



**AKKO Invest Plc.**

**2024**

**Consolidated Sustainability Report**

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## Executive greeting

We are pleased to share AKKO Invest Plc.'s first consolidated sustainability report, which presents our Company's efforts and achievements in the field of sustainability. The ESG report is particularly important because by presenting the three pillars, E, S, G, or Environmental, Social and Corporate Responsibility, the report highlights the measures our Company has taken in the field of sustainability.

Our primary goal is to promote energy efficiency improvements in the properties owned by the Group and, as a listed holding company, to ensure transparent operations for our shareholders through appropriate processes and policies.

Our social responsibility is not only our duty, but also an integral part of our values, which permeate all our activities.

Our goal is to continue our committed work to promote sustainability. We believe it is important to continue to seek innovative solutions and actively participate in initiatives that contribute to the protection of our environment and the development of our communities.

I thank all my colleagues for their commitment and work on this matter. Only together, collectively, can we work for a sustainable future.

Zoltán Prutkay  
AKKO Invest Plc.  
chairman of the Governing Board

## Company Introduction

AKKO Invest Plc., listed in the Premium category of the Budapest Stock Exchange, was established in 2019 through the transformation of Plotinus Holding Plc., and its shares have been listed on the Budapest Stock Exchange since 2011. AKKO Invest Plc. is a publicly traded company registered in Hungary, which primarily engages in asset management activities. AKKO Invest Plc. is a holding company, i.e. a company with equity stake in several undertakings, the economic objective of which is to realise long-term increase in value through efficient cooperation between the holding and the subsidiaries. AKKO Invest Plc. invests its own assets, does not perform external asset management, and its fundamental goal is to increase the assets and value of its subsidiaries (and of course, the parent company) in parallel with the increase in share prices. The subsidiaries are entities operating primarily in the property market.

AKKO Invest Plc. is a public limited company established under the laws of Hungary. The Company's registered office since April 23, 2021: 1118 Budapest, Dayka Gábor u. 5 5.

The Company's subscribed capital is HUF 833,880,000, which comprises of 33,355,200 pieces of ordinary shares on 31 December 2024. The nominal value of the shares is HUF 25/piece.

## Presentation of the scope of activities

The long-term strategy of the Parent Company set as an objective to generate a source of income for the shareholders of the Company through acquisitions and real investments.

The subsidiaries of the Parent Company on 31 December 2024 are summarised in the following table:

Name of the Company	Equity stake
VÁR-Logisztika Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-046822)	100 %
MOON Facility Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049534)	100 %
ALQ SAS (registered office: France, Antibes 06600, 18 Avenue Louis Gallet; registration number: 841 053 077 R.C.S. Antibes, tax number: FR93841053077)	100 %
4 Stripe Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049777)	100 %

A PLUS Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049740)	100 %
Elitur Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049966)	100 %
NEO Property Services Zrt. (registered office: 11117 Budapest, Szerémi út 4.; company registration number: 01-10-045154) AKKO Invest Plc. directly owns 49% of the shares of NEO Property Services Zrt., while indirectly through ELITUR Invest Zrt. it owns 51%.	100 %
Deniro Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-140820)	100 %

## General Disclosures (ESRS 2)

### General basis for preparing a sustainability statement (BP-1)

The Company prepared its sustainability statements together with its subsidiaries – in aggregate – and therefore includes the data of NEO Property Services Zrt. in detail. (BP-1\_5a) The scope of consolidation is the same as that of the financial statements, so in addition to the Parent Company, the following subsidiaries were included in the consolidation.

*The scope of consolidation covers the following companies (BP-1\_5b)*

VÁR-Logisztika Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-046822)
MOON Facility Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049534)
ALQ SAS (registered office: France, Antibes 06600, 18 Avenue Louis Gallet; registration number: 841 053 077 R.C.S. Antibes, tax number: FR93841053077)
4 Stripe Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049777)
A PLUS Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049740)
Elitur Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049966)
NEO Property Services Zrt. (registered office: 11117 Budapest, Szerémi út 4.; company registration number: 01-10-045154) AKKO Invest Plc. owns 49% of the business shares of NEO Property Services Plc. directly and 51% indirectly through ELITUR Invest Plc.
Deniro Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-140820)

In the sustainability report, the term “AKKO” refers to AKKO Invest Plc. and its subsidiaries, with the exception of NEO Property Services Zrt. (NEO). The term “Company” includes AKKO and all of its subsidiaries, including NEO, except where we specifically indicate that data relating to NEO is presented separately.

The sustainability statement covers our own business activities as well as our upstream and downstream value chain. During the value chain analysis, the activities of AKKO and NEO were explored. We identified two value chains at AKKO and four at NEO. (BP-1\_5c)

Value chains identified in the case of AKKO:

- Asset management
- Real estate segment
- Value chains identified for NEO:
  - Facility management
  - Property management
  - Energy management
  - General construction

More information on value chain mapping can be found in the SBM-1 publication.

During the analysis, we identified the main activities and stakeholders at the upstream, own, and downstream levels. The examination of upstream processes focuses primarily on direct suppliers, as access to data from indirect suppliers is limited. The focus of downstream analysis is on direct customers. The identification of impacts, risks and opportunities (IROs) was carried out along the value chains at upstream, own activity and downstream levels.

When preparing the sustainability statement, we did not take the opportunity to omit any specific information corresponding to intellectual property, know-how or innovation results. (BP-1\_5d)

The Company is not exempt from disclosing certain information under the relevant EU rules, so it did not exercise this option. (BP-1\_5e)

## Disclosures regarding specific circumstances (BP-2)

We used the guidelines in section 6.4 of the ESRS 1 standard to determine the time horizons for the sustainability report. Accordingly, the short-term period refers to the reporting period, the medium-term period is up to 5 years, while the long-term period covers more than 5 years. (BP-2\_9a)

The data for the upstream and downstream value chain do not include information or estimates from indirect sources.

The following table describes the published quantitative metrics that we identified through estimation. (BP-2\_11)

Quantitative measures determined by estimation	Information on sources of measurement uncertainty	Assumptions, approximations and judgments used in the measurement
Energy consumption E1-5	Energy consumption, and thus the related GHG emission data, are available for the entire office building, so we have proportionally calculated them for the AKKO.	Energy consumption was estimated as a proportion of the superstructure (m <sup>2</sup> ).  Missing year-end data was supplemented with the value for the same month of last year.
E3-4 Water consumption	NEO Property Services Zrt's water consumption is based on estimates, as there is no possibility to measure water consumption in the company's central rental property.	We took into account the water consumption data of the entire building, as well as the proportion of the rented area for the estimate.
Digitalization	The total estimated paper savings of the Company's subsidiaries during the reporting period were included.	Based on previous paper usage, the unit paper volume (A/4 sheet format) per document type was calculated, and the estimated paper sheet savings were determined by multiplying this back by the current number of pieces for the given year.

When compiling the sustainability statement, we integrated data collected based on the guidelines of the globally recognized sustainability reporting framework, the Global Reporting Initiative (GRI). This information is highlighted at the relevant data points and is also summarized in the table below. (BP-2\_15)

GRI data point	ESRS data point for which integration was performed
GRI 2-9 Governance structure and composition	GOV-1 – The role of the management, executive and supervisory bodies in the case of NEO Property Services Zrt.

GRI 2-12 The role of the highest governance body in managing impacts	SBM-2 45 d) - Whether and if so, how are the management, executive and supervisory bodies informed of the positions and interests of relevant stakeholders regarding the sustainability impacts of the business in the case of NEO?
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Given that the Company did not exceed an average of 750 employees on the balance sheet date during the financial year, we decided to use the phased introduction for ESRS E4, ESRS S1, ESRS S2, ESRS S3 and ESRS S4. However, as a result of the dual materiality assessment, these topics were deemed material, and the relevant information is presented in detail in the relevant sections, in accordance with the requirements set out in Appendix C of the ESRS 1 standard. (BP-2\_17)

The role, composition and diversity of the management, executive and supervisory bodies (GOV-1)

**Role and composition of the administrative, management and supervisory bodies (GOV-1\_21)**

The management structure of the Company is as follows: there are a total of five executive members, all five of whom are members of the Governing Board, and three are members of the Audit Committee, who are also members of the Governing Board. The non-executive members consist of four people, including an investor liaison officer, a tenant liaison officer, and two portfolio managers. Employees and other workers are represented in the management bodies by an employee who also holds the positions of Chairman of the Governing Board and member of the Audit Committee.

In the case of NEO, the management structure consists of six executive members, while there are no executive members on the management board. The representation of employees and workers is ensured by the members of the Supervisory Board, which consists of two members who, in addition to their managerial roles, are also employed by the company. The management structure described above is summarized in the table below. (GOV-1\_21a-c)

	AKKO Invest Plc.	NEO Property Services Ltd.
Number of executive members (persons)	5 people	6 people
Number of non-executive members (persons)	4 people	there is none
Representation of employees and other workers in the management body	1 employee who is the Chairman of the Governing Board and a member of the Audit Committee	2 people (Supervisory Board, company managers)

The **Governing Board** the executive body of the Company. The General Meeting is entitled to elect the members of the Governing Board. Members of the Governing Board may be re-elected. The Governing Board represents the Company towards third parties and before the authorities. The Governing Board exercises its rights and duties as a body. The Governing Board is a 7-member executive body (currently there is a 5-member Governing Board). The Governing Board shall elect the Chairman and Deputy Chairman of the Governing Board from among its members.

Members of the Governing Board:

- Zoltán Prutkay – Chairman of the Governing Board
- Attila Imre Horváth – Vice Chairman of the Governing Board
- Gábor Székely – member of the Governing Board
- István Matskási – member of the Governing Board
- Péter Márk Bosánszky – member of the Governing Board

The Company does not have a Supervisory Board; instead, the power of control and opinion-making is exercised by the Audit Committee elected from among the members of the Governing Board.

**The Audit Committee** *purpose of its operation* primarily to ensure that the Company complies with the accounting standards specified in the legislation and the Company's internal regulations, that the Company's auditor meets the professional expectations necessary to perform his/her mandate, and to supervise the performance of the Company's internal control system.

The Audit Committee's tasks include monitoring the effectiveness of the financial reporting process and the internal control and risk management system, as well as providing opinions on IFRS-compliant reports and monitoring their audit. The committee makes recommendations for the selection and remuneration of the auditor, prepares the contract with the auditor, and ensures that the auditor complies with professional requirements and conflict of interest regulations. Furthermore, it monitors the independence of the auditing firm and other services provided by it, and assists the Governing Board in its work to ensure proper control of the financial system. It performs all tasks that the Statutes refer to its competence.

In order to perform its duties, the Audit Committee may request reports or information from the Governing Board and the Company's senior employees, may examine the Company's books and documents, or may have them examined by an expert.

Members of the Audit Committee:

- Gábor Székely– chairman of the Audit Committee
- István Matskási – member of the Audit Committee
- Péter Márk Bosánszky – member of the Audit Committee

The professional biographies of the Company's senior management are available on the Company's website at <https://akkoinvest.hu/en/rolunk/> via link. Description of the members of the Company's management board and their experience in the business sectors. (GOV-1\_21c)

- **Zoltán Prutkay** (chairman): The specialist graduated from Szent István University in 2009 with a degree in business management and finance and accounting. He started his career at MKB Bank Zrt., where he worked on the implementation of acquisitions and capital market investments, and was responsible for the related special lending activities, participating in the development of project and syndicated loans. In 2013, he joined UniCredit Bank Zrt. as a senior corporate officer responsible for the bank's mid-sized corporate financing area, where he managed acquisition and financing transactions. In 2015, he continued his career as CFO and member of the Governing Board at Appeninn Holding Plc. From November 2016 to the end of February 2019, he was the CEO of AppeninnCredit Zrt. Between November 2017 and February 28, 2019, he was the CEO of ALTERA Plc. (its successor, AutoWallis Plc.). Since January 23, 2019, he has been the Chairman of the Governing Board of the Issuer.
- **Imre Horvath** (Vice President): Graduated from the College of Finance and Accounting with a degree in finance. After that, he worked as a back office manager and treasury salesperson at Leumi Hitelbank, and then spent 12 years at Budapest Alapkezelő Zrt. as a back office manager and bond portfolio manager. In 2006, he was an asset manager at Wallis Zrt., and since 2007, he has been the financing director of WING Zrt.
- **István Matskási** (member): István Matskási graduated in economics from the Budapest University of Economics in 1995. He began his professional career at Messer Hungarogáz, and then between 1998 and 2003 he was the Chief Controller of Ferroglobus Trading House. Since 2003, he has worked in senior management positions, gaining significant experience in the fields of financial management, corporate governance, corporate finance and venture capital management, among others. Between 2003 and 2008, he was the financial director of Multireklám Public Media Agency, then between 2008 and 2010, he was the chief advisor to the president of OTP Bank, and between 2010 and 2012, he was the financial director of Bonafarm. After that, he was the financial director of Scitec Ltd. for two years. Between 2014 and 2016, as CEO of Morando Venture Capital Fund, he was responsible for the fund's investments, monitoring and development of portfolio companies. Since 2008, he has been the managing director of MMXVI Ltd., which manages the assets of his own private investment group, and since 2013, he has been the managing director and part-owner of PAMO Mangala Farm Ltd., which manages investments in Zambia.
- **Peter Mark Bosanszky** (member): His professional career began at Raiffeisen Bank Zrt. in 1999, where he gained management experience in customer service and sales, among other areas. He worked in several projects as a project and transformation manager. Later, he gained significant corporate governance experience as a department manager, then as the head of the Bank's Nyíregyháza operations center, and as the managing director of the Bank's subsidiary. Since 2016, he has been the CEO of his own company CALLCOMM Zrt., and also serves as a business consultant for several major financial market players.

- Gabor Szekely (member):** He graduated from the College of Finance and Accounting with a degree in economics. At the beginning of his professional career, he gained extensive experience in the real estate management and investment market, and as a consultant, he assisted in the capital operations of major domestic companies, and as an expert, he was also involved in the sales of industrial production plants. The professional has decades of corporate management and capital market experience, having participated in the founding of one of Hungary's most dynamically growing real estate investment companies, Appeninn Holding Plc., in 2009, of which he was also the manager. Currently, as the Investment Director and member of the Governing Board of AutoWallis Plc., listed in the Premium category of the Budapest Stock Exchange, he is responsible for the capital market presence of the listed passenger vehicle company, for the search for new investments and for their implementation.

The governing body of NEO Property Services Zrt is made up of the following groups (GRI 2-9)

Governing Board	Dr. Ernő Zoltán Takács Noah M. Steinberg Péter Kocsis Sándor Gyafra
Company leaders	László Vágó Tamás Giller
Executive Committee	László Vágó, CEO; Tamás Giller, CFO; Szilárd Szabó CTO

The experience of the members of the management board of NEO Property Services Zrt. in relation to the sectors of the company (GOV-1\_21c) is presented below.

- Noah M. Steinberg FRICS (Board Member):** Since WING was founded in 1999, Noah Steinberg has been the company's top manager, responsible for managing the entire group of companies. WING is the majority owner of ECHO Investment, Poland's largest real estate developer listed on the Warsaw Stock Exchange, and Bauwert, a leading German real estate developer based in Berlin. Noah studied at Princeton University (Woodrow Wilson School of Public and International Affairs) and the Diplomatic Academy in Vienna. In addition to English, he speaks French, German and Spanish, and has also mastered Hungarian.
- Dr. Ernő Takács (Board Member):** Dr. Ernő Takács graduated from the Budapest College of Public Administration as an administrative organizer and professional administrative organizer, and then received a doctorate in law from the Janus Pannonius University of Pécs. In 1998, he joined the development of the Mammut Shopping Center as Legal Director, and later served as CEO of Talentis Group Zrt. for more than 10 years. He joined WING Zrt. in 2017 and is currently the Deputy CEO responsible for the commercial real estate portfolio and hotel developments. He is a recognized expert in the Hungarian real estate sector, having worked in the field since

the beginning of the modern real estate market. Since 2013, he has been the president of the Real Estate Developers Roundtable Association.

