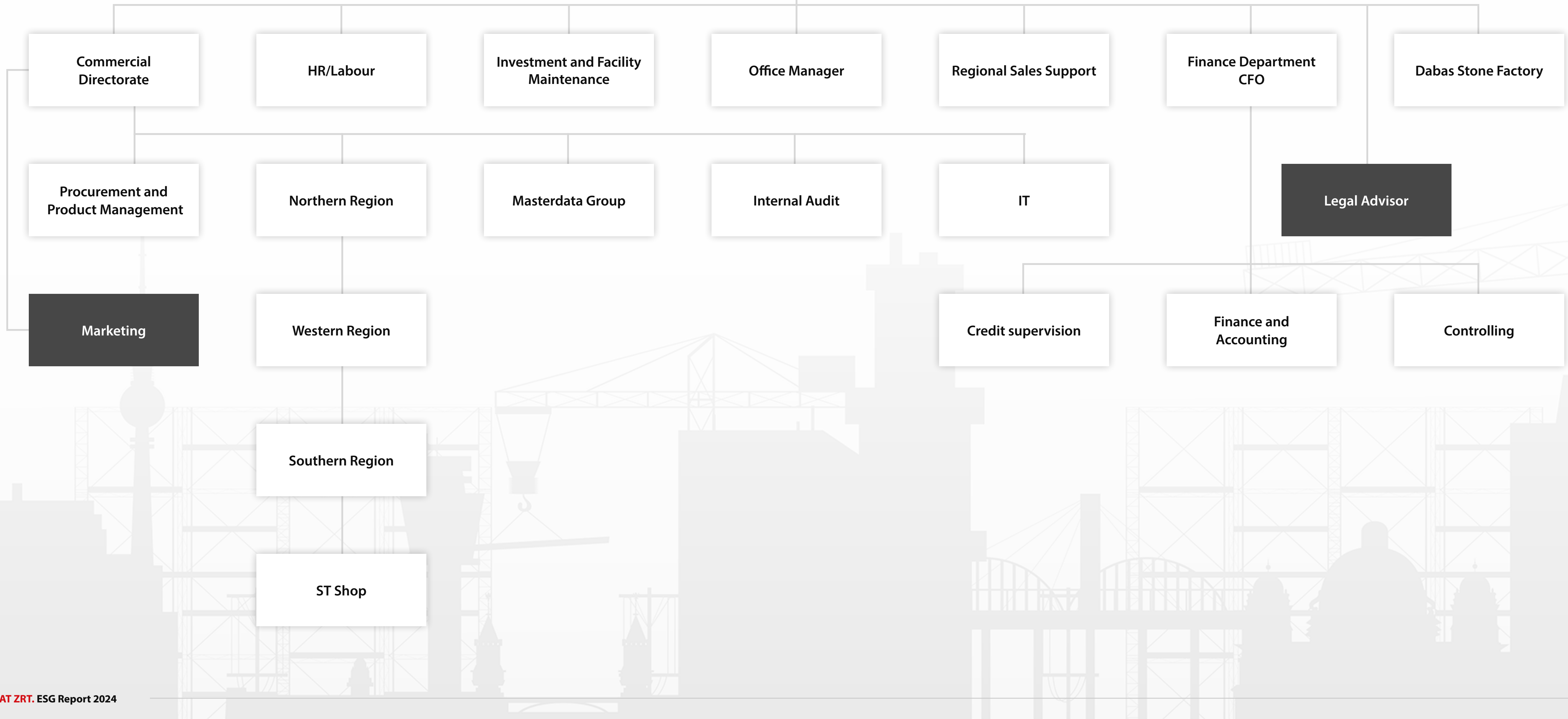
Members of the Green Committee

- Iván František, Chief Executive Officer
- Péter Turjászki, Board Member, CFO
- Roland Sarmon, Member of the Board of Directors, Commercial Director