- **Péter Kocsis MRICS (Board Member):** Deputy CEO responsible for strategic tasks at WING and Head of Corporate Finance at Bauwert AG. Member of the supervisory board of polish Echo Investment and Archicom SA, Gladiátor Investment Fund Management Company, as well as the The Governing Board of NEO Property Services and WING International Zrt. Experienced real estate professional: his areas of expertise include business planning, asset management, digitalization, negotiation techniques, talent management, and ESG transition. He joined WING in 2006, having previously been the Managing Director of UniCredit Bank Hungary (ex-HVB) between 1997 and 2006, and from 2025 he will be responsible for the corporate finance of WING's subsidiary, Bauwert AG. He received his MA from Corvinus University of Budapest, followed by postgraduate degrees from the University of Birmingham (MIS) and Georgetown University (MSFS). He speaks English and German.
- **Sándor Gyáfrás (Member of the Governing Board):** He graduated in economics from the Budapest University of Economics. After an internship in the British Parliament, he gained experience in real estate, finance and corporate finance at multinational companies and in the banking sector. He worked at Erste Bank from 1999 and gained management experience between 2010 and 2015 as the head of the bank's real estate and project finance business and also as the Hungarian managing director of Erste Group Immorent, a Vienna-based subsidiary of the Erste Bank Group dealing with real estate development and asset management. Between 2015 and 2016, he was the Director General of MNV Zrt., responsible for movable and immovable assets, and a member of the Governing Board, and in connection with this, he served as a member of the Governing Board and supervisory board of other state-owned companies until 2023. Since the end of 2016, he has been the Deputy CEO responsible for the establishment of the WING Group real estate management company and the launch of real estate management activities. Since 2017, he has been the CEO of Gladiátor Investment Fund Management Company, owned by the WING Group, and is currently a member of the Governing Board of NEO Property Services Company and Aspectus Architect Company.
- **László Vágó (CEO of NEO Property Services Zrt.):** He has held his current position since 2005. Prior to this, he was the Real Estate Director of Magyar Telekom between 2003 and 2005. From 2018, he was the head of the Central European region of STRABAG Property and Facility Services Group (the parent company of the legal predecessor of NEO PS Zrt.) for one year. In recognition of his professional work, he was included in the TOP50 most influential domestic real estate market players nine times. He completed his higher education at Campbell University (USA, North Carolina) and in Budapest, at the Faculty of Foreign Trade of the College of Foreign Trade (today: He continued his studies at the Budapest University of Economics and Business Administration (BUEBA), and then earned an Executive MBA degree at Purdue University (Indiana, USA). Since 2020, he has been a member of the board of the Hungarian Tennis Association, and since 2023, he has been the president of the National Association of Facility Management and Building Operation Service Providers (LEO).
- **Tamás Giller (Deputy Chief Financial Officer of NEO Property Services Zrt.):** In 2003, he obtained a Master of Science in Economics from the College of Finance and Accounting, Budapest (today: Budapest University of Economics). He started his career at the importer of Nissan vehicles, where he worked in economic IT, the implementation of corporate management systems, consulting, and the digitalization of accounting processes, while gaining extensive experience in the automotive industry. In 2005, he spent nearly a year in Australia, where he studied financial management.

Between 2006 and 2015, he worked in various positions and fields on the development, design, and implementation of enterprise management systems, while further expanding his project management and financial experience. His book ERP, past, present, future was published in 2014. Between 2007 and 2020 – in addition to his work – he founded [www.erpgblog.hu](http://www.erpgblog.hu) editor. In 2015, he joined the Wallis Group, where until 2020 he was responsible for the launch and financial stability of various startup companies as the CFO. During this time, he further deepened his knowledge and expanded his experience in the fields of venture capital investments, startups, scaleups, and acquisitions (M&A). As the CFO and member of the Governing Board of Gremon Systems Zrt., his main task was to establish the company's financial administration system, develop the business strategy and business model, and facilitate the entry of the company's products and services into the international market. From 2020, he is the Deputy Chief Financial Officer of NEO Property Services Zrt. He is the author of several professional articles on economic and IT topics. He has extensive experience in IT, automotive, manufacturing, trade, agriculture, digital transformation and real estate.

- Szilárd Szabó (Deputy Chief Technical Officer of NEO Property Services Zrt.):** He graduated as a certified industrial engineer in 1993 from the Pollack Mihály Technical College. He started working as an energy and environmental manager at MATÁV, where he later became an operations team leader. Following the outsourcing of the MATÁV Real Estate Directorate in 1999, he worked for the legal predecessors of NEO Property Services Zrt. as Chief Engineer until 2014, and then as Business Unit Director until 2019. Between 2019 and 2023, he was the CEO of Pécsi Vagyonhasznosító Zrt., in addition to which he held positions in several other city companies. In October 2023, he returned to NEO Property Services Zrt. as Deputy Chief Technical Officer.

### Diversity of management, executive and supervisory bodies

The table below shows the gender distribution of the Governing Board in AKKO and NEO (GOV-1\_21d)

Gender balance on the Governing Board	AKKO	NEO
Number of male board members (persons)	5	4
Number of female board members (persons)	0	0
Total number of members of the Governing Board (persons)	5	4
Proportion of female board members	0	0
Proportion of male board members	1	1

Currently, women are not represented at all in the Company. No other diversity considerations have been taken into account when determining the composition of the Governing Board.

The table below presents the ratio of independent and non-independent members of the Company's management body (Governing Board). (GOV-1\_21e)

Percentage of independent members of the management body	AKKO	NEO
Number of independent, non-executive board members (persons)	4	0
Number of board members performing executive duties (persons)	1	4
Total number of members of the Governing Board (persons)	5	4
Percentage of independent members (%)	0,8	0

The Chairman of the Governing Board of the Company also works as an employee of the Parent Company, so he does not qualify as an independent member. For this reason, the proportion of independent members at the Company is 80%. In the case of NEO Property Services, there is no independent, non-executive member on the Governing Board, meaning that all members of the board also participate in management.

#### **Role and tasks of the administrative, management and supervisory bodies (GOV-1 21a)**

**The Governing Board is responsible for the overall oversight of the Company's impacts, risks and opportunities. This includes** the definition of risk management guidelines that ensure the mapping of risk factors, the suitability of internal control mechanisms, regulatory and supervisory systems to manage them, and legal compliance. The Governing Board will continue to manage and supervise the Company's risk management procedures.

The tasks within the competence of each body, as well as the actions to be taken regarding impacts, risks and opportunities, are reflected in the Company's terms of reference and related policies. The measures falling within the competence and scope of the Governing Board are determined by the Rules of Procedure of the Governing Board, the Gt. and the Articles of Association of the Company.

The Company's governing body (the Governing Board) decides on important matters of the Company. In the event that a given corporate event/transaction exceeds the scope of decision of the Governing Board due to its nature and/or value, the Governing Board will submit the agenda item related to the given topic to the General Meeting for decision-making.

The Governing Board decides on the definition of tasks and the division of tasks.

The Governing Board is responsible for developing, adopting and enforcing the necessary regulations and policies.

The Governing Board is responsible for establishing and implementing governance processes, controls and procedures to monitor, manage and oversee the company's impacts, risks and

opportunities. The Governing Board determines which internal employees or external contracted organizations will be entrusted with the performance of these tasks and has sole authority to control these processes. (GOV-1\_21c)

The Governing Board and the Audit Committee must meet at specified intervals, which are set out in the rules of procedure of both the Governing Board and the Audit Committee. Of course, it is possible to deviate from the meetings at specified intervals - by convening an extraordinary meeting - in cases where an immediate decision is required on an important issue. Reporting takes place at board meetings, where decisions are made on the given matter and on the performance of further tasks and duties, if justified. (GOV-1\_21c)

The Company does not currently apply specific control mechanisms and procedures to manage impacts, risks and opportunities. This is an area for development by the Company; to our knowledge, these processes have not yet been established. (GOV-1\_21c)

Defining goals related to significant impacts, risks and opportunities and monitoring their fulfillment is an area that needs to be developed by the Company; to our knowledge, these processes have not yet been established. (GOV-1\_21d)

The Company's Governing Board will decide how to address the oversight of sustainability issues, and what necessary tools, regulations, and policies need to be developed and implemented to monitor these processes. The Company plans to engage external experts to identify sustainability risks and opportunities. (GOV-1\_23a)

If the management board decides that training is necessary for board members/employees, it will take the necessary steps in this regard.

The skills and expertise required to address sustainability issues are key to effectively managing the Company's material impacts, risks and opportunities. The role of ESG managers is central within the company, as they coordinate the integration of sustainability strategies into daily business activities. The ESG officers coordinated the Company's dual materiality analysis, thus the material impacts, risks and opportunities were determined with their participation. (GOV-1\_23b)

Yes, they have access to and will use the necessary expertise if necessary. The Company's management board decides whether or not to take advantage of educational opportunities. Access to expert training ensures that company employees have up-to-date information and skills. This includes attending industry conferences, accessing online courses, and workshops held by external experts. (GOV-1\_AR5)

## Information provided to the company's management, executive and supervisory bodies and the sustainability issues they address (GOV-2)

The company's management is responsible for the sustainable development of the Company, which includes comprehensive oversight of the company's impacts, risks and opportunities. This is done by the Governing Board, which is responsible for developing risk management policies. The Governing Board is informed about material sustainability issues by the company's ESG expert. The Governing Board and the Audit Committee meet regularly, during which sustainability matters affecting the Company are also discussed. (GOV-2\_26 a)

The Company's management body was regularly informed about the performance of the dual materiality analysis by the ESG expert. The results of the analysis were presented to management in a workshop, where they approved the results and had the opportunity to modify the list of material topics. The results of the analysis are expected to be integrated into the Company's sustainability strategy, thereby helping to develop specific action plans. (GOV-2\_26 b)

The Company's management body addressed all material impacts, risks and opportunities during the reporting year. A list of significant impacts, risks and opportunities can be found in the relevant thematic standards. (GOV-2\_26 c)

## Incorporating sustainability performance into incentive mechanisms (GOV-3)

The Company aims to create an incentive system that supports the achievement of the Company's long-term goals and creates an appropriate balance against short-term interests. The directors of the Company may not determine their own remuneration; this authority is exercised by the General Meeting. The Company's Remuneration Policy includes incentive mechanisms that have been developed taking into account the average remuneration of employees and other terms of employment, such as fringe benefits, reward opportunities and working conditions. Taking into account the Company's business strategy and long-term interests, it determines only fixed remuneration; the Company does not apply variable remuneration (adjusted to previously defined criteria). The fixed remuneration consists exclusively of cash benefits; the Directors do not receive any additional benefits. The Company does not apply share-based remuneration schemes. The Company establishes a 100% fixed component of remuneration (financial benefits) for the Directors, to which special conditions applicable to each position are attached. (GOV-3\_29a)

No climate-related considerations are taken into account in the remuneration of the members of the Company's management, executive or supervisory bodies. The performance of board members is not separately evaluated, so GHG emission reduction targets were not previously formulated, so we cannot speak of a performance evaluation in this regard. The Remuneration Policy, including the annual Remuneration Report, does not contain any incentive mechanisms related to climate. Remuneration is currently not based on performance, so the Company has not defined specific goals and strategies related to sustainability. In view of this, the

Remuneration Policy does not contain sustainability-related goals/impacts or performance metrics, so no benchmarks have been defined. (GOV-3\_29b-d)

The Company's Governing Board develops and, together with the Audit Committee, approves the Remuneration Policy, which must be submitted to the General Meeting for discussion and adoption. The Company's Remuneration Policy must be reviewed/updated every 4 years. (GOV-3\_29e)

## Due Diligence Statement (GOV-4)

The table below provides detailed information on the screening process for impacts on people and the environment, with cross-references to relevant disclosures in this sustainability statement. (GOV-4\_32; GOV-4 AR10)

Basic elements of due diligence	Sustainability statement paragraphs
Integrating due diligence into governance, strategy and business model	GOV-2 - Information provided to the management, executive and supervisory bodies of the enterprise and the sustainability issues they address GOV-3 - Incorporating sustainability performance into incentive mechanisms SBM-3 E1 - Material impacts, risks and opportunities and their interaction with the strategy and business model SBM-3 E2 - Material impacts, risks and opportunities and their interaction with the strategy and business model SBM-3 E3 - Material impacts, risks and opportunities and their interaction with the strategy and business model E4 - Biodiversity and ecosystems SBM-3 E5 - Material impacts, risks and opportunities and their interaction with the strategy and business model S1 – Own workforce S2 - Workers in the value chain S3 - Affected communities SBM-3 G1 - Material impacts, risks and opportunities and their interaction with the strategy and business model
Collaborate with relevant stakeholders during all key steps of the due diligence	GOV-2 - Information provided to the management, executive and supervisory bodies of the enterprise and the sustainability issues they address SBM-2 - Stakeholder interests and positions IRO-1- Description of procedures for identifying and assessing significant impacts, risks and opportunities E1-2 - Policies for climate change mitigation and adaptation E3-1 - Water and marine resources policies E4 - Biodiversity and ecosystems E5-1 - Policies related to resource use and the circular economy S1 – Own workforce S2 - Workers in the value chain S3 - Affected communities

	G1-1 - Policies on corporate culture and business conduct, and corporate culture
Identification and assessment of adverse effects	<p>IRO-1 - Description of procedures for identifying and assessing significant impacts, risks and opportunities</p> <p>SBM-3 E1 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 E2 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 E3 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 E4 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 E5 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 S1 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 S2 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 S3 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p> <p>SBM-3 G1 - Material impacts, risks and opportunities and their interaction with the strategy and business model</p>
Measures to address these adverse effects are in the sky	<p>E1-3 - Measures and resources related to climate change policies</p> <p>E3-2 - Measures and resources related to water and marine resources</p> <p>E4 - Biodiversity and ecosystems</p> <p>E5-2 - Measures and resources related to resource use and the circular economy</p> <p>S1 - Own workforce</p> <p>S2 - Workers in the value chain</p> <p>S3 - Affected communities</p> <p>G1-3 - Preventing and detecting corruption and bribery</p>
Monitoring and communicating the effectiveness of these efforts	<p>Goals:</p> <p>E1-4 - Regarding climate change mitigation and adaptation specific goals</p> <p>E3-3 - Water and marine resources objectives</p> <p>E4 - Biodiversity and ecosystems</p> <p>E5-3 - Targets related to resource use and circular economy</p> <p>S1 - Own workforce</p> <p>S2 - Workers in the value chain</p> <p>S3 - Affected communities</p> <p>Metrics:</p> <p>E1-5 - Energy consumption and structure</p> <p>E1-6 - Gross and total GHG emissions in scope 1, 2, 3</p> <p>E1-7 - Financed through GHG removals and carbon credits</p> <p>GHG mitigation projects</p> <p>E3-4 - Water consumption</p> <p>E4 - Biodiversity and ecosystems</p> <p>E5-5 - Resource outflows</p> <p>Digitalization;</p>

	G1-4 - Confirmed cases of corruption and bribery
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## Internal control over risk management and sustainability reporting (GOV-5)

### Risk management and internal control processes and systems related to sustainability reporting

Currently, our company does not have risk management and internal control procedures and systems related to sustainability reporting. However, we plan to gradually introduce these systems over the next five years, following the preparation of the sustainability report, to ensure the transparency and reliability of our reports and to filter out any possible inaccuracies, errors, and omissions. (GOV-5\_36)

### Main risks identified (GOV-5\_36c)

The Company assessed the risks arising along the entire value chain by applying the principle of dual materiality. As a result of the materiality analysis, environmental, social and corporate governance risks were all found to be significant. The table below presents the main risks identified related to the Company's activities, which arise in the upstream, own operations and downstream stages of the value chain.

Business activity	Risk
Property rental	It is important to consider how financially viable the insulation of a given property can be, how much this can be incorporated into the rental fees, and how much the tenants would reduce the utility costs.
Fuel procurement	The need to mitigate or remedy negative ecological impacts can require significant capital and operating expenditures, which has a negative financial impact on the business.
	Failure to prevent and proactively manage ecological impacts can lead to project delays, remediation costs, litigation liabilities, and reduced access to new projects and revenue streams.
	Managing fugitive methane emissions poses significant risks to the midstream industry, including potential reputational damage, operational costs, and regulatory fines.
	In the medium-sized industry, emissions from compressor engine exhaust, oil and condensate tank vents, natural gas processing, and diffuse emissions, in addition to emissions from mobile sources, can lead to increased operating or capital expenditures, regulatory or legal penalties, and other financial impacts, depending on the specific location of operation and the emissions regulations in effect.
	The introduction of product specifications and renewable fuel blends by regulatory jurisdictions poses significant compliance and operational risks, which could lead to long-term reductions in revenues, operating costs and/or market share.
	Remediation of inactive or decommissioned sites containing potentially hazardous materials can take several years and may result in liability for past operations, which has a negative financial impact on the company.

	Corruption in the bidding process for exploration and production licenses in the oil and gas sector results in less qualified entities being awarded licenses, which can jeopardize public investments, increase the risk of litigation, and cause negative environmental impacts that can result in fines.
Procurement of energy sources (electricity, gas, water)	Entities face increasing operational, regulatory, reputational and financial risks due to water scarcity, water procurement costs, regulations on wastewater or water usage, and competition with local communities and other industries for limited water resources, especially in regions where water is scarce.
	Water supply challenges, potentially exacerbated by failures in critical infrastructure, such as water mains and sewers being shut down due to events such as earthquakes, could lead to an increase in the price of purchased water. This can result in higher operating costs and disastrous financial consequences.
Energy management, utility services management	Increasingly stringent environmental regulations on greenhouse gas emissions can lead to significant operating costs and capital expenditures for electricity providers.
	Failure to properly estimate capital expenditure needs and permitting costs, or other difficulties in reducing GHG emissions, can lead to significant financial impacts, such as asset write-offs, costs of acquiring carbon credits, or unexpected increases in operating and capital expenditures.
	Increased GHG emissions and potential gas leaks can lead to increased regulatory scrutiny, fines and sanctions, which can have a negative financial impact on the company.
	Utilities that do not effectively manage affordability may face financial risks such as reduced sales, loss of customers, and loss of market share as customers source energy from alternative sources or reduce their energy needs.
Procurement of building materials (concrete, steel, wood, insulation materials)	Energy procurement decisions involving fossil fuel-based energy production and consumption can lead to increased operating costs, decreased revenue, and/or reputational damage due to environmental impacts such as climate change and pollution.
	Increasing regulations and incentives for energy efficiency and renewable energy could lead to higher prices for traditional electricity sources and increased competition from alternative sources, potentially having negative financial impacts on the company.
Infrastructure improvements and repairs	Future capital investments may be at risk due to changing climate regulations. Downside risks may manifest themselves through project delays, cancellations and reduced long-term revenue growth opportunities, which could negatively impact financial position, profits, revenue and cash flows.
Management and recycling of maintenance and renovation waste	Entities that fail to effectively manage and reduce the ecological impacts associated with landfill operations, such as leachate and hazardous waste, may face regulatory sanctions, brand value impairment, loss of future business opportunities, and lawsuits, negatively impacting their financial position and increasing their operating costs.
Minor construction work, demolitions	The impacts of climate change, such as extreme weather events and changing climate patterns (flood risk, water scarcity, land degradation), could negatively impact areas where homebuilding companies develop homes and residential communities, leading to potential financial risks and reduced opportunities.
	Construction projects in water-scarce regions can lead to a decrease in land values and difficulties in obtaining permitting permits, which can result in negative financial impacts for businesses due to the loss of value of assets.
	Increasing climate risks, such as extreme weather events and changing climate patterns, could lead to falling long-term demand, declining land values, and rising long-term costs of home ownership.

	Industrial development activities can lead to soil and water contamination, poor waste management, and over-stressing of water resources, potentially having negative impacts on the environment and affected communities.
	Companies that mismanage structural integrity and safety may face additional costs due to redesign or repair work and legal liabilities.
Facility maintenance and operation	Implementing comprehensive climate change adaptation strategies, considering trade-offs between different risk reduction strategies, and integrating cost-benefit considerations over the long term may require significant capital investment.
	Investment strategies involving assets located in floodplains and coastal regions exposed to severe weather may experience increased losses due to the effects of climate change, such as more frequent extreme weather events and changing climate patterns.

Currently, our company does not have strategies to mitigate the identified key risks in the area of sustainability reporting, as well as related control mechanisms. Nevertheless, we are aware that progress in this area is of utmost importance for our future successful operation and meeting market expectations. Following the preparation of our sustainability report, we plan to gradually introduce systems and procedures over the next five years to develop effective risk management strategies and internal control mechanisms. (GOV-5\_36c)

The Company is currently in the process of incorporating the results of the risk assessment and internal control conducted in connection with its sustainability reporting process into its internal functions and procedures. The governing bodies will decide on this in the future. The Company does not yet incorporate sustainability-related risk assessment into its internal procedures. (GOV-5\_36d)

For now, the presentation of the report related to the 2024 Sustainability Report will take place during the board meetings (IT/AB) prior to the General Meeting and related to the adoption of the Company's separate and consolidated reports for 2024. After the adoption of these documents, they will be published as general meeting proposals to investors/shareholders at a time specified in the Company's Event Calendar. (GOV-5\_36e)

## Strategy, Business Model and Value Chain (SBM-1)

AKKO Invest Plc. is a publicly traded company registered in Hungary, which primarily engages in asset management activities. Its subsidiaries deal with, among other things, the utilization of industrial properties and residential property development. The Company provides services to its tenants, and there has been no change in the composition of the customer groups served compared to the previous reporting period. (SBM-1\_40a)

NEO Property Services Zrt. provides facilities management, property management, general construction and energy management services to its clients. Its client portfolio includes nearly 300 companies, with which it maintains long-term, stable partnerships. Its clients include Magyar Telekom, MOL, MÁV, EON.MVM, WING, Corvinus University, RTL Headquarters, and MOHU. Employing more than 500 employees, NEO operates over 10 million m<sup>2</sup> of outdoor

space and over 3 million m<sup>2</sup> of real estate. Despite the fierce competition and uncertain economic environment in the real estate management market, the company expanded its portfolio with new clients and projects in 2023. These include the technical operation of the SPAR store chain, ERSTE BANK branches, the YETTEL/Cetin towers, and the construction of bicycle racks at MÁV rural stations. In addition, it successfully extended the contract for the complex operation of MOL Plc.'s office buildings (excluding MOL Campus), and the cooperation also extended to the nationwide maintenance of the company group's outlying areas. (SBM-1\_40a)

*Total number of employees (SBM-1\_40 a)*

Company	Number of employees (persons)
AKKO and its subsidiaries	5
NEO	607

No employees will be employed in the remaining subsidiaries.

We currently do not have sustainability goals for our relationships with significant service groups or customer categories. Regarding AKKO, a future goal may be to screen client groups in the medium or longer term. We do not intend to formulate sustainability goals for shareholders and investors. In the case of NEO, the primary goal is to create a filtered group of subcontractors after supplier due diligence, after which it is possible to formulate goals for the client and supplier group. (SBM-1\_40 ef)

**Strategy (SBM-1\_40 g)**

Our company is committed to environmentally conscious and sustainable operations, which is a fundamental pillar of our corporate responsibility and social commitment. As part of this strategy, we have prepared our first sustainability report for 2023, which establishes the framework for our sustainable operations and outlines our future goals and commitments in this area.

Our strategic goal is to align our sustainability efforts closely with the key objectives of our business strategy. To this end, AKKO Invest Plc. intends to conduct its activities along the following guidelines:

- By continuously expanding our investment portfolio, we aim to operate as an asset manager representing a clearly identifiable value in proportion to our assets.
- We primarily focus on real economy investments, acquiring shares and properties in companies with favorable growth prospects and high profit-generating potential.

We invest in sectors and areas of the real economy where there is a potential for outstanding returns, coupled with significant underpricing and/or high risk.

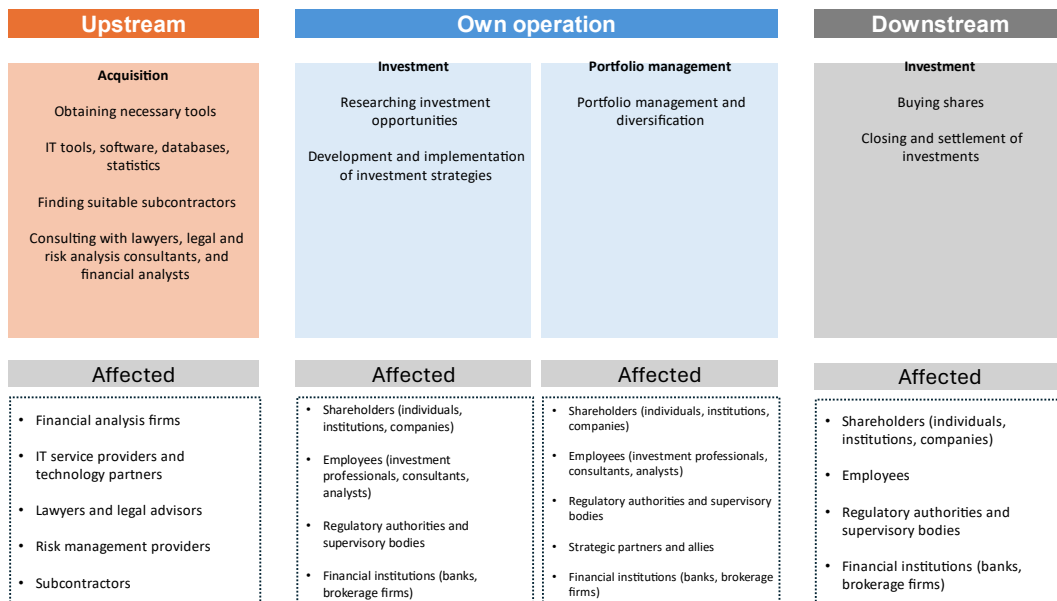
**Business model, value chain presentation (SBM-1\_42a-c)**

During the dual materiality analysis, in order to understand the business and value chain, a value chain analysis of AKKO and NEO was carried out, as described in chapter BP-1 - General basis for preparing a sustainability statement. In the case of AKKO, two value chains were identified, while in the case of NEO, four were identified.

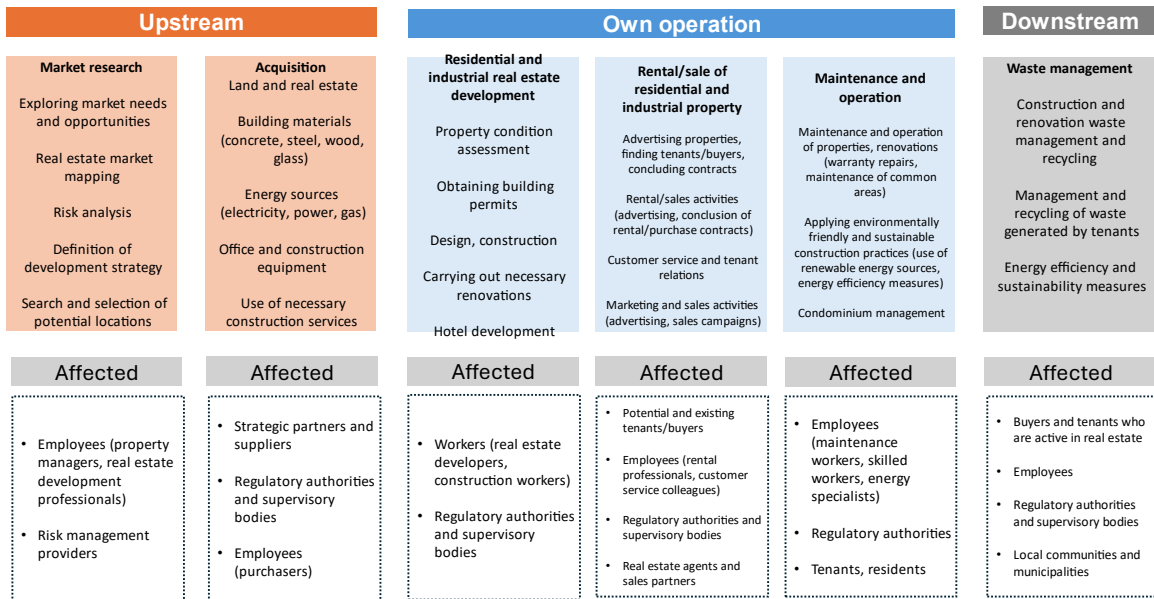
AKKO and its subsidiaries	Asset management
	Real estate segment
NEO	Facility management
	Property management
	Energy management
	General construction

During the analysis, we identified impacts, risks and opportunities along the value chains. The most important impacts, risks and opportunities are presented in detail in the relevant chapters. The following figures illustrate the mapped value chains at upstream, in-house and downstream levels, as well as the identified stakeholders.

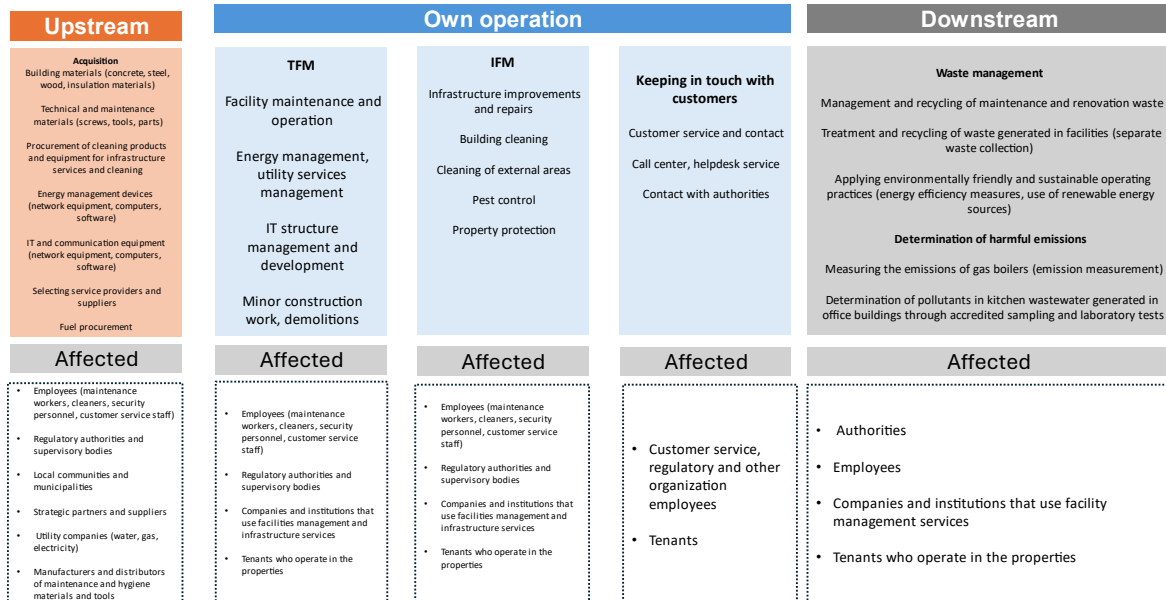
1. Asset management



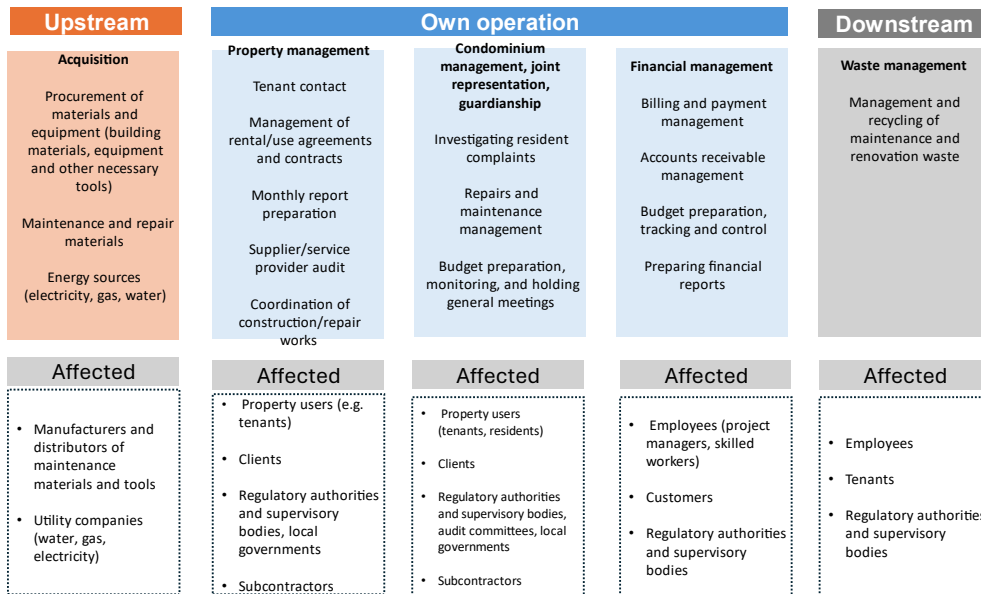
2. Real estate segment (utilization through rental)



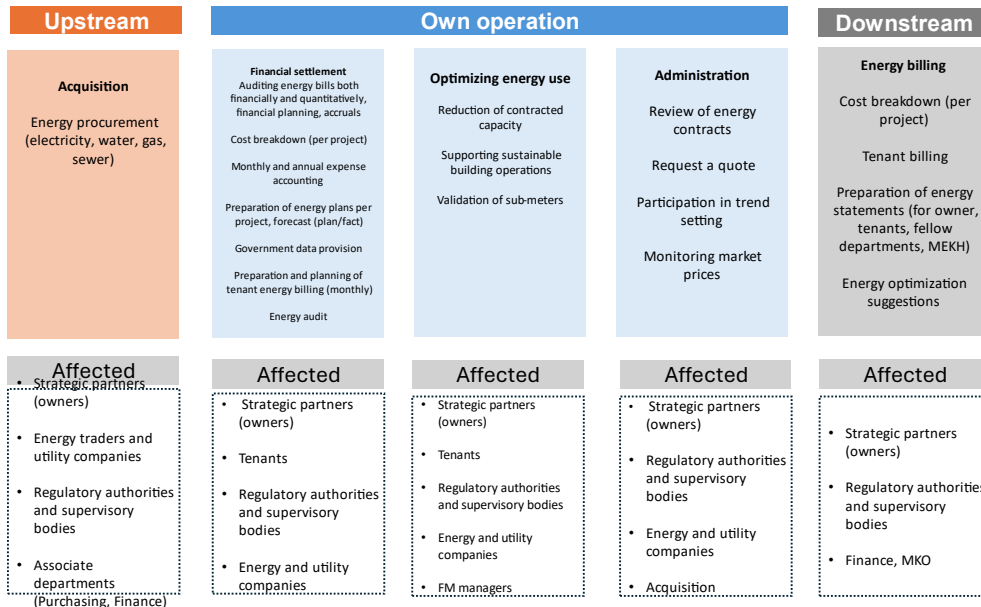
3. Facility management (technical facility management and infrastructure management)