**SVATMAT HU
Chief Executive Officer**



ETHICAL OPERATION IN ACCORDANCE WITH LEGISLATION

(GRI 2-15, GRI 2-16, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205, GRI 205-1, GRI 205-2, GRI 205-3, GRI 406, GRI 406-1)

Our company applies uniform standards of conduct in all countries, set out in detail in the group-level code of conduct. All new and existing employees are required to be familiar with and comply with this code, as these principles define the values necessary for everyday work. Our shared standards and expectations provide a stable, ethical and transparent foundation for our company's operations, underpinning not only our internal processes but also the success of our relationship with our partners. We are committed to maintaining a high level of ethical culture and responsible corporate behaviour at all organisational levels.

STAVMAT operates on the basis of shared values such as professional commitment, openness, honesty, loyalty and cooperation. These principles determine how we relate to our work, our colleagues and our partners in our daily activities. All our employees must be familiar with and apply these principles of conduct, and it is supported by organisational training and information sessions. It is important to us that both managers and employees are aware of their responsibilities and perform their work in an ethical manner, in line with the organisation's objectives. This is also supported by operating principles such as full compliance with legislation, an environmentally conscious approach, occupational safety and protecting employee rights.

We place great emphasis on creating an inclusive, supportive and safe working environment where respect, patience and mutual understanding are fundamental expectations. We are committed to protecting human rights and exclude all forms of discrimination from recruitment to termination of employment. Our company and other members of the group strongly reject any form of forced labour, child labour and modern slavery, whether in our own operations or in the situation of those working in our supply chain.

In 2024 STAVMAT Zrt. did not receive any fines for violating the law. No ethical or other offences (e.g. discrimination) were reported during the reporting year.

Our core behavioural values

 professional interest

 tolerance

 integrity


 loyalty

 solidarity

Our procedural principles

 respect for the law

 environmental protection

 occupational health and safety

 employee rights

OUR KEY POLICIES AND CODE OF ETHICS

One of the most important pillars of our corporate governance is regulation and transparency, ensured by a comprehensive internal regulatory system. We are committed to complying with applicable laws and ethical standards in all areas of our operations, while also taking sustainability considerations into account. Our internal regulations support both strategic and operational decision-making, and ensure that our corporate operations are not only efficient but also responsible and ethical. We continuously update these documents to keep pace with changing economic, social and environmental conditions as well as international ESG expectations. We have designed our regulatory framework to enable us to respond to market challenges while maintaining the trust of our customers and partners.



Our general and specific policies

- Code of Ethics
- General principles of conduct, procedures
- Organisational values and behavioural norms
- Procurement code
- Organisational chart
- HR Communications Policy
- Finance
- IT
- Lending
- HR
- Sales
- Inventory management
- Environmental protection
- Occupational safety
- Fire protection

Our Code of Ethics plays a special role in our regulatory system, as it conveys both behavioural guidelines and corporate values. It serves as a guideline for all our employees and managers on how to act fairly and lawfully in their daily decisions, in accordance with the values of STAVMAT. Our Code of Ethics covers the fundamental issues that are key to ethical operation: **anti-corruption, conflict of interest management, legal compliance, respect for human rights and dignity**, and compliance with competition law principles.

We have clearly stated that we reject all forms of corruption, whether active or passive bribery, at any international or local level. Our employees are prohibited from accepting benefits that could influence their decisions and may only accept gifts of nominal value for representation purposes, exclusively from existing suppliers and delivered to the company address.

Our conflict of interest rules ensure that our employees do not find themselves in a situation where their private interests conflict with their corporate duties. Accordingly, our colleagues are prohibited from acquiring financial interests in businesses that compete with STAVMAT, and the use of internal information for private purposes is strictly prohibited.

Our Code of Ethics also pays special attention **to full compliance with the law**. We monitor relevant regulatory changes and take the necessary measures before they are introduced. We expect our suppliers, partners and all parties who come into contact with us to also conduct their activities in an ethical manner, respecting the law.

Respect for human dignity and the complete rejection of discrimination are important principles for us. We are committed to an inclusive and respectful work culture where all our colleagues are treated safely and equally – from the first steps of the recruitment process to the end of their employment. We reject forced labour, child labour and any form of modern slavery, whether direct or indirect.

All new employees sign a declaration confirming that they have read and understood the Code and receive training on its principles upon joining the company. We regularly update this knowledge through internal training courses. We trust that our Code of Ethics not only regulates but also shapes our corporate culture, thereby promoting the long-term, sustainable and value-based development of STAVMAT.

The STAVMAT abuse reporting system

Our company is committed to fair, transparent and lawful operations. Ensuring ethical conduct is an integral part of our business and management practices developed in accordance with our internal regulations and the provisions of Act XXV of 2023.

In order to enable all our employees and partners to report ethical violations, legal violations or other abuses, we operate an anonymous abuse reporting system. The system is accessible to everyone and ensures that the identity of the reporters remains completely confidential, if they so wish.

Our employees can not only report concerns via the digital platform but can also contact their line manager or the HR department directly in questionable situations. It is important to us that all reports are treated in good faith, which is why our company guarantees that whistleblowers will not suffer any retaliation or discrimination.

Our Code of Ethics forms the basis of our ethical standards and provides clear guidance for all our employees and business partners. Knowledge of and compliance with the Code of Ethics is a fundamental requirement for all our employees in order to ensure lawful and integrity-based operations. In cases of doubt we encourage our employees to seek guidance from their line managers or HR department colleagues.



FAIR TAXATION

(GRI 207, GRI 207-1, GRI 207-2, GRI 207-3, GRI 207-4)

Fair and transparent taxation practices are an integral part of our operations. We are committed to fulfilling our financial and tax obligations in full and on time, in compliance with applicable Hungarian laws, regulations and relevant contracts. STAVMAT conducts its business activities exclusively in Hungary and, accordingly, has tax and reporting obligations only to the Hungarian tax authorities.

In order to ensure legal compliance, we pay close attention to changes in tax laws and implement them as soon as possible. As part of our risk management system, we continuously assess the risks arising from non-compliant taxation and look to minimise them. The Chief Financial Officer and the Chief Accountant are responsible for ensuring that the company operates in accordance with the law, and they ensure that tax-related activities are controlled and regulated.

Our business relationship with the authorities is balanced, and we respond quickly and cooperatively to any questions or consultations that arise. We file our tax returns electronically through an invoicing and accounting system that is directly connected to the tax authority's system, thus ensuring real-time compliance and complete transparency. We have complied with legal requirements in all tax audits to date, which confirms our responsible tax practices.

DATA PROTECTION, INFORMATION SECURITY

(GRI 418, GRI 418-1)

Data protection and information security are of paramount importance to us. The protection of personal and business data is a legal obligation and also part of our corporate responsibility. Our data management practices comply with the GDPR provisions of the EU and are based on regulations binding for all our employees.

We apply additional levels of protection based on the classification of information according to its accessibility and in accordance with our group's internal guidelines. These regulations cover, among other things, the use of IT systems, physical document storage, password management and the secure use of data carriers.

We protect confidential information with multi-level security measures, from the use of IT systems to document storage. There were no data protection incidents in 2024, confirming the effectiveness of our system.

Our goal is to continuously improve our data protection practices and ensure the trust of our customers, employees and partners through transparent and responsible operations.



MANAGING ENVIRONMENTAL AND SOCIAL IMPACTS

(GRI 201, GRI 201-2)

The economic instability, geopolitical tensions and rapid changes in the regulatory environment in recent years have required companies to respond in new ways. The past two years have been particularly challenging for the construction industry, and we were no exception. These trends have also had a noticeable impact on our company's operations in economic terms and in terms of social and environmental impacts. Sustainability challenges, particularly those related to climate

change, energy efficiency and zero-emission buildings are increasingly becoming part of customer and regulatory expectations. We at STAVMAT therefore subjected our operations to a comprehensive risk assessment in 2023, which included the identification of environmental, social and economic risks affecting our company.