4. Property management (real estate management, condominium management)



5. Energy management



6. General construction

Upstream	Own operation					Downstream	
<p><b>Acquisition</b></p> <p>Building materials (concrete, brick, steel, wood, insulation materials)</p> <p>Technical and installation materials (screws, tools, electrical cables, water pipes)</p> <p>Energy sources (electricity, gas)</p> <p>Selection of suppliers, subcontractors and, if necessary, consultants</p>	<p><b>Project planning and preparation</b></p> <p>Selection of applications and projects</p> <p>Management and execution of construction projects</p> <p>Preparing a budget</p> <p>Obtaining building permits</p>	<p><b>Execution</b></p> <p>Management and execution of construction projects</p> <p>Quality control and supervision</p>	<p><b>Project management</b></p> <p>Project plan implementation and monitoring, project management</p> <p>Communication with customers and stakeholders</p> <p>Coordination and supervision of subcontractors</p>	<p><b>Quality assurance, BREEAM certification and inspection</b></p> <p>Compliance with building standards and regulations</p> <p>Performing inspection and testing procedures</p> <p>Application of quality assurance systems</p>	<p><b>Financial management</b></p> <p>Budget tracking and control</p> <p>Preparing financial reports</p> <p>Billing and payment management</p>	<p><b>Project handover and closure</b></p> <p>Handover of the project to the customer</p> <p>Performing subsequent maintenance and warranty services</p>	<p><b>Waste management</b></p> <p>Construction and demolition waste management and recycling</p> <p>Applying environmentally friendly and sustainable construction practices (e.g. waste minimization, recycling)</p> <p>Energy efficiency measures and use of renewable energy sources</p>
<b>Affected</b>	<b>Affected</b>	<b>Affected</b>	<b>Affected</b>	<b>Affected</b>	<b>Affected</b>	<b>Affected</b>	<b>Affected</b>
<ul style="list-style-type: none"> <li>Strategic partners</li> <li>Suppliers and subcontractors</li> <li>Regulatory authorities and supervisory bodies</li> <li>Employees (purchasers)</li> </ul>	<ul style="list-style-type: none"> <li>Employees (project managers, construction managers, technical specialists)</li> <li>Subcontractors and skilled workers</li> <li>Regulatory authorities and supervisory bodies</li> <li>Energy and utility companies, architectural and design offices</li> <li>Local communities and municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Employees (project managers, skilled workers)</li> <li>Customers</li> <li>Regulatory authorities and supervisory bodies</li> <li>Energy and utility companies</li> <li>Architectural and design offices</li> </ul>	<ul style="list-style-type: none"> <li>Customers and end users (individuals, investors, customers, companies)</li> <li>Regulatory authorities and supervisory bodies</li> <li>Employees (project managers, skilled workers)</li> </ul>	<ul style="list-style-type: none"> <li>Employees (project managers, skilled workers)</li> <li>Customers</li> <li>Regulatory authorities and supervisory bodies</li> </ul>	<ul style="list-style-type: none"> <li>Employees (project managers, skilled workers)</li> <li>Customers</li> <li>Regulatory authorities and supervisory bodies</li> </ul>	<ul style="list-style-type: none"> <li>Customers and end users (individuals, investors, customers, companies)</li> <li>Regulatory authorities and supervisory bodies</li> <li>Employees (project managers, skilled workers)</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Regulatory authorities and supervisory bodies</li> </ul>

## Stakeholder interests and positions (SBM-2)

The Company's stakeholders include those actors whose activities affect the Company's operations or who are affected by the Company's activities. In accordance with the ESRS requirements, we identified our most important stakeholders along the value chain during the dual materiality analysis. We have defined the method of communication with stakeholders, the objectives of cooperation, and the integration of stakeholder feedback into the company's operations. The table below summarizes our internal and external stakeholders based on the aspects described above.

*Our internal stakeholders (SBM-2\_45 a)*

Interested party	Method and channel of cooperation	Purpose of cooperation	Integrating feedback into the Company's operations
<b>Employees</b>	Internal communication (meetings, email, internal communication channels, events, complaint reporting systems)	employment relationship	Improving the workplace environment and processes based on employee feedback
<b>Associate departments (Purchasing, Finance, MKO)</b>	Internal communication (meetings, email, internal communication channels, events, complaint reporting systems)	Ensuring effective cooperation and optimizing processes	Incorporating experiences gained through interdisciplinary collaboration into processes
<b>Business management</b>	Internal communication (meetings, email, internal communication channels, events, complaint reporting systems)	Regulation of corporate processes, development of corporate objectives	Incorporating feedback taken into account during strategic decision-making into corporate strategy
<b>Owners</b>	General meeting, board meeting, regulatory approval processes	Better understanding of owner expectations	Defining strategic directions based on owner expectations

*Our external stakeholders (SBM-2\_45 a)*

Interested party	Method and channel of cooperation	Purpose of cooperation	Integrating feedback into the Company's operations
<b>Financial analysis firms</b>	electronically, by phone and in person	credit, account management, monitoring	The Company will provide the necessary data services as requested by the interested company.
<b>Accountants and auditors</b>	in person, electronically	Managing the daily administration and accounting of the Company, preparing reports, and providing monitoring data. The auditor checks and audits the reports.	In accordance with the auditor's feedback, if necessary, the Company obtains or prepares/has prepared the necessary documentation for the audit of the report: e.g. bank audit request letters, updating of valuations
<b>IT service providers and technology partners</b>	electronically, by phone and in person	assignment contract / service contract	Development and optimization of technology infrastructure based on feedback from IT service providers
<b>Lawyers and legal advisors</b>	electronically, by phone and in person	assignment contract / service contract	Legal compliance and contract revision based on recommendations from legal advisors
<b>Risk management providers</b>	electronically, by phone and in person	assignment contract / service contract	Integrating risk management advice into the company's risk management processes
<b>Suppliers, subcontractors</b>	Direct communication, website, NMBS or other CAFM system	Improving supplier relationships, directly communicating ethical and professional requirements, and enhancing communication	Improving procurement processes and cooperation conditions based on supplier feedback
<b>Shareholders (individuals, institutions, companies)</b>	General meetings, annual reports, investor meetings	Increasing shareholder satisfaction, strengthening investor confidence	Taking shareholder feedback into account in corporate decision-making
<b>Financial institutions (banks, brokerage firms)</b>	electronically, by phone and in person	credit, account management, monitoring	The Company will provide the necessary data services as requested by the interested company.
<b>Tax authorities</b>	electronically	preparation and submission of tax returns, payment of taxes (TAO, VAT, etc.)	The Company answers the questions the authority asks, for example, before issuing a VAT refund.

<b>Central Clearing House and Securities Depository</b>	electronically	Ownership matching, use of the CAPS system, e.g. arranging share creation in the case of securities listing	In accordance with the requests related to the use of the KELER CAPS system, other documentation/requests of the Company, e.g. uploading of agenda items for the general meeting, ownership matching, etc. are uploaded to the system in a timely manner.
<b>Local communities</b>	Press appearances, charity events, website	Mapping the impact of the Company's operations (for example, noisy equipment may disturb neighbors), CSR activities	Developing corporate social responsibility programs based on feedback from local communities
<b>Strategic partners</b>	LEO and BCSDH events and other professional events and workshops	Professional advocacy, development of common professional and ethical guidelines, education	Integrating feedback from strategic partners when developing joint projects and policies
<b>Manufacturers and distributors of maintenance and hygiene materials and tools</b>	Direct communication, purchasing platforms	Optimization of procurement processes, improvement of product quality	Improving the quality of services based on feedback from manufacturers and distributors
<b>Companies and institutions that use facilities management and infrastructure services</b>	Contracts, regular meetings	Increasing service standards, meeting customer needs	Improving service processes based on customer feedback
<b>Property users (tenants, residents)</b>	Direct communication, customer service	Increasing tenant satisfaction, problem management	Improving services and the residential environment based on feedback from property users
<b>Supervisory bodies (BSE, MNB)</b>	electronically	prudent operation, continuous or occasional data provision, disclosures	Adapts and develops necessary policies as needed. The Company incorporates information presented at BSE workshops (e.g. ESEF compliance) into its operations and reporting.
<b>Municipalities</b>	electronically	payment of taxes (building tax)	Incorporating municipal feedback into strategic and operational planning
<b>Clients, customers</b>	Regular meetings, reports, management and operational	Better understanding of customer expectations, improving the complaint	Integrating feedback from clients and customers into the company's operations is key to

	level meetings, HelpDesk, NMBS notification or other CAFM system	handling process, increasing customer satisfaction	continuous improvement and increasing customer satisfaction.
<b>Energy traders and utility companies</b>	Electronically, by phone and in person	Energy procurement optimization, cost efficiency	Integrating energy efficiency feedback into the corporate energy strategy
<b>Architectural and design offices</b>	Direct communication, project meetings	Development of architectural plans, implementation of projects	Optimizing design processes and construction projects based on feedback from architects
<b>Customers and end users (individuals, investors, customers, companies)</b>	Regular meetings, reports, online platforms	Better understanding of customer expectations, improving the complaint handling process, increasing customer satisfaction	Improving services based on customer feedback

The interests and positions of the parties involved were analyzed during the Company's materiality assessment. Through a thorough analysis of the business segments, we identified and assessed relevant impacts, risks and opportunities. Related to these business segments, we defined the stakeholder groups identified during the value chain analysis. In order to authentically represent the interests of stakeholder groups, we have appointed "representative" individuals within the Company who are responsible for representing the interests of the stakeholder groups in the validation process of IROs.

The Company's management, executive and supervisory bodies are regularly informed about the positions and interests of relevant stakeholders regarding the company's sustainability impacts. The focus of the information is on areas of improvement in the Company's sustainability performance. It is of paramount importance that the necessary corporate sustainability policies, regulations, goals, as well as the related impacts, risks and procedures are developed in the near future. The adoption and approval of these documents is expected to be carried out by the Company's Governing Board and Audit Committee. Monitoring of sustainability activities and results will be the responsibility of the Company's employees, who will report regularly to the superior body and the Governing Board. (SBM-2\_45 b-d)

In the case of NEO, managing the company's sustainable development falls within the competence of the CEO. The members of the Governing Board monitor and approve fundamental economic and process management issues. The interests of the parties concerned are presented and discussed at Board meetings. (SBM-2\_45 b-d)

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

Within the framework of the dual materiality analysis, we identified the material impacts, risks and opportunities in the upstream, own operations and downstream sections of the value chain based on the value chains presented in the SBM-1 – Strategy, business model and value chain chapter. The Company's significant impacts, risks and opportunities on society and the environment, as well as their interactions with the strategy and business model, are detailed in the relevant thematic standards. In the relevant sections, we describe in detail the ESRS topics identified as material and report on the corresponding policies, objectives, measures and indicators in relation to the material impacts, risks and opportunities.

The impacts, risks and opportunities covered by the ESRS disclosure requirements are described in detail in the thematic standards. The table below provides an overview of the impacts, risks and opportunities covered by additional organization-specific disclosures. (SBM-3\_48 a,c,h) The following Digitalization-related opportunity was not identified during the dual materiality analysis, but was determined after management validation.

<b>Impacts, risks, opportunities</b>	<b>Entity-specific indicator</b>	<b>Indicator purpose</b>	<b>Related ESRS topic</b>
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<p>Investment or operating costs associated with waste management strategies, such as reduced waste generation, efficient treatment and disposal, and recycling and recovery, can lead to cost savings in the long term and reduce the risk of remediation obligations or regulatory penalties.</p>	<p>Digitalization</p>	<p>During the development of the "Charlie" bug reporting mobile application, we focused on expanding functions, improving usability, and reducing paper usage. With the development of the NMBS energy module, NEO enables the recording and tenant-level tracking of energy consumption data for properties, which helps optimize energy consumption.</p>	<p>E5 - Waste</p>
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As a publicly traded company, the Company is obliged to publish all essential and relevant information on the platforms of the Budapest Stock Exchange (BSE) and the Hungarian National Bank (MNB). Disclosure guidelines are defined by the BSE's business rules and relevant legislation, which stipulate the significant events and developments that a listed issuer must mandatorily publish. It may pose a risk if the Company does not publish the necessary information at the right time or on all necessary platforms. Furthermore, it is a risk factor that the MNB signature card of the employee concerned must always be valid. The wording of disclosure materials should be reviewed by others, such as lawyers, if necessary.

Currently, the Company does not conduct resilience analysis in relation to its strategy and business model. (SBM-3\_48f)

### Description of the process for identifying and assessing significant impacts, risks and opportunities (IRO-1)

Within the framework of the dual materiality analysis, the Company identified the impacts, risks and opportunities on people and the environment along the value chains presented in the SBM-1 – Strategy, business model and value chain chapter, focusing on the upstream, own operations and downstream stages. During the analysis, IROs (Impact, Risk and Opportunity) defined based on industry literature represent positive and negative impacts, risks and opportunities associated with sectors and activities under the ESRS. These IROs were defined in the context of the activities identified during the value chain analysis.

The Company's ESG experts reviewed the long list of IROs to determine which IROs were relevant to the Company's operations. The shortened IRO list was compiled as a result of this process. The shortlist served as the basis for the assessment of impacts and financial materiality, where potential and actual impacts on people and the environment were assessed according to the following criteria: scale, scope, remediability and likelihood.

When assessing financial materiality, risks and opportunities were assessed along the following dimensions: magnitude and probability of the potential financial impact. The threshold was determined based on the "trend-break" principle before the start of the evaluation, thereby minimizing the possibility of bias towards individual ESRS topics. Topics that crossed the threshold were found to be relevant.

The Company's management was informed about the results of the assessment during a workshop, where they had the opportunity to modify the list of identified material topics. (IRO-1\_53a,b,c)

The identification of impacts, risks and opportunities has not yet been integrated into the decision-making processes, as this was the Company's first dual materiality analysis. In the future, its incorporation will become essential. (IRO-1\_53d) Sustainability impacts, risks and opportunities are based on industry-specific literature research. (IRO-1\_53g) The Company's sustainability procedures have changed compared to the previous reporting period: while a simplified sustainability report was prepared for the 2023 business year, the report for the 2024 business year has already taken a consolidated form. In addition to the dual materiality analysis, the taxonomy report is also displayed. The review is expected to be due in mid-2025, as sustainability policies need to be developed, and these documents can set out the timeframes and possible dates for the review. (IRO-1\_53h)

## Disclosure requirements under ESRS covered by corporate sustainability statements (IRO-2)

The table below presents the disclosure requirements by topic and sub-topic that the Company has met based on the results of the materiality assessment. The table also includes the page numbers where the relevant disclosures can be found in the sustainability statement. (IRO-2\_56)

Disclosure requirement	Page number
General information	
ESRS 2 – General Disclosures	8
Environmental topics	
ESRS E1 – Climate Change - Adaptation to Climate Change	47
ESRS E1 – Climate Change - Climate Change Mitigation	55
ESRS E1 – Climate Change - Energy	58
ESRS E3 - E3 Water and Marine Resources – Water/Water Abstraction	62
ESRS E3 - E3 Water and Marine Resources – Water/Water Consumption	65
ESRS E4 Biodiversity and Ecosystems - Direct drivers of biodiversity loss / Land use change, freshwater use change and marine use change	67
Social issues	
ESRS S1 – Own workforce - Working conditions/Health and safety	88
ESRS S2 – Workers in the value chain - Working conditions/Health and safety	90

ESRS S3 – Affected Communities - Economic, Social and Cultural Rights of Communities / Water and Water Utilities	93
ESRS S4 - Consumers and end-users - Personal safety of consumers and/or end-users/Health and safety	96
Corporate governance topics	
ESRS G1 – Business Conduct - Corporate Culture	101
ESRS G1 – Business Conduct - Prevention and Detection, including Training	103
ESRS G1 – Business Conduct - Corruption and Bribery / Incidents	104

The table below presents the data points from different EU legislation, indicating their location in the sustainability statement. The table also includes data points that the Company has determined to be immaterial, for which we have applied the designation “Immaterial” in accordance with paragraph 35 of ESRS 1. (IRO-2\_\_56)

Reference to EU legislation from Appendix B of the ESRS standard, subject to specific disclosure requirements								
Disclosure requirement and associated data point	<a href="#">Reference to the Regulation on Sustainability Disclosures</a>	Does the statement include the listed data point? (YES/NOT IMPORTANT)	<a href="#">Reference to Pillar 3</a>	Does the statement include the listed data point? (YES/NOT IMPORTANT)	<a href="#">Reference to the Benchmarks Regulation</a>	Does the statement include the listed data point? (YES/NO)	<a href="#">Reference to the EU Climate Regulation</a>	Does the statement include the listed data point? (YES/NOT IMPORTANT)
ESRS 2 GOV-1 Gender balance on the Governing Board Paragraph 21(d)	Indicator No. 13 in Table 1 of Annex I	YES			<a href="#">Annex II to Commission Delegated Regulation (EU) 2020/1816 ( 5 )</a>	YES		
ESRS 2 GOV-1 Percentage of independent directors referred to in paragraph 21(e)					<a href="#">Annex II to Delegated Regulation (EU) 2020/1816</a>	YES		
ESRS 2 GOV-4 Due Diligence Statement Paragraph 30	Indicator No. 10 in Table 3 of Annex I	YES						
ESRS 2 SBM-1 Participation in fossil fuel activities Paragraph 40(d)(i)	Indicator No. 4 in Table 1 of Annex I	YES	<a href="#">Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk</a>		<a href="#">Annex II to Delegated Regulation (EU) 2020/1816</a>	YES		
ESRS 2 SBM-1 Participation in activities related to the production of chemicals Paragraph 40(d)(ii)	Indicator No. 9 in Table 2 of Annex I	NOT IMPORTANT	<a href="#">Annex II to Commission Delegated Regulation (EU) 2020/1816'</a>	NOT IMPORTANT				
ESRS 2 SBM-1 Participation in activities related to disputed weapons Paragraph 40(d)(iii)	Indicator No. 14 in Table 1 of Annex I	NOT IMPORTANT	<a href="#">Delegated Regulation (EU) 2020/1818</a>	NOT IMPORTANT				