The most significant risks affecting our industry performance

Risk factor	Impact	Consequence
Inflation and economic uncertainty	<ul style="list-style-type: none"> Decline in investment appetite Slowdown in construction projects 	Decreased demand for building materials
Disruptions in the supply chain	<ul style="list-style-type: none"> Raw material shortages caused manufacturing difficulties Deliveries not fulfilled on time 	<ul style="list-style-type: none"> Not all products were available Customer orders were fulfilled late
Volatility in raw material and energy prices	Unpredictable costs made planning difficult	<ul style="list-style-type: none"> Increase in the number of insolvent customers Operating and product costs increased
Labour shortage	High staff turnover	<ul style="list-style-type: none"> Rising wage costs Slowing production

PROCUREMENT PRACTICES

(GRI 308, GRI 308-1, GRI 308-2)

Our procurement activities are based on the principles of sustainability and business integrity. We are convinced that responsible procurement contributes to the achievement of our environmental and social goals and also to our long-term financial results. Therefore, we have integrated our ESG considerations into our entire procurement process at a strategic level, which is detailed **in our Procurement Code**. In relation to paving stone production, we pay particular attention to involving domestic suppliers who can provide smaller quantities of high-efficiency cement, thereby reducing both costs and the environmental impact of material use.

SUSTAINABILITY EXPECTATIONS FOR SUPPLIERS

We expect our suppliers and subcontractors to act responsibly throughout the entire life cycle of their products and services. We take environmental considerations into account when developing our specifications and require our partners to support the following objectives:

- improving energy and resource efficiency,
- achieving lower emission levels,
- use of renewable resources,
- minimising waste generation, increasing recycling.

Our suppliers with the ISO 14001 or EMAS certification can participate in a simplified procedure. In 2024 we evaluated hundreds of products from an environmental perspective and found no cases that would warrant exclusion.

SOCIAL REQUIREMENTS IN PROCUREMENT

STAVMAT is committed to respecting the rights of its employees. We expect our suppliers to comply with the conventions of the International Labour Organisation (ILO), with particular regard to the following:

- prohibition of forced and child labour,
- ensuring occupational health and safety,
- law-abiding conduct, integrity and transparency.

In addition, the OHSAS 18001 or other relevant certification is an advantage when selecting our partners.

ETHICAL AND TRANSPARENT PROCUREMENT

All our suppliers are required to follow the principles set out in our Supplier Code of Conduct. These include:

- putting the interests of the group first,
- complying with framework agreements or handling exceptions in a duly justified manner,
- compliance with conflict of interest rules and gift limits,
- representing an appropriate dress code and negotiation etiquette on behalf of the company,
- maintaining confidentiality and handling commercial information securely.

In our supplier relationships we aim for long-term, development-oriented cooperation, in which communication and continuous monitoring play a key role.

QUALITY ASSURANCE

The basis of our company's long-term success is customer satisfaction and a commitment to quality. We believe that sustainable growth requires not only excellent products but also reliable, regulated and transparent processes. In this spirit, we reached a significant milestone in 2024: our factory in Dabas successfully obtained the

- **ISO 9001 (quality management),**
- **ISO 14001 (environmental management)** and
- **ISO 45001 (occupational health and safety)**

certifications. These three standards together form the basis of our quality management system and are an integral part of our operating model.

By obtaining these certifications we have not only demonstrated our compliance with legal requirements but also raised our internal processes, documentation system, accountability structures and risk assessment practices to a higher level. Based on the requirements of the standards we have redefined our key processes, set our quality and environmental goals, and can monitor their implementation with metrics. All this has strengthened the reliability of our operations, reduced the possibility of errors, increased customer satisfaction and improved the sense of security among our employees.

We strictly control the raw materials used in production and test the finished products in our own laboratory in accordance with current industry standards. These include **MSZ EN 1338:2003** which sets out the technical requirements and quality expectations for concrete paving elements, and **EN 1339:2003** which specifies the requirements for concrete paving slabs. **EN 1340:2003** covers the manufacture and compliance of concrete kerbstones, while **EN 15435:2008** summarises the specifications for normal and lightweight concrete formwork elements. With regard to masonry units, standard **EN 771-3:2011+A1:2016** provides a framework that ensures the dimensional



and material requirements of the units. In addition, we also take into account standard **EN 1433:2002/A1:2005** which specifies the test and performance criteria for drainage elements in areas subject to vehicular and pedestrian traffic. By applying these standards we guarantee that our products comply with even the most stringent European regulations.



The ISO 9001 – Quality management system

ISO 9001 is the world's best-known and most widely used **quality management standard**, providing a framework for organisations to increase customer satisfaction, ensure continuous improvement and ensure efficient operation. The standard is based on a process-based approach that incorporates risk-based thinking, management commitment, customer focus and documented, measurable performance improvement, enabling us to **consistently deliver high quality in our products and services.**



ISO 14001 – Environmental Management System

ISO 14001 is an internationally recognised standard that provides a framework **for managing environmental aspects at an organisational level** to ensure compliance, reduce environmental impact and enhance sustainability. By applying this standard we can identify and manage direct and indirect impacts on the environment in a structured manner while ensuring **compliance with environmental legislation, preventing pollution and continuously reducing our corporate ecological footprint.**



ISO 45001 – Occupational health and safety management system

ISO 45001 is an **international standard** for occupational health and safety that helps manage workplace risks, prevent accidents and improve employee well-being. The system aims to ensure the protection of employees' physical and mental health through a comprehensive approach while **promoting proactive risk management, regulatory compliance and the integration of a safe working culture into corporate operations**

Glossary

Abbreviation	English	Hungarian
VAT	value added tax	általános forgalmi adó (ÁFA)
BÉT	Budapest Stock Exchange	Budapest Értéktőzsde
BREEAM	Building Research Establishment Environmental Assessment Method	Environmental assessment method for buildings
CE	Conformité Européenne	European Conformity (conformity marking)
Chief Financial Officer	Chief Financial Officer	pénzügyi igazgató
CO	carbon monoxide	szén-monoxid
CO ₂	carbon dioxide	szén-dioxid
CSED	infant care fee	Csecsemőgondozási díj
CSRD	Corporate Sustainability Reporting Directive	Vállalati fenntarthatósági beszámolási irányelv
EKR	Energy Efficiency Obligation Scheme	Energiahatékonysági Kötelezettségi Rendszer
EMAS	Eco-Management and Audit Scheme	Környezetvédelmi vezetési és hitelesítési rendszer
EPD	Environmental Product Declaration	Környezetvédelmi terméknyilatkozat
EPR	Extended producer responsibility	Kiterjesztett gyártói felelősségvállalás
ESG	Environmental, Social, Governance	Környezet, Társadalom, Vállalatirányítás
ESRS	European Sustainability Reporting Standards	Európai Fenntarthatósági Jelentési Szabványok
ÉKE	Hungarian Building Materials Trade Association	Magyar Építőanyag Kereskedelmi Egyesület
FSC	Forest Stewardship Council	Erdőgondnoksági Tanács
GBP	Green Bond Principles	Zöldkötvény alapelvek
GDPR	General Data Protection Regulation	Általános adatvédelmi rendelet
GHG	Greenhouse gases	Üvegházhatású gázok (ÜHG)