			<a href="#">Article 12(1), Annex II of Delegated Regulation (EU) 2020/1816</a>	NOT IMPORTANT				
ESRS 2 SBM-1 Participation in activities related to tobacco growing and production Paragraph 40(d)(iv)					<a href="#">Delegated Regulation (EU) 2020/1818</a>	NOT IMPORTANT		
					<a href="#">Article 12(1), Annex II of Delegated Regulation (EU) 2020/1816</a>			
ESRS E1-1 Plan for the transition to climate neutrality by 2050 Paragraph 14							<a href="#">Regulation (EU) 2021/1119, Article 2(1)</a>	NOT IMPORTANT
ESRS E1-1 Undertakings excluded from EU Paris-aligned benchmarks Paragraph 16(g)			<a href="#">Article 449a Regulation (EU) No 575/2013</a>	NOT IMPORTANT	<a href="#">Delegated Regulation (EU) 2020/1818, Article 12(1)(d)-(g) and Article 12(2).</a>	NOT IMPORTANT		
			<a href="#">Commission Implementing Regulation (EU) 2022/2453, Table 1; Banking book – Climate change transition risk; Credit quality of exposures by sector, issuance volume and remaining maturity</a>	NOT IMPORTANT				
ESRS E1-4 GHG emission reduction target paragraph 34	Indicator No. 4 in Table 2 of Annex I	YES	<a href="#">Article 449a Regulation (EU) No 575/2013</a>	NOT IMPORTANT	<a href="#">Delegated Regulation (EU) 2020/1818, Article 6</a>			
			<a href="#">Commission Implementing Regulation (EU) 2022/2453, Table 3; Banking book – Climate change transition risk; Alignment metrics</a>					
ESRS E1-5 Energy use from fossil sources, broken down by source (only sectors with significant climate impact) Paragraph 38	Indicator No. 5 of Table 1 and Indicator No. 5 of Table 2 of Annex I	NOT IMPORTANT						

ESRS E1-5 Energy consumption and structure, paragraph 37	Indicator No. 5 in Table 1 of Annex I	NOT IMPORTANT						
ESRS E1-5 Energy intensity in activities in sectors with a high climate impact Paragraphs 40-43	Indicator No. 6 in Table 1 of Annex I	NOT IMPORTANT						
ESRS E1-6 Gross and total GHG emissions in scope 1, 2, 3 Paragraph 44	Indicators 1 and 2 of Table 1 of Annex I	NOT IMPORTANT	<a href="#">Article 449a Regulation (EU) No 575/2013</a>		<a href="#">Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)</a>			
			<a href="#">Commission Implementing Regulation (EU) 2022/2453, Table 1; Banking book – Climate change transition risk; Credit quality of exposures by sector, issuance volume and remaining maturity</a>					
ESRS E1-6 Gross GHG Emission Intensity Paragraphs 53–55	Indicator No. 3 in Table 1 of Annex I	NOT IMPORTANT	<a href="#">Regulation (EU) No 575/2013, Article 449a</a>		<a href="#">Regulation (EU) 2020/1818, Article 8(1)</a>			
			<a href="#">Commission Implementing Regulation (EU) 2022/2453, Table 3; Banking book – Climate change transition risk; Alignment metrics</a>					
ESRS E1-7 GHG Removals and Carbon Credits Paragraph 56							<a href="#">Regulation (EU) 2021/1119, Article 2(1)</a>	
ESRS E1-9 Benchmark portfolio exposure to climate-related physical risks Paragraph 66					<a href="#">Delegated Regulation (EU) 2020/1818, Annex II</a>			
					<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>			

ESRS E1-9 Amounts of money broken down by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets exposed to significant physical risk, paragraph 66(c)			<a href="#">Regulation (EU) No 575/2013, Article 449a</a>	NOT IMPORTANT				
			<a href="#">Commission Implementing Regulation (EU) 2022/2453, recitals (46) and (47); Table 5: Bank Book – Physical Risk Related to Climate Change: Exposure to physical risks.</a>	NOT IMPORTANT				
ESRS E1-9. Breakdown of the book value of real estate assets by energy efficiency class Paragraph 67(c)			<a href="#">Regulation (EU) No 575/2013, Article 449a</a>	NOT IMPORTANT				
			<a href="#">Commission Implementing Regulation (EU) 2022/2453, recital (34); Table 2: Banking book – Climate change transition risk: Loans secured by real estate – Energy efficiency of the collateral</a>	NOT IMPORTANT				
ESRS E1-9 The extent of the portfolio's exposure to climate-related opportunities Paragraph 69					<a href="#">Delegated Regulation (EU) 2020/1818, Annex II</a>	NOT IMPORTANT		

ESRS E2-4 Quantities of each pollutant listed in Annex II of the European PRTR Regulation (European Pollutant Release and Transfer Register) released to air, water and land, paragraph 28	Indicator No. 8 in Table 1 of Annex I, Indicator No. 2 in Table 2 of Annex I, Indicator No. 1 in Table 2 of Annex I, Indicator No. 3 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E3-1 Water and Marine Resources, paragraph 9	Indicator No. 7 in Table 2 of Annex I	YES						
ESRS E3-1 Targeted Policy, paragraph 13	Indicator No. 8 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E3-1 Sustainable Oceans and Seas Paragraph 14	Indicator No. 12 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Indicator No. 6.2 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E3-4 Total water consumption from own activities in m3/million EUR net revenue Paragraph 29	Indicator No. 6.1 in Table 2 of Annex I	NOT IMPORTANT						
ESRS 2 – IRO 1 – E4 Paragraph 16(a)(i)	Indicator No. 7 in Table 1 of Annex I							
ESRS 2 – IRO 1 – E4 Paragraph 16(b)	Indicator No. 10 in Table 2 of Annex I							
ESRS 2 – IRO 1 – E4 Paragraph 16(c)	Indicator No. 14 in Table 2 of Annex I							
ESRS E4-2 Sustainable land use/agricultural practices or policies Paragraph 24(b)	Indicator No. 11 in Table 2 of Annex I	NOT IMPORTANT						

ESRS E4-2 Sustainable ocean/marine practices or policies Paragraph 24(c)	Indicator No. 12 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Indicator No. 15 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator No. 13 in Table 2 of Annex I	NOT IMPORTANT						
ESRS E5-5 Hazardous Waste and Radioactive Waste, paragraph 39	Indicator No. 9 in Table 1 of Annex I	NOT IMPORTANT						
ESRS 2 – SBM3 – S1 Risk of Forced Labor, paragraph 14(f)	Indicator No. 13 in Table 3 of Annex I	NOT IMPORTANT						
ESRS 2 – SBM3 – S1 Risk of child labour Paragraph 14(g)	Indicator No. 12 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S1-1 Political commitments on human rights Paragraph 20	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I	NOT IMPORTANT						
ESRS S1-1 Due Diligence Policies on Matters Covered by Fundamental Conventions 1 to 8 of the International Labour Organization, paragraph 21					<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
ESRS S1-1 Procedures and measures to prevent trafficking in human beings Paragraph 22	Indicator No. 11 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S1-1 Occupational Accident Prevention Policy or Management System, paragraph 23	Indicator No. 1 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S1-3 Grievance/Complaint Handling Mechanisms, paragraph 32(c)	Indicator No. 5 in Table 3 of Annex I	NOT IMPORTANT						

ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Indicator No. 2 in Table 3 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
ESRS S1-14 Number of days lost due to injury, accident, death or illness 88. e)	Indicator No. 3 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S1-16 Unadjusted gender pay gap 97(a)	Indicator No. 12 in Table 1 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
ESRS S1-16 Excessive CEO Compensation Rate 97. b)	Indicator No. 8 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S1-17 Occurrence of discrimination, paragraph 103(a)	Indicator No. 7 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S1-17. Disregard for UN Guiding Principles on Business Responsibility and Human Rights and OECD Paragraph 104(a)	Indicator No. 10 of Table 1 and Indicator No. 14 of Table 3 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
					<a href="#">Delegated Regulation (EU) 2020/1818, Article 12(1)</a>			
ESRS 2 – SBM3 – S2 Significant risk of child or forced labor in the value chain, point 11(b)	Indicators 12 and 13 of Table 3 of Annex I	NOT IMPORTANT						
ESRS S2-1 Political commitments related to human rights Section 17	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I	NOT IMPORTANT						
ESRS S2-1 Policies for workers in the value chain Section 18	Indicators 11 and 4 of Table 3 of Annex I	NOT IMPORTANT						
ESRS S2-1 Disregard for UN Guiding Principles on Business Responsibility and Human Rights	Indicator No. 10 in Table 1 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		

and OECD Guidelines Paragraph 19					<a href="#">Delegated Regulation (EU) 2020/1818, Article 12(1)</a>			
ESRS S2-1 Due Diligence Policies on Matters Covered by Fundamental Conventions 1 to 8 of the International Labour Organization, paragraph 19					<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
ESRS S2-4 Human rights issues and incidents related to the upstream and downstream value chain Paragraph 36	Indicator No. 14 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S3-1 Political commitments on human rights, paragraph 16	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I	NOT IMPORTANT						
ESRS S3-1 Failure to comply with the UN Guiding Principles on Business Responsibility for Human Rights, the ILO Principles or the OECD Guidelines Section 17	Indicator No. 10 in Table 1 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>			
					<a href="#">Delegated Regulation (EU) 2020/1818 Article 12(1)</a>			
ESRS S3-4 Human Rights Issues and Incidents, paragraph 36	Indicator No. 14 in Table 3 of Annex I	NOT IMPORTANT						
ESRS S4-1 Consumer and End-User Policies, paragraph 16	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I	NOT IMPORTANT						
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines Section 17	Indicator No. 10 in Table 1 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
					<a href="#">Delegated Regulation (EU) 2020/1818, Article 12(1)</a>			

ESRS S4-4 Human Rights Issues and Incidents, paragraph 35	Indicator No. 14 in Table 3 of Annex I	NOT IMPORTANT						
ESRS G1-1 UN Convention against Corruption, paragraph 10(b)	Indicator No. 15 in Table 3 of Annex I	NOT IMPORTANT						
ESRS G1-1 Whistleblower Protection Paragraph 10(d)	Indicator No. 6 in Table 3 of Annex I	YES						
ESRS G1-4 Fines imposed for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	Indicator No. 17 in Table 3 of Annex I	NOT IMPORTANT			<a href="#">Delegated Regulation (EU) 2020/1816, Annex II</a>	NOT IMPORTANT		
ESRS G1-4 Anti-corruption and anti-bribery standards paragraph 24(b)	Indicator No. 16 in Table 3 of Annex I	YES						

Information on significant impacts, risks and opportunities identified by the enterprise (IRO-2\_59)

Below we summarize how we determined the information to be disclosed in relation to the Company's material impacts, risks and opportunities, including the application of thresholds and the application of the criteria in section 3.2 of ESRS 1 when determining the materiality of material matters and information.

- The identification of information on significant impacts, risks and opportunities was carried out in two ways:
  - 1. Bottom-up: We compiled the long list of IROs based on the IROs related to the business activities identified during the value chain analysis. The IROs deemed relevant by the Company's ESG experts provided the short list, which was used to identify sustainability topics according to the ESRS.
  - 2. Top-down: During the top-down approach, we supplemented the list of relevant sustainability issues according to ESRS 1 AR 16, identifying topics not covered by the bottom-up approach. These "missed" ESRS topics were evaluated by the company's management to see if they were still relevant or if they should still be included in the sustainability topics.
- The definition of thresholds is described in IRO-1 – Procedure for identifying and assessing significant impacts, risks and opportunities.
- The materiality assessment process corresponds to the flow chart in Appendix E of ESRS 1.
- As a result of the dual materiality analysis, topics that met the impact and/or financial materiality criteria were included in the material topic list. The list of material topics was approved by the company's management, who amended the list to include IT, digitalization and Waste. Three sub-themes of the E4 Biodiversity and Ecosystems standard were removed from the essential topics: drivers of biodiversity loss/pollution, impacts and dependencies of ecosystem services, and drivers of biodiversity loss/climate change. We decided to omit these topics because the Company's activities do not directly impact climate change and do not drastically interfere with biodiversity.
- All data points from ESRS 2 have been published.
- The thematic ESRS disclosure requirements listed in Appendix C of ESRS 2 were applied during the IRO-1 process and are described under the relevant topics.
- Our company describes the material topics identified during the dual materiality analysis in this sustainability statement.
- Entity-specific information is presented in section SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, as well as in related sections.
- Our company was unable to disclose the information required by the thematic or sector-specific ESRS disclosure requirements or the ESRS 2 minimum disclosure requirements because it does not have relevant policies. We therefore indicate that this is the case and indicate the planned timeframe for implementation in our report.
- The company discloses metrics related to material sustainability issues in thematic disclosures.
- The Company omitted information required under a disclosure requirement data point in the section on the relevant thematic ESRS metrics and targets because it did not

consider it material and concluded that this information was not necessary to achieve the purpose of the disclosure requirement.

- As presented in the chapter IRO-2 – Disclosure requirements under the ESRS covered by the Company’s sustainability statements, the company has indicated that the information in question is “not material” when it waives the disclosure of information required by one of the data points from other EU legislation listed in Appendix B of ESRS 2.

## Environment

### Climate change (E1)

It is a key element of the EU's sustainability reporting standards, which specifically focus on climate change-related information. The E1 The standard aims to make it possible to measure companies' climate change-related impacts, risks and opportunities in a uniform, transparent and comparable manner. The Company has not yet implemented sustainability-related performance evaluation. Management does not take climate-related considerations into account when remunerating members of the management, executive, or supervisory boards. Our medium-term plans include transforming the compensation and incentive system for senior managers into a strategy. This means that company leaders should focus on sustainability goals and results in addition to their current goals.

One of the key issues facing the real estate sector for the future is the impacts of climate change and its consequences. Climate change-related action and policy development are also essential in the future. Our company does not yet have such a strategic plan this year. Our medium-term plans include conducting an environmental resilience analysis, which examines how resilient the company is to climate change and environmental risks. The growth of our real estate management and general construction activities also requires us to analyze how extreme weather events, sustainability regulations and green technology implementation, and water and energy efficiency strategies are reflected in our services and operations. Our most important goal in this regard is to develop an action plan to address the most important risks. We also want to ensure that the company remains sustainable and competitive in the long term.

### Incorporating sustainability performance into incentive mechanisms (ESRS 2 GOV-3 E1)

[Incorporating sustainability performance into incentive mechanisms \(ESRS 2 GOV-3\)](#) Chapter c. presents the integration of sustainability performance into incentive mechanisms. Climate considerations are not taken into account in the remuneration of the Company's management, and the performance of board members is not separately assessed, so GHG emission reduction targets have not been formulated, so a performance evaluation in this regard is not possible.

### Climate Change Mitigation Transition Plan (E1-1\_17, E1-1\_14, E1-1\_AR 1.)

The Company does not yet have a transition plan for climate change mitigation. The Company has not yet identified any transition risk related to climate change, but it plans to implement it into its internal decision-making processes and internal control procedures. This could definitely be formulated and implemented as a medium- or long-term goal. The sector in which the company operates has a major impact on climate change, so the preparation of a transition plan for climate change mitigation also requires that the company's current impact on climate change be examined in advance. The first step is to assess energy consumption and greenhouse gas emissions. Subsequently, identifying with the goals set out in the Paris Agreement, we take company-level steps and create action plans.

It is important to note that the Company is not excluded from EU benchmarks aligned with the Paris Agreement. (E1-1\_16 g)

Significant impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3 E1)

THE [Material impacts, risks and opportunities and their interaction with the strategy and business model \(SBM-3\)](#) In chapter c. we described the Company's approach to resilience analysis.

We further stated that the impacts, risks and opportunities covered by the ESRS disclosure requirements are described in detail in the thematic standards. The impacts, risks and opportunities related to the E1 Climate Change topic are summarized in the tables below according to each sub-topic.