GRI	Global Reporting Initiative	Globális Jelentéstételi Kezdeményezés
GYED	Childcare allowance	Gyermekgondozási díj
GYES	Child care benefit	Gyermekgondozást segítő ellátás
HAP	Hazardous Air Pollutants	Toxikus légszennyező anyagok
HR	Human resources	Humánerőforrás-menedzsment
ICMA	International Capital Market Association	Nemzetközi Tőkepiaci Szövetség
ILO	International Labour Organisation	Nemzetközi Munkaügyi Szervezet
IPA	Municipal trade tax	Iparüzési adó
ISO	International Organisation for Standardisation	Nemzetközi Szabványügyi Hivatal
LCA	Life-cycle assessment	Életciklus értékelés
LDPE	Low-Density Polyethylene	Alacsony sűrűségű polietilén
LEED	Leadership in Energy and Environmental Design	Energia és Környezettudatos Tervezés Vezetője
NO _x	Nitrogen Oxides	nitrogén-oxidok
OHSAS	Occupational Health and Safety Assessment Series	Munkahelyi egészségvédelmi és biztonsági irányítási rendszer
PM	Particulate Matter	szálló por
POP	Persistent Organic Pollutants	Perzisztens szerves szennyező anyagok
PP	Polypropylene	polipropilén
SDGs	Sustainable Development Goals	Fenntartható Fejlődési Célok
TAO	Company Tax	Társasági adó
UN	United Nations	Egyesült Nemzetek Szervezete
VOC	Volatile Organic Compounds	Illékony szerves vegyületek



GRI-index

GRI content index	Disclosure	Chapter title	Page	Reason for omission and/or comment
GRI 2: General disclosure 2021				
	2-1 Organisational details	About our report	4	
	2-2 Entities included in the organisation's sustainability reporting	About our report	4	
	2-3 Reporting period, frequency and contact point	About our report	4	
	2-4 Restatements of information	About our report	4	Previously disclosed information has not been reassessed.
	2-5 External assurance	About our report	4	STAVMAT Zrt. did not have its 2024 ESG report certified by an external, independent party.
	2-6 Activities, value chain and other business relationships	About STAVMAT	7	
		Activities	8	
		Value chain and supply chain	10	
	2-7 Employees	Employees	31	
	2-8 Workers who are not employees	Employees	31	
	2-9 Governance structure and composition	About STAVMAT	7	
		Transparent corporate governance	39	
	2-10 Nomination and selection of the supreme governing body	Transparent corporate governance	39	
	2-11 Chair of the highest governance body	Transparent corporate governance	39	
	2-12 Role of the highest governance body in overseeing the management of impacts	Transparent corporate governance	39	
	2-13 Delegation of responsibility for managing impacts	About STAVMAT	7	
		Transparent corporate governance	39	
	2-14 Role of the highest governance body in sustainability reporting	About our report	4	
		Transparent corporate governance	39	



2-15 Conflicts of interest	Transparent corporate governance Ethical, lawful operation	39 42
2-16 Communication of critical concerns	Ethical, lawful operation	42
2-17 Collective knowledge of the highest governance body	Transparent corporate governance	39
2-18 Evaluation of the performance of the highest governance body	Transparent corporate governance	39
2-19 Remuneration policies	Employees	35
2-20 Process to determine remuneration	Employees	35
2-21 Annual total compensation ratio	We consider salaries to be confidential business information.	
2-22 Statement on sustainable development strategy	A Letter from the CEO Sustainability strategy	3 15
2-23 Policy commitments	Sustainability strategy Ethical and legally compliant operation	15 42
2-24 Embedding policy commitments	Sustainability strategy Ethical and legally compliant operation	15 42
2-25 Procedures to remediate negative impacts	Ethical and legally compliant operation	42
2-26 Mechanisms for seeking advice and raising concerns	Ethical and legally compliant operation	42
2-27 Compliance with laws and regulations	Ethical and legally compliant operation	42
2-28 Membership associations	Professional memberships	12
2-29 Approach to stakeholder engagement	Stakeholders	18
2-30 Collective bargaining agreements	Our company does not have a collective agreement.	
GRI 3: Material topics 2021		
3-1 Process to determine material topics	Material topics Materiality assessment	18 18
3-2 List of material topics	Material topics	18