The Company identified the following climate-related material impacts during the dual materiality analysis. (ESRS 2 SBM-3 E1)

ESRS E1 sub/sub-sub theme	Value chain	Business activities	Effect description	Impact characteristics	Negative impact on human rights
Adaptation to climate change	Upstream	Procurement of energy sources (electricity, power, gas)	Electricity generation, which is mainly powered by burning fossil fuels, produces large amounts of greenhouse gases such as carbon dioxide, methane and nitrous oxide, which contribute to climate change and have a negative impact on the environment.	Negative (actual / long term: > 5 years)	No
Energy	Upstream	Procurement of energy sources (electricity, power, gas)	Electricity generation, which is mainly powered by burning fossil fuels, produces large amounts of greenhouse gases such as carbon dioxide, methane and nitrous oxide, which contribute to climate change and have a negative impact on the environment.	Negative (actual / short term: current reporting year)	No
Climate change mitigation	Own operation	Management and execution of construction projects	Projects in the extractive industry and large buildings, which can contribute to global GHG emissions, can have negative externalities on climate regulation and public health.	Negative (actual / medium term: <= 5 év)	No
Climate change mitigation	Downstream	Construction and demolition waste management and recycling	The operation of landfills by businesses contributes significantly to global greenhouse gas emissions, as they produce methane, a potent greenhouse gas. This has a negative impact on the environment by exacerbating climate change.	Negative (actual / short term: current reporting year)	No
Energy	Upstream	Energy sources (electricity, gas)	Electricity generation, which is mainly powered by burning fossil fuels, produces large amounts of greenhouse gases such as carbon dioxide, methane and nitrous oxide, which contribute to climate change and have a negative impact on the environment.	Negative (actual / medium term: <= 5 év)	No
Energy	Upstream	Energy sources (electricity, gas)	Gas leaks can lead to diffuse methane emissions, further exacerbating global temperature increases and the consequences of climate change.	Negative (potential / medium term: <= 5 év)	No

The following table provides an overview of the Company's material climate-related risks and opportunities, as well as their financial impacts. In the case of risks, we have indicated whether they are climate-related physical or transition risks. (ESRS 2 SBM-3 E1)

Sub-/sub-topic(s)	Value chain location	Business activities	Description	Characteristic	Financial impact category
Climate change mitigation	Own operation	Property rental	It is important to consider how financially viable the insulation of a given property can be, and to what extent this can be incorporated into the rental fees, thus reducing the overhead costs by tenants.	Risk (transition risk, medium term: <= 5 év)	Cash Flow
Adaptation to climate change	Own operation	Rental / sales activities (advertising, conclusion of rental / purchase contracts)	The summers have been hot in the last few years and cooling upgrades/cooling of certain properties require investment.	Opportunity (short term: current reporting year)	Cost or access to capital
Energy	Own operation	Rental / sales activities (advertising, conclusion of rental / purchase contracts)	The summers have been hot in the last few years and cooling upgrades/cooling of certain properties require investment.	Opportunity (short term: current reporting year)	Cash Flow
Climate change mitigation	Own operation	Industrial property rental	It is worth considering installing solar panels on the given property, the question is what kind of return can be expected, and whether other support can be used (via tender).	Opportunity (short term: current reporting year)	Development

Climate change mitigation	Upstream	Fuel procurement	The need to mitigate or remedy negative ecological impacts can require significant capital and operating expenditures, which has a negative financial impact on the business.	Risk (physical risk, medium term: <= 5 év)	Development
Adaptation to climate change	Upstream	Fuel procurement	Failure to prevent and proactively manage ecological impacts can lead to project delays, remediation costs, litigation liabilities, and reduced access to new projects and revenue streams.	Risk (physical risk, medium term: <= 5 év)	Performance
Adaptation to climate change	Own operation	Facility maintenance and operation	Implementing comprehensive climate change adaptation strategies, considering trade-offs between different risk reduction strategies, and integrating cost-benefit considerations over the long term may require significant capital investment.	Risk (transition risk, medium term: <= 5 év)	Development
Adaptation to climate change	Own operation	Facility maintenance and operation	Investment strategies involving assets located in floodplains and coastal regions exposed to severe weather may experience increased losses due to the effects of climate change, such as more frequent extreme weather events and changing climate patterns.	Risk (physical risk, long term: > 5 years)	Position

Adaptation to climate change	Own operation	Minor construction work, demolitions	The impacts of climate change, such as extreme weather events and changing climate patterns (flood risk, water scarcity, land degradation), could negatively impact areas where homebuilding companies develop homes and residential communities, leading to potential financial risks and reduced opportunities.	Risk (physical risk, medium term: <= 5 év)	Cash Flow
Adaptation to climate change	Own operation	Infrastructure improvements and repairs	Future capital investments may be at risk due to changing climate regulations. Downside risks may manifest themselves through project delays, cancellations and reduced long-term revenue growth opportunities, which could negatively impact financial position, profits, revenue and cash flows.	Risk (transition risk, medium term: <= 5 év)	Development
Adaptation to climate change	Own operation	Minor construction work, demolitions	Increasing climate risks, such as extreme weather events and changing climate patterns, could lead to falling long-term demand, declining land values, and rising long-term costs of home ownership.	Risk (physical risk, long term: > 5 years)	Cost or access to capital

Climate change mitigation	Upstream	Building materials (concrete, steel, wood, insulation materials)	Energy procurement decisions involving fossil fuel-based energy production and consumption can lead to increased operating costs, decreased revenue, and/or reputational damage due to environmental impacts such as climate change and pollution.	Risk (transition risk, short term: current reporting year)	Performance
Climate change mitigation	Upstream	Building materials (concrete, steel, wood, insulation materials)	Increasing regulations and incentives for energy efficiency and renewable energy could lead to higher prices for conventional electricity sources and increased competition from alternative sources, potentially having negative financial impacts on the company.	Risk (transition risk, medium term: <= 5 év)	Development
Climate change mitigation	Upstream	Fuel procurement	In the medium-sized industry, emissions from compressor engine exhaust, oil and condensate tank vents, natural gas processing, and diffuse emissions, in addition to emissions from mobile sources, can lead to increased operating or capital expenditures, regulatory or legal penalties, and other financial impacts, depending on the specific location of operation and the emissions regulations in effect.	Risk (transition risk, medium term: <= 5 év)	Performance

Energy	Upstream	Fuel procurement	The introduction of product specifications and renewable fuel blends by regulatory jurisdictions poses significant compliance and operational risks, which could lead to long-term reductions in revenues, operating costs and/or market share.	Risk (transition risk, medium term: <= 5 év)	Cost or access to capital
Energy	Own operation	Energy management, utility services management	Increasingly stringent environmental regulations on greenhouse gas emissions can lead to significant operating costs and capital expenditures for electricity providers.	Risk (transition risk, short term: current reporting year)	Development
Climate change mitigation	Own operation	Energy management, utility services management	Failure to properly estimate capital expenditure needs and permitting costs, or other difficulties in reducing GHG emissions, can lead to significant financial impacts, such as asset write-offs, costs of acquiring carbon credits, or unexpected increases in operating and capital expenditures.	Risk (transition risk, medium term: <= 5 év)	Cash Flow
Energy	Own operation	Energy management, utility services management	Failure to properly estimate capital expenditure needs and permitting costs, or other difficulties in reducing GHG emissions, can lead to significant financial impacts, such as asset write-offs, costs of acquiring carbon credits, or unexpected increases in operating and capital expenditures.	Risk (transition risk, short term: current reporting year)	Development

Climate change mitigation	Own operation	Energy management, utility services management	Increased GHG emissions and potential gas leaks can lead to increased regulatory scrutiny, fines and sanctions, which can have a negative financial impact on the company.	Risk (transition risk, medium term: <= 5 év)	Position
Energy	Own operation	Energy management, utility services management	Utilities that do not effectively manage affordability may face financial risks such as reduced sales, loss of customers, and loss of market share as customers source energy from alternative sources or reduce their energy needs.	Risk (transition risk, medium term: <= 5 év)	Performance

## Description of procedures for identifying and assessing significant climate-related impacts, risks and opportunities (ESRS 2 IRO-1 E1)

A detailed description of the process for identifying and assessing significant impacts, risks and opportunities [Description of the process for identifying and assessing significant impacts, risks and opportunities \(IRO-1\)](#) contained in chapter c. Using the methodologies described in this chapter, we identified and assessed the Company's impacts, risks and opportunities on climate change. We have examined the potential risks and impacts of the Company's activities that could affect climate change. We paid special attention to energy consumption and energy type, as well as greenhouse gas emissions for properties owned by the Company and its subsidiaries. Furthermore, determining the type and quantity of waste generated was also an important factor in the analysis. (ESRS 2 IRO-1 E1 20a)

During the assessment of climate-related risks, we determined based on literature research whether the given material risk is considered a physical or transition risk. In identifying climate physical and transition risks, the Company did not consider high-emission climate change scenarios. Furthermore, the Company's assets and business activities have not been assessed for their exposure to, or sensitivity to, these climate hazards. (ESRS 2 IRO-1 E1 20 b,c)

## Policies for climate change mitigation and adaptation (E1-2)

The Company has not yet adopted a climate change mitigation policy as there has been no immediate need for it. However, due to the scope of activities, it is justified to develop and implement this policy. Future policy could focus on addressing the risks posed by climate change, with a particular focus on protecting the real estate portfolio against extreme weather events. Through energy efficiency measures, the Company aims to reduce operating costs and thereby increase cost efficiency.

In order to ensure legal compliance, compliance with local and international environmental standards and regulations will be of paramount importance. By strengthening its commitment to sustainability, the Company aims to improve its reputation and gain a competitive advantage among customers and investors. Long-term value creation can be achieved through sustainable investments that contribute to long-term wealth growth.

The increase in the volume of facility operations and general contracting activities requires the Company to create a developed action plan for climate change mitigation and adaptation. Policy elements may include increasing energy efficiency, for example by introducing energy-saving technologies and using renewable energy sources. It is advisable to apply green building standards such as LEED or BREEAM when designing and constructing new buildings, and to modernize existing buildings according to sustainability criteria. Reducing environmental impact can be achieved through waste management programs and water-saving technologies, while reducing emissions requires mitigating carbon dioxide emissions and encouraging green transportation solutions.

Educating employees about the impacts of climate change and the importance of sustainable practices will also be a priority in the future. In order to comply with constantly changing laws and obligations, the Company develops the necessary regulations and policies in a timely manner, and aims to extend and standardize them to all areas of activity (upstream, downstream).

The introduction of this policy is expected to occur within 1-3 years.

### Measures and resources related to climate change policies (E1-3)

Since the Company has not yet adopted a climate change policy, it has not defined any measures and resources related to this. Given the fact that the sustainability reporting obligation for premium-category public limited companies has already come into effect from the 2024 business year, it will be necessary to develop new regulations and policies in the future, along with appropriate action plans.

We have already referred to the necessary measures [Policies for climate change mitigation and adaptation \(E1-2\)](#) in chapter c., but we consider it necessary to explain this in more detail in relation to the industry.

The primary action that the Company can take is to improve energy efficiency, which can be achieved by modernizing buildings, for example by introducing LED lighting and smart thermostats. These measures not only reduce operating costs and carbon emissions, but also make properties more attractive to tenants. Furthermore, integrating renewable energy sources, such as solar systems, into buildings also reduces direct and indirect emissions, contributing to the reduction of the overall carbon footprint.

The use of green building standards such as BREEAM or LEED also plays an important role. Designing and constructing new buildings based on these standards increases their market value and attractiveness to environmentally conscious customers. Modernizing existing buildings according to these principles also contributes to increasing the value of the property portfolio and reducing emissions over the entire life cycle.

Programs aimed at reducing environmental impact, such as efficient waste management and the use of water-saving technologies, also have a significant positive impact. These measures reduce the use of natural resources and waste production, which is especially important for customers who value sustainability aspects.

Emission reduction measures, such as carbon dioxide emission reduction and green transportation solutions, such as the installation of electric vehicle charging stations, contribute to reducing the Company's environmental footprint. These measures target the Company's Scope 1 and 2 emissions, which have a direct impact on achieving sustainability goals. Educating employees and partners about sustainability practices can increase awareness within and outside the Company, thereby promoting the spread of sustainable practices.

Since Scope 3 emissions are significant for the Company, primarily through the activities of NEO, it is essential to reduce them through targeted means. One way to do this is to use sustainable procurement practices. This could include, for example, purchasing green building materials and preferring low-emission products. It is also important to ensure supply chain transparency, so tracking and evaluating suppliers' sustainability performance can help reduce their carbon footprint. Optimizing the life cycle of buildings can be achieved by minimizing the construction and demolition waste mentioned above. Prioritizing recycling and reuse during construction and demolition processes can reduce emissions.

Preparing regular sustainability reports helps to track the company's performance and provides opportunities for continuous improvements. Increasing transparency can strengthen a company's credibility with customers and investors, especially those who are increasingly placing an emphasis on sustainability.

#### Targets set for climate change mitigation and adaptation (E1-4)

Since the Company has not yet developed a policy for managing climate change, it has not defined any measures, resources, or goals in this regard. The [E1-2 Policies for climate change mitigation and adaptation](#) and the [E1-3 Measures and resources related to climate change policies](#). In the chapters entitled "Business Policies", we have shown that the development of these policies will be essential in connection with the activities of the Company's subsidiaries. We have outlined what possible policy elements and measures may need to be introduced in relation to the industry. Although we do not yet have specific goals for climate change mitigation and adaptation, we see possible directions based on industry experience.

There are many international, European and national targets for climate change mitigation and adaptation. These climate protection strategies aim to reduce carbon emissions, ensure sustainable development and prepare for the impacts of climate change. These goals are primarily aimed at reducing greenhouse gas emissions and reducing dependence on fossil energy sources.

The **real estate management** and **general construction** In the field of climate change mitigation and adaptation, the goals and measures focus primarily on increasing energy efficiency, introducing sustainable building practices and minimizing environmental impacts. Reducing carbon dioxide emissions from buildings, using renewable energy sources, reducing waste and applying circular economy principles, and sustainable material use (using low-carbon footprint building materials) can all be possible and achievable goals. Green building standards (BREEAM, LEED, WELL) certifications also have an encouraging effect in this regard.

To date, two main building rating systems have been widely used in Hungary: BREEAM and LEED. BREEAM is a rating system for sustainable buildings, which defines nine categories through which the sustainability performance of buildings can be classified. BREEAM certification can be applied for not only new buildings but also for renovations.

The American LEED (Leadership in Energy and Environmental Design) certification is a green building certification system based largely on American standards, supplemented by European standards and can also be used in Europe. LEED classifies the different requirements into five environmental categories. Projects undergo inspection and review processes and receive points corresponding to the LEED recognition level,

Many of our international tenants expect BREEAM or LEED certification. This means rigorous auditing, based on extensive data provision. NEO was the first company in Hungary to achieve GOLD certification in the LEED *Building operations and maintenance* category for one of its clients' headquarters. Previously, our client in Hungary also managed to obtain the BREEAM in use – VERY GOOD rating at another facility with our active participation.

### Energy consumption and structure (E1-5)

The table below presents the Company's energy consumption and its structure, broken down by the Company's subsidiaries. The table below only includes the energy sources used by the Company, thus it does not include the subsidiaries with zero energy consumption that will be presented later. Our company does not have fuel consumption from coal and coal products, fuel consumption from other fossil sources, renewable fuel consumption, or self-produced, non-fuel renewable energy consumption, so these factors are not included in the table.

	AKKO Invest Plc.	NEO Property Services Zrt.
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	0	2929,95
Fuel consumption from natural gas (MWh)	4	195
Fuel consumption from other fossil sources (MWh)	0	0
Consumption of electricity, heat, steam and cooling purchased or procured from fossil sources (MWh)	16,5921	177
<b>Total fossil energy consumption (MWh)</b>	<b>20,5921</b>	<b>3301,95</b>
Share of fossil fuels in total energy consumption (%)	100%	100%
Consumption from nuclear sources (MWh)	0	0
Share of energy consumption from nuclear sources within total energy consumption (%)	0	0
Fuel consumption from renewable sources, including biomass (which includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
Consumption of electricity, heat, steam and cooling purchased or procured from renewable sources (MWh)	0	0
Consumption of self-produced, non-fuel renewable energy	0	0
<b>Total renewable energy consumption (MWh)</b>	<b>0</b>	<b>0</b>

Share of renewable sources in total energy consumption (%)	0	0
<b>Total energy consumption (MWh)</b>	<b>20,5921</b>	<b>3301,95</b>

No data was presented for the subsidiaries MOON Facility, PLUS Invest, 4 Stripe and Deniro because the properties belonging to them are used by our clients. Based on the principle of operational control, the energy consumption arising here does not belong to the operations of the companies.

The Company includes several businesses that have zero energy consumption, as the properties associated with them were not in use in the reporting year.

- VÁR-Logisztika Zrt.
- ALQ SAS
- Elitur Invest Zrt.

therefore their energy consumption is not shown in the table.

The Company does not operate in sectors with a high climate impact. (E1-5 38)

#### Gross and total GHG emissions in scope 1, 2 (E1-6)

When calculating GHG emissions, we took into account an operational control basis, in line with energy consumption data. As a result, the issuance of AKKO and NEO is presented. Direct, Scope 1 emissions were generated by the consumption of natural gas in properties, while in the case of NEO, stationary combustion devices and the fuel consumption of the vehicle fleet also increased the value in 2024. 92% of the Group's total GHG portfolio comes from direct emissions. Indirect, Scope 2 emissions were caused exclusively by the purchased electricity consumption of the properties. There was no self-produced or purchased renewable electricity. No other indirect (Scope 3) calculation was performed in the 2024 financial year, in accordance with the phase-in provisions set out in Appendix C of ESRS 1.

<b>Scope 1 and 2 GHG emissions combined</b>		
<b>2024</b>	<b>AKKO Invest Plc.</b>	<b>NEO Property Services Ltd.</b>
<b>Gross Scope 1 GHG emissions (tCO<sub>2</sub>e)</b>	0,69	715,30
<b>Percentage of GHG emissions from regulated emissions trading systems (%)</b>	0,00	0,00
<b>Biogenic - Non-Scope 1 GHG emissions</b>	0,00	0,00
<b>Gross Scope 2 local-based GHG emissions (tCO<sub>2</sub>e)</b>	6,16	27,35

<b>Gross Scope 2 market-based GHG emissions (tCO<sub>2</sub>e)</b>	6,18	35,73
<b>Biogenic - Non-Scope 2 GHG emissions</b>	0,00	0,00
<b>Total</b>	<b>13,02</b>	<b>778,38</b>

When calculating emissions, we used DEFRA's 2024 emission factors for Scope 1 assets, while market-based Scope 2 uses the species-specific data reported by energy suppliers, and EEA 2023 data for local-based Scope 2 emissions. The methodology took into account the GHG Protocol framework and was not determined based on an ISO standard. We did not take into account other GHGs than those defined by the GHG Protocol.