		Commitment to the environment	19
		Commitment to society	30
		Responsible corporate governance	39
GRI 201: Economic performance 2016			
	201-1 Direct economic value generated and distributed	Transparent corporate governance	13
	201-2 Financial implications and other risks and opportunities due to climate change	Management of environmental and social impacts	45
	201-3 Defined benefit plan obligations and other retirement plans		Not applicable.
	201-4 Financial assistance received from government	Transparent corporate governance	13
GRI 205: Anti-corruption 2016			
	205-1 Operations assessed for risks related to corruption	Ethical, lawful operation	42
	205-2 Communication and training about anti-corruption policies and procedures	Ethical, lawful operation	42
	205-3 Confirmed incidents of corruption and actions taken	Ethical, lawful operation	42
GRI 207: Tax 2019			
	207-1 Approach to tax	Fair taxation	44
	207-2 Tax governance, control, and risk management	Fair taxation	44
	207-3 Stakeholder engagement and management of concerns related to tax	Fair taxation	44
	207-4 Country-by-country reporting	Fair taxation	44
GRI 302: Energy 2016			
	302-1 Energy consumption within the organisation	Energy efficiency	20
	302-2 Energy consumption outside of the organisation		Not applicable.
	302-3 Energy intensity	Energy efficiency	20
	302-4 Reduction of energy consumption	Energy efficiency	20



302-5 Reductions in energy requirements of products and services	Energy efficiency	20	
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GRI 305: Emissions 2016

305-1 Direct (Scope 1) GHG emissions	Reducing emissions	23	We work on improving our data collection.
305-2 Energy indirect (Scope 2) GHG emissions	Reducing emissions	23	We work on improving our data collection.
305-3 Other indirect (Scope 3) GHG emissions			We do not currently have data available for Scope 3 emissions.
305-4 GHG emissions intensity			We do not currently have data on GHG emission intensity.
305-5 Reduction of GHG emissions			We do not have an emissions reduction strategy, but we will work on formulating specific commitments in the future.
305-6 Emissions of ozone-depleting substances (ODS)			Not relevant.
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Reducing emissions	23	

GRI 306: Waste 2020

306-1 Waste generation and significant waste-related impacts	Responsible waste management	24	
306-2 Management of significant waste-related impacts	Responsible waste management	24	
306-3 Waste generated	Responsible waste management	24	
306-4 Waste diverted from disposal	Responsible waste management	24	
306-5 Waste directed to disposal	Responsible waste management	24	

GRI 308: Supplier environmental assessment 2016

308-1 New suppliers that were screened using environmental criteria	Procurement practices	45	
308-2 Negative environmental impacts in the supply chain and actions taken	Procurement practices	45	



GRI 401: Employment 2016

401-1 New employee hires and employee turnover	Employees	31
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees	31
401-3 Parental leave	Employees	31

GRI 403: Occupational health and safety 2018

403-1 Occupational health and safety management system	Occupational health and safety	36
403-2 Hazard identification, risk assessment, and incident investigation	Occupational health and safety	36
403-3 Occupational health services	Occupational health and safety	36
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety	36
403-5 Worker training on occupational health and safety	Occupational health and safety	36
403-6 Promotion of worker health	Occupational health and safety	36
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety	36
403-8 Workers covered by an occupational health and safety management system	Occupational health and safety	36
403-9 Work-related injuries	Occupational health and safety	36
403-10 Work-related ill health	Occupational health and safety	36

GRI 405: Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees	Employees Remuneration	31 35
405-2 Ratio of basic salary and remuneration of women to men		Our wages are considered trade secrets.

**GRI 406: Non-discrimination 2016**

406-1 Incidents of discrimination and corrective actions taken	Ethical, lawful operation	42
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GRI 413: Local communities 2016

413-1 Operations with local community engagement, impact assessments, and development programs	Support for local communities	38
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413-2 Operations with significant actual and potential negative impacts on local communities	Support for local communities	38	No such impact identified.
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GRI 418: Customer Privacy 2016

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection, information security	44
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