The GHG intensity based on net income is illustrated in the table below:

<b>GHG intensity based on net income</b>	<b>2024</b>
<b>Total GHG emissions (tCO<sub>2</sub>)</b>	791,40
<b>Net income (million HUF)</b>	43509
<b>Net GHG intensity</b>	0,018189

#### GHG mitigation projects financed through GHG removals and carbon credits (E1-7)

The Company has not implemented or developed any greenhouse gas capture and storage activities, nor has it participated in any greenhouse gas mitigation projects financed through carbon credits. (E1-7\_56 a,b)

## Water and Marine Resources (E3)

Significant impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

[The Material Impacts, Risks and Opportunities and their Interaction with the Strategy and Business Model \(SBM-3\) c.](#) in chapter We stated that the impacts, risks and opportunities covered by the ESRS disclosure requirements are described in detail in the thematic standards. Following the materiality analysis, the following material risks were identified for the E3 Water and Marine Resources topic.

Sub-/sub-topic(s)	Value chain location	Business activities	Description	Characteristic	Financial impact category
Water withdrawal	Own operation	Minor construction work, demolitions	Construction projects in water-scarce regions can lead to a decrease in land values and difficulties in obtaining permitting permits, which can result in negative financial impacts for businesses due to the loss of value of assets.	Risk (transition risk, medium term: <= 5 év)	Performance
Water consumption	Upstream	Procurement of energy sources (electricity, gas, water)	Water supply challenges, potentially exacerbated by failures in critical infrastructure, such as water mains and sewers being shut down due to events such as earthquakes, could lead to an increase in the price of purchased water. This can result in higher operating costs and disastrous financial consequences.	Risk (physical risk, medium term: <= 5 év)	Cash Flow

Description of procedures for identifying and assessing significant impacts, risks and opportunities related to water and marine resources (ESRS 2 IRO-1. E3)

The impacts, risks and opportunities related to water and marine resources are of paramount importance in terms of climate change, sustainable development and economic challenges.

The Company has identified and assessed the significant impacts, risks and opportunities as described in the section Description of the process for identifying and assessing significant impacts, risks and opportunities (IRO-1) (ESRS 2 IRO-1 8 a). The Company engaged affected communities in identifying and assessing significant water-related impacts, risks and opportunities (IROs). During the validation of the IROs identified in the framework of the dual materiality analysis, the Company appointed "representative" individuals from its internal environment who reliably represent the interests of the parties concerned. These "representative" individuals included a colleague representing the interests of the affected communities, ensuring that the interests of this group were indirectly taken into account during the IRO identification and assessment process. (ESRS 2 IRO-1 8 b)

As a result of the dual materiality analysis, the sub-topics related to water and marine resources that are the subject of the materiality assessment are as follows:

- E3 Water and marine resources – Water – Water consumption
- E3 Water and Marine Resources – Water – Water Abstraction

When conducting a materiality assessment for environmental sub-topics, we assessed the materiality of water and marine resources in our own operations and in our upstream and downstream value chain using the “LEAP” approach. (ESRS 2 IRO-1 E3 AR 1)

- In the first stage, we determined that there are no areas exposed to water-related risks or points of connection with marine resources along the examined value chains. Facilities in watershed areas with actual impacts and opportunities are not included in the Company's portfolio. (ESRS 2 IRO-1 E3 AR 5, 6)
- Since no water-related priority sites were identified in the first phase, the second phase is not relevant when assessing dependencies and impacts associated with these sites. ESRS 2 IRO-1 E3 AR 12)
- In Section 3, we examined which transition and physical risks and opportunities may arise along our value chain, which are presented in the chapter entitled Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3). ESRS 2 IRO-1 E3 AR 13)
- In communicating the results of the materiality assessment in Section 4, we examined the business segments to which our material risks related to water and marine resources are associated. This is also presented in the chapter entitled Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3). ESRS 2 IRO-1 E3 AR 15)

Our company's environmental responsibility is also manifested in water conservation and the protection of surface and groundwater. If we detect any contamination, we will immediately

notify the environmental protection inspectorate and fully cooperate with them throughout the entire process. We license the oil and grease collection equipment operating in the facilities, have their operation checked, and ensure that emissions are kept below permitted levels. Water-saving taps and flush valves have been installed in the sanitary facilities to reduce water consumption. In order to create sustainable resource management, we have also set water and wastewater management goals.

### E3-1 – Water and marine resources policies

The Company has not yet developed policies related to water and marine resources, as it must first thoroughly assess water-related impacts, risks and opportunities. Based on the IROs identified in 2024, the Company will be able to begin developing policies. The decision to create and adopt policies will be made by the governing body.

### E3-2 – Measures and resources related to water and marine resources

The Company has not yet developed policies related to water and marine resources, including related measures. However, due to the scope of activities, the development and introduction of these policies and measures is justified.

### E3-3 – Water and marine resources objectives

The Company has not yet set any goals related to water and marine resources. The development and expansion of our general contracting activities, our future goals include the construction of facilities where the recycling and reuse of rainwater and other resources is implemented and resolved. The company currently does not have a policy or development plan for this.

The Company's environmental responsibility is also manifested in water conservation and the protection of surface and groundwater. If we detect any contamination, we will immediately notify the environmental protection inspectorate and fully cooperate with them throughout the entire process. We license the oil and grease collection equipment operating in the facilities, have their operation checked, and ensure that emissions are kept below permitted levels. Water-saving taps and flush valves have been installed in the sanitary facilities to reduce water consumption.

### E3-4 – Water consumption

The Company's water consumption in 2024 is illustrated in the table below. Similar to the presentation of energy consumption, the table only includes subsidiaries that have water consumption data. The Company does not operate in areas at risk of water consumption and does not use recycled, reused or stored water, therefore these factors are not included in the data.

<b>Water consumption (m3)</b>	
AKKO Invest Plc.	7
NEO Property Services Zrt.	1077

Water consumption is not displayed for the following subsidiaries:

- VÁR-Logisztika Zrt.: empty enterprise, therefore no water consumption occurs,
- ALQ SAS: The hotel building is currently empty and has no water consumption.
- Elitur Invest Ltd.: Due to its property management activities without real estate, it does not have water consumption data.
- MOON Facility Zrt.\*
- PLUS Invest Ltd.\*
- 4 Stripe Ltd.\*
- Deniro Ltd.\*

\*The property's water consumption is not related to the Company's operations, as it is used by tenants.

Water consumption data was calculated based on the invoices received.

NEO Property Services Zrt's water consumption in 2024 was 1077 m3. However, this data is based on an estimate, as there is no possibility to measure water consumption in the company's central rental property. We took into account the water consumption data of the entire building, as well as the proportion of the rented area for the estimate.

Water intensity shows the total water consumption of a company associated with its own activities, expressed in m3, per million EUR of net revenue.

<b>Water intensity</b>		
	Net sales EUR	Total water consumption associated with your own activities per EUR million of net revenue
AKKO Invest Plc.	138 762	0,00050446
VÁR-Logisztika Zrt.	Not interpretable	Not interpretable
MOON Facility Zrt.	28 800	0,000694455

A PLUS INVEST Zrt.	5 236,29	0,023107975
4 Stripe Zrt.	157 089	0,000071169
ALQ SAS	2 618	0
Elitur Invest Zrt.	Not interpretable	Not interpretable
NEO Property Services Zrt.	113 486 058	0,000009490
Deniro Zrt.	94 253	0,000040531

## Biodiversity and ecosystems (E4)

*In accordance with Appendix C of ESRS 1, the Company will introduce biodiversity-related disclosure and application requirements in the future. Based on the phased introduction, we expect to present detailed information in fiscal year 2026. Factors directly causing biodiversity loss*

As a result of the materiality assessment, the following sub-topic proved to be material for the Biodiversity and Ecosystem topic: Direct drivers of biodiversity loss / Land use change, freshwater use change and marine use change, thus ESRS 2 BP-2. According to 17, this chapter presents publications related to the topic.

The topic of Biodiversity and Ecosystems arises primarily in relation to NEO in the case of the Company. Real estate operations and general construction have a significant impact on biodiversity and ecosystems. The preservation of natural habitats, energy efficiency and sustainable land use must be taken into account when maintaining and developing the built environment.

The real estate sector plays a significant role in protecting biodiversity.

The use of sustainable construction and operation practices not only reduces negative impacts on the environment, but also brings economic and social benefits. Preserving biodiversity in the real estate sector results in more sustainable and economical operations in the long term. During building operation, the protection of biodiversity and ecosystems is gaining an increasing role in the spirit of sustainable development and environmental protection.

The Company does not currently have specific, time-bound goals on the topic, but it plans to create a precisely developed strategic plan in the medium term that focuses on biodiversity. The following goals and strategies can help reduce environmental impact and support biodiversity in building operations.

- Developing a sustainable procurement policy and waste reduction programs is essential in both building operations and general construction activities. When providing cleaning services, we have already placed great emphasis on, for example, the use of environmentally friendly cleaning products, the search for recycled materials, and the use of energy-efficient lighting and heating and cooling systems.
- Integrating water management solutions into maintenance plans and daily practices is effective even in the short term. These include greywater recycling, designing and using rainwater harvesting systems for irrigation.
- The protection of biodiversity and natural ecosystems is also well-established in sustainable energy use. During the creation and operation of smart buildings, by using BIM (Building Information Modeling) solutions, intelligent building management systems, and installing solar systems, energy supply becomes secured and cost-effective, and consumption can also be optimized. Digital, smart solutions are already present in the sector.

During the examination and mapping of risks, opportunities, and impacts, we determined what actual and potential impacts may occur on biodiversity in the given service segment. Electricity generation produces large amounts of greenhouse gases, and water-intensive industrial operations require large amounts of water extraction, which has a negative impact on water quality and species diversity. Infrastructure construction projects can lead to negative externalities, such as disruption of local ecosystems, air emissions, water discharges, use of natural resources, waste generation, and use of hazardous chemicals. The following material risk arose in connection with NEO Property Services' TFM (Technical Facility Management) activities.

Sub-/sub-topic(s)	Value chain location	Business activities	Description	Characteristic	Financial impact category
Direct drivers of biodiversity loss / Land use change, freshwater use change and marine use change	Own operation	TFM	Industrial development activities can lead to soil and water contamination, poor waste management, and over-stressing of water resources, potentially having negative impacts on the environment and affected communities.	Risk (physical risk, medium term: <= 5 év)	Development

It is also worth preparing in advance for possible impacts that have not yet been detected, even with a developed strategy. These may include, for example, land-use changes that facilitate sectoral activities that may amplify the impacts of climate change by eliminating carbon sinks, potentially affecting biodiversity, species distribution, and ecosystem composition and functioning, and exacerbating the impacts as temperatures rise. Landfilling of waste and leaching of hazardous materials from waste storage facilities into the soil can lead to soil contamination, reduced fertility and erosion. Infrastructure construction projects can lead to negative externalities, such as disruption of local ecosystems, air emissions, water discharges, use of natural resources, waste generation, and use of hazardous chemicals.

Following the phased introduction, the Company plans to present the following metrics in its biodiversity and ecosystems disclosures:

- Disclosure Requirement E4-4: Biodiversity and ecosystem-related goals
- Disclosure Requirement E4-5: Impact metrics related to biodiversity and ecosystem change

## Resource use and circular economy (E5)

A detailed description of the process for identifying and assessing material impacts, risks and opportunities related to resource use and the circular economy is provided in Chapter IRO-1 – Description of the process for identifying and assessing material impacts, risks and opportunities. Using the methodologies described in this chapter, we identified and assessed the Company's impacts, risks and opportunities on resource use and the circular economy. It is important to highlight that during the dual materiality analysis, the IROs assigned to the topic E5 Resource Use and Circular Economy did not exceed the threshold as a result of the assessment, so the topic E5 Resource Use and Circular Economy did not appear in the materiality topic list. (ESRS 2 SBM-3 E5) During the management workshop presenting the results of the assessment, the Company's management decided to include E5 Resource Use and Circular Economy in the final material topic list. (ESRS 2 IRO-1 E5)

### Policies related to resource use and circular economy (E5-1)

The Company does not currently have policies related to resource use and circular economy, however, the general construction and building operation activities necessitate the introduction of this policy in the medium term.

Based on industry experience, elements of this future policy for the Company could include the following:

- **Resource efficiency:** The company's goal may be to optimize the use of materials and energy. This may include striving for minimal waste generation during the design and construction processes, and prioritizing recyclable or environmentally friendly materials.
- **Waste reduction and recycling:** Company policies can encourage waste minimization, recycling of generated waste, and reuse of building materials, which can reduce the amount of waste going to landfills.
- **Optimizing water use:** The goal may be to reduce water use in operational processes, for example by using water-saving technologies and developing rainwater harvesting systems.
- **Lifetime extension and maintenance:** The goals of a circular economy may include extending the lifespan of buildings and infrastructure and adopting sustainable maintenance practices.
- **Partnerships and collaborations:** The company can collaborate with other actors, such as suppliers, customers and municipalities, to implement and promote the principles of the circular economy.

### Measures, resources and targets related to resource use and the circular economy (E5-2, E5-3)

The Company has not developed a specific policy in the field of resource use and circular economy, so the measures related to these have not been defined either. We are thinking

long-term with the development of general contracting activities, and in line with this long-term goal, we will introduce goals and measures related to resource use and the use of a circular economy. In order to develop the elements of a possible policy, the following measures and objectives may need to be defined:

- Waste management development: Introducing selective waste collection at construction sites and implementing recycling programs.
- Energy efficiency measures: Installing LED lighting, energy-efficient heating/cooling systems, and integrating renewable energy sources – such as solar panels – into buildings.
- Water management solutions: Installing low-water consumption equipment (such as waterless urinals and low-flow faucets). Designing rainwater harvesting systems to recycle water. [Water and marine resources objectives \(E3-3\)](#) During the presentation, we explained that during the development and expansion of general construction activities, our future plans include the construction of facilities where rainwater and other resources can be recycled and reused. Integrating water management solutions – such as greywater recycling and rainwater harvesting systems – into maintenance plans and daily practices will also be necessary.
- Sustainable procurement practices: Assessing the environmental performance of suppliers and sourcing materials from sustainable sources.
- Sustainable building design: When designing smart buildings and condominiums, and in connection with this, during construction, it is a requirement that materials and devices be installed and used that come from a circular economy, are recycled, and are produced using locally available and quality resources. In the coming years, the issue of sustainability will play an increasingly important role in this industry, so we need to plan for it now.

In order to achieve these measures and goals, it will be essential to provide financial resources to enable the implementation of sustainable technologies. Furthermore, the involvement of sustainability experts and the maintenance of a skilled workforce are also vital. Sharing good practices with other companies or research institutions through partnerships can help achieve the goals.

## E5-5 – Resource outflows

Below, information on resource outflows related to the Company's activities, with particular attention to waste management, is presented. The table only shows data from subsidiaries where waste was generated. Subsidiaries that did not generate any waste during their operations are described below.

Total amount of waste from own operations (E5-5\_37)

Total amount of waste from own operations (kg)	NEO Property Services Ltd.	
Waste type	Quantity (kg)	
total amount of waste generated	525 237	
total quantity diverted from disposal (kg)	Hazardous waste	Non-hazardous waste
preparation for reuse	0	0
recycling	0	288
other recovery operations*	0	0
quantity to be disposed of (kg)	Hazardous waste	Non-hazardous waste
waste incineration		0
landfill		514 810
other disposal operations		10 139
total amount of non-recycled (non-recycled) waste	514 810	
percentage of non-recycled (non-recycled) waste	98.01%	

Among the subsidiaries, only NEO is relevant in the case of waste management from its own activities. In 2024, a total of 525,237 kg of waste was generated, of which 288 kg was recycled. The recycled waste included 281 kg of selectively collected paper and 7 kg of selectively collected plastic waste. These waste fractions were not transported directly from NEO, but from the central collection point of the office building, together with the selective waste of other tenants, by the transporter. The quantities given here were calculated as a proportion of the area leased by NEO based on the annual aggregate quantity. According to information received from the supplier, the waste will be recycled by the MOHU partner company.

The table below presents the waste streams relevant to the Company's activities. (E5-5\_38a)

Company activities	Waste stream 1	Waste stream 2
Asset management	municipal waste	waste paper
Real estate segment	municipal waste	waste paper
Facility management	municipal waste	
Property management	municipal waste	Selective waste, paper and plastic waste
Energy management	no waste is generated	
General construction	Construction and demolition waste	

Since our Company's activities do not involve industrial processes or manufacturing activities that would result in hazardous waste, our operations primarily generate municipal waste. Paper waste generated during office and administrative work processes is one of the typical waste streams. NEO's property management activities generate, in addition to paper, plastic waste, which we collect selectively. During general construction work, construction and demolition waste must also be taken into account.

The following subsidiaries did not generate any waste in 2024, or the waste generated does not belong to their own operations:

- AKKO Invest Plc: the company currently has an empty property, so no waste is generated
- VÁR-Logistics Ltd.: Since the end of 2023, the company has had no real estate, so there is no waste.
- MOON Facility Zrt.: MOON Facility Zrt. does not have a waste disposal contract. The industrial properties leased by it are warehouse buildings, and a small amount of waste is generated during daily operations, which does not require regular and significant waste removal. The waste generated belongs to the tenants of the property and not to the Company's operations.
- ALQ SAS: the property is currently vacant, so no waste is generated.
- PLUS Invest Ltd.: The property you own is rented property, so the waste generated by the tenant appears at the company.
- 4 Stripe Ltd.: The industrial property it owns is leased, so the waste generated belongs to the tenants of the property.
- Deniro Ltd.: The industrial property owned by Deniro Zrt. is leased, so the waste generated is generated by the tenant of the property.
- ELITUR Invest Zt.: asset management company, the company does not own real estate, therefore there is no waste generation.

The activities of the Company's subsidiaries do not include industrial processes or production activities that could result in hazardous waste, so the Company does not generate industrial or hazardous waste; our operations primarily generate municipal waste.

The table below contains the substances present in the waste, broken down by type of waste generated. (E5-5\_38b)

Substances present in the waste	Description
Construction and demolition debris	concrete, brick
Municipal waste	biomass, other organic materials
Selective paper and plastic waste	paper and plastic

The Company's activities do not generate any hazardous or radioactive waste. (E5-5\_39)

The amount of different waste was calculated using the following methods. (E5-5\_40)

- 1) **Municipal waste and selective waste** It is transported from a central collection point, where waste from the entire area of the office building and from all tenants is placed. We do not have a measured amount of municipal waste. Based on the volume and emptying frequency of the waste collection containers placed, a m<sup>3</sup>/year quantity calculation is made, which is multiplied by the unit weight of uncompacted waste (180 kg/m<sup>3</sup>). The resulting amount was then distributed proportionally to the area leased by NEO.
- 2) **Selective waste** It is transported from a central collection point, where waste from the entire area of the office building and from all tenants is placed. We have a measured amount of selective waste. This was distributed proportionally to the area leased by NEO.
- 3) **Construction and demolition waste** quantity weighed.

## Digitalization

[Material impacts, risks and opportunities and their interaction with the strategy and business model in chapter \(SBM-3\)](#) we mentioned that Digitalization was defined as an organization-specific indicator.

Digitalization has become an integral part of the real estate industry, and the umbrella name for innovative technologies is PropTech. NEO recognized the benefits of PropTech early on, such as energy and labor savings, as well as control points built into the system. NEO's key development is its own CAFM system, NMBS, which was introduced in 2010 and has been continuously developed since then. By digitizing its processes, NEO not only improved its business efficiency, but – recognizing the potential this holds – was also able to reduce its environmental footprint, as the introduction of the NMBS system resulted in significant paper savings.

The table below illustrates the methodology and results used to calculate the amount saved. The documents listed in the table – error sheets, invoices, contracts – were previously handled on paper. Based on previous paper usage, the unit paper volume (A/4 sheet format) per document type was calculated, and multiplied by the current number of pieces for the given year, the total estimated savings of the Company's subsidiaries were shown in the reporting period, which amounts to a total of 707,270 sheets. Due to the operations of subsidiaries, not all types of paper usage appear at individual companies.

Paper usage triggered by NMBS - 2024	Average unit	AKKO Invest Plc.	NEO Property Services Zrt.	VÁR-Logisztika Zrt.	MOON Facility Zrt.	A PLUS INVEST Zrt.	4 Stripe Zrt.	ALQ SAS	Deniro Zrt.	Elitur Invest Zrt.
Error codes	5	Not relevant	202 255	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Maintenance	3	Not relevant	109,731	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
project	10	Not relevant	174,140	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Registration	2	Not relevant	10,718	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Invoice	5	285	155,100	70	52	78	776	58	41	68
Contract	30	72	47,220	71	19	14	20	35	7	19
Device module	new device: 3; disposal: 8	Not relevant	6,421	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
<b>TOTAL ESTIMATED SAVINGS</b>		357	705,585	141	71	92	796	93	48	87

The Company's goal is to further increase the rate of digitalization in the company's operations in the future and to continuously develop existing systems in order to increase efficiency and customer satisfaction.

In NMBS, notification information is immediately and fully available to all stakeholders, making the handling of errors more transparent than before. We were able to minimize the number of unnecessary or inadequately prepared withdrawals. This saving has been built into the base data for several years, and we do not include relevant data in this report.

We are working to demonstrate the beneficial effects of digitalization not only in reducing paper use, but also in supporting other sustainability efforts. To this end, developing the systems' measurement, data collection and data processing competencies will be a key task for the company. A good example of this commitment is the energy module of the NMBS system, which serves to save energy for customers. This development, which was already planned earlier, is given special relevance by the increasing expectations from our clients to support the reduction of their own emissions and to communicate data on the footprint of our services.

## EU Taxonomy

### Legal background

The EU Taxonomy Regulation (2020/852) establishes the legal framework for determining whether an economic activity is environmentally sustainable; that is, whether an investment is environmentally sustainable. The regulation requires financial and non-financial entities covered by it to disclose how and to what extent the entity's activities are related to environmentally sustainable economic activities.

The activities that can be adapted are defined in the EU Taxonomy Delegated Regulations, which have been established to be adaptable to the following six environmental objectives:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of aquatic and marine resources;
- transition to a circular economy;
- pollution prevention and reduction;
- protecting and restoring biodiversity

An activity can only be considered environmentally sustainable, i.e. taxonomically compliant, if it meets the following three conditions:

- The activity contributes significantly to the achievement of one of the environmental objectives by meeting the screening criteria set for this economic activity, e.g. CO2 emissions for the environmental objective of climate change mitigation.
- The activity meets the Do-No-Significant-Harm (DNSH) criteria defined for this economic activity, i.e. it does not cause significant harm in any of the remaining five environmental target categories.
- The activity is carried out in compliance with the minimum safeguards that apply to all economic activities. Minimum safeguards require companies to implement due diligence procedures that cover the following topics: human rights (including labor and consumer rights), taxation, fair competition, bribery and extortion.

#### ***During the investigation, we took the following regulations into account:***

- Regulation (EU) 2020/852 establishing a framework to promote sustainable investment
- (EU) 2021/2139 Delegated Regulation (Climate Delegated Act)
- (EU) 2021/2178 Delegated Regulation (Disclosures Delegated Act)
- Delegated Regulation (EU) 2022/1214 (Complementary Climate Delegated Act)
- Delegated Regulation (EU) 2022/1214 (Complementary Climate Delegated Act)
- Delegated Regulation (EU) 2023/2486

In addition to the above, during the investigation we took into account the communications published by the European Commission, which summarized questions regarding activities and disclosures, as well as the interpretative responses to them.

### Activities that can be adapted to taxonomy

Economic activity	Description
2.3. Collection and transportation of non-hazardous waste (CE <sup>**</sup> )	NEO Property Services Zrt. organizes waste transportation for its Clients as a billable activity.
7.1 Construction of new buildings (CCM <sup>*</sup> )	The general construction business of NEO Property Services Zrt. completed the construction of the Le Jardin condominium in 2024 under contract work and started the preparation of the Római Park condominium.
7.3. Installation and maintenance of energy efficiency equipment (CCM <sup>*</sup> )	NEO Property Services Zrt. carries out activities in accordance with the EU Taxonomy description within its building operation activities.
7.7. Purchase and ownership of buildings (CCM <sup>*</sup> )	AKKO Invest Plc.'s subsidiaries conduct commercial activities arising from their own real estate ownership (rental).

\*CCM – Climate Change Mitigation \*\*CE – Transition to a Circular Economy

We further examined the above activities according to the technical screening criteria defined by the EU Taxonomy: significant contribution, DNSH (avoidance of significant harm) and minimum social safeguards.

### **Minimum social guarantees**

At the group level, we examined whether our operations are in line with the OECD guidelines based on existing internal regulations and policies (e.g. code of ethics, procurement policy, etc.).<sup>1</sup> and UNGP<sup>2</sup> with its guidelines on the subject in the following topics:

- human rights (including workers' and consumers' rights),
- taxation,
- fair competition,
- bribery and extortion.

A more detailed analysis of the above is provided in subsections S2 and G1-3. Currently, although both NEO and AKKO have internal policies and processes that The above topics are already covered, but it is still necessary to develop internal systems and feedback to ensure that they meet the required minimum social safeguards.

### **Technical screening criteria**

- **2.3 Collection and transportation of non-hazardous and hazardous waste (CE)**

NEO Property Services Zrt. (hereinafter: "NEO") subcontracts the activity. Within the contractual framework, the subcontractor undertakes to meet the expectations of NEO's customers regarding waste management. Accordingly, it is sufficient to ensure that, for example, all selectively collected and transported waste separated at source

<sup>1</sup> <https://mnequidelines.oecd.org/duo-diligence-guidance-for-responsible-business-conduct.htm>

<sup>2</sup> [https://www.ohchr.org/sites/default/files/documents/publications/quidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/quidingprinciplesbusinesshr_en.pdf)

is intended for reuse or preparation for recycling, to the extent possible. However, it does not meet the requirements for significant contribution to the activity and DNSH.

- **7.1 Construction of new buildings (CCM)**

NEO participated in the construction of apartment buildings in 2024 as a general contractor. With its energy classification of A, Le Jardin meets the conditions for significant contribution, but not the conditions of the DNSH, so the activity is not compliant.

- **7.3 Installation and maintenance of energy efficiency equipment (CCM)**

NEO undertakes the installation and maintenance of energy efficiency equipment for its customers as part of its operational work. Since no climate risk analysis has been conducted for the activity, NEO does not meet the technical screening criteria.

- **7.7 Purchase and ownership of buildings (CCM)**

AKKO Invest Plc.'s subsidiaries generate revenue and incur operating costs from the properties they operate. The properties are typically category B industrial properties, which do not always have an energy certificate. Modern buildings are under preparation, but the investment has not begun. A climate risk analysis has not yet been conducted for the buildings. As stated above, the activity does not meet the significant contribution and DNSH requirements.

## KPI analysis

### Revenue-related KPIs

The turnover ratio referred to in point (a) of Article 8(2) of Regulation (EU) 2020/852 shall be calculated as the proportion of net turnover as defined in point (5) of Article 2 of Directive 2013/34/EU derived from products or services, including intangible goods, related to economic activities that comply with the taxonomy (numerator) divided by net turnover (denominator). Revenue includes revenue recognised in accordance with paragraph 82(a) of IAS 1 as adopted by Commission Regulation (EC) No 1126/2008.

Basically, in the case of 7.7 Purchase and ownership of buildings, we calculated the income from the rental of buildings. In the case of 2.3 collection and transportation of non-hazardous and hazardous waste, we calculated the revenue from the agreed services with MOHU or other third-party waste managers within the framework of operation. In the case of the installation and maintenance of 7.3 Energy Efficiency Equipment, no revenue is generated directly; it is accounted for in the operating fee or as a further invoice at the OPEX level.

### KPIs related to capital expenditure (CAPEX)

#### ***Nominee:***

The denominator includes the increases in tangible assets and intangible assets during the financial year, before taking into account depreciation, amortization and revaluations, including those resulting from revaluations and impairments, for the relevant financial year, and excluding changes in fair value. The denominator also includes increases in property, plant and equipment and intangible assets resulting from business combinations.

CAPEX includes costs accounted for on the basis of:

- a) IAS 16 Property, Plant and Equipment, paragraph 73(e)(i) and (iii);
- b) IAS 38 Intangible Assets, paragraph 118(e)(i);
- c) Paragraph 53(h) of IFRS 16 Leases.
- d) IAS 40 Investment Property 79(d)(i) and (ii)

#### ***Counter:***

Investments in assets that are related to taxonomy-adjustable activities, as well as goods sold.

In addition, the group has no taxonomy alignment transformation plan for alignable activities.

There was no material CAPEX for the activities, as the construction/renovation of a new building had not yet begun.

### KPIs related to operational expenses (OPEX)

#### ***Nominee:***

The denominator includes direct, non-capitalised costs related to research and development, building renovation measures, short-term leasing, maintenance and repairs, as well as any other direct expenditure related to the day-to-day servicing of assets classified as property,

plant and equipment by the enterprise or, in the case of outsourcing, by a third party carrying out the activities, which is necessary to ensure the continuous and effective operation of such assets.

**Counter:**

Operating costs (maintenance, repair, and third-party services) associated with assets or processes that are related to taxonomy-alignable activities. Accordingly, we identified these in the case of the activities mentioned above, if they could be supported by analytics. In the case of NEO, the maintenance of mechanical systems (e.g. heating and cooling, lighting) associated with the buildings typically represents the related operating costs, and these are marked separately in the general ledger line item.

There is no research and development in the group of companies related to taxonomy-alignable activities, and there is no OPEX plan related to taxonomy-alignment transformation.

To avoid double counting of adjustable OPEX, we ensure that expenses are classified under one economic activity, rather than being spread across multiple activities.

Sor	Nuclear energy-related activities	
1.	The company conducts, finances, or has exposure to research, development, demonstration, and implementation activities for innovative power generation facilities that generate energy from nuclear processes and that produce minimal waste in the nuclear fuel cycle.	NO
2.	The undertaking carries out, finances or has exposures to the construction and safe operation of new nuclear facilities using the best available technologies or the safety upgrades of such facilities, with the aim of generating electricity or process heat, including energy production for district heating and industrial processes, such as hydrogen development.	NO
3.	The undertaking carries out, finances or has exposures to the construction and safe operation of existing nuclear facilities or the safety upgrading of such facilities, the purpose of which is to generate electricity or process heat using nuclear energy, including energy production for district heating and industrial processes, such as hydrogen development.	NO
Row	Activities related to fossil gases	
4.	The company builds or operates, finances or has exposures to electricity generation facilities that generate electricity by using gaseous fuels of fossil origin.	NO
5.	The company builds, converts and operates combined heat and power and electricity generation facilities using gaseous fuels of fossil origin, finances or has exposures to such activities.	NO
6.	The company builds, converts or operates, finances or has exposures to heat generation facilities that generate heat or cooling energy by using gaseous fuels of fossil origin.	NO

<b>Revenue ratio</b>
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Activity	Customizable for taxonomy per purpose	By taxonomy-aligned goal
Climate Change Mitigation CCM	6.34 %	0.00 %
Climate Change Adaptation CCA	0.00 %	0.00 %
Sustainable use and protection of water and marine resources	0.00 %	0.00 %
The transition to a circular economy CE	0.22 %	0.00 %
Protecting and restoring biodiversity and ecosystems	0.00 %	0.00 %
Preventing and reducing environmental pollution	0.00 %	0.00 %

CAPEX ratio		
Activity	Taxonomy-adaptable per purpose	By taxonomy-aligned goal
Climate Change Mitigation CCM	0.00 %	0.00 %
Climate Change Adaptation CCA	0.00 %	0.00 %
Sustainable use and protection of water and marine resources	0.00 %	0.00 %
The transition to a circular economy CE	0.00 %	0.00 %
Protecting and restoring biodiversity and ecosystems	0.00 %	0.00 %
Preventing and reducing environmental pollution	0.00 %	0.00 %

OPEX ratio		
Activity	Taxonomy-adaptable per purpose	By taxonomy-aligned goal
Climate Change Mitigation CCM	10.65 %	0.00 %
Climate Change Adaptation CCA	0.00 %	0.00 %
Sustainable use and protection of water and marine resources	0.00 %	0.00 %
The transition to a circular economy CE	0.13 %	0.00 %
Protecting and restoring biodiversity and ecosystems	0.00 %	0.00 %
Preventing and reducing environmental pollution	0.00 %	0.00 %

## KPI tables

Economic activities (1)	Code(s) (2)	Revenue (3)	Share of sales, 2024 (4)	Essential contribution criteria						DNSH criteria (Compliance with the principle of avoiding significant harm)						Minimum fuses (17)	Taxonomy-aligned (A1.) or adjustable (A2.) share of sales	Category: support activities (19)	Category: transition activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		million HUF	%	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	T	On	
<b>A. ACTIVITIES THAT CAN BE ADJUSTED TO TAXONOMY</b>																			
<b>A1 Environmentally sustainable (taxonomy-compliant) activities</b>																			
Revenue from environmentally sustainable (taxonomy-compliant) activities (A1)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-			
Of which: supporting																	T		
Of which: transition																		On	
<b>A2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy aligned activities)</b>																			
Collection and transportation of non-hazardous and hazardous waste	2.3	95.12	0.22%																
Construction of new buildings	7.1	2,636.18	6.06%																
Purchase and ownership of buildings	7.7	120.42	0.28%																
<b>Revenue from activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy aligned activities) (A2)</b>		2,852	6.6%																
<b>A. Total revenue from activities that can be adjusted to taxonomy (A1 A2)</b>		2,852	6.6%																
<b>B. ACTIVITIES THAT CANNOT BE ADJUSTED TO TAXONOMY</b>																			
Revenue from activities that cannot be aligned to taxonomy		40,657	93.4%																
<b>TOTAL (AB)</b>		43,509	<b>100%</b>																

Economic activities (1)	Code(s) (2)	CAPEX (3)	Share of CAPEX, 2024 (4)	Essential contribution criteria						DNSH criteria (Compliance with the principle of avoiding significant harm)						Minimum fines (17)	Proportion of CAPEX that is aligned (A1) or can be aligned (A2) (%)	Category: support activities (19)	Category: transition activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		million HUF	%	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	T	On
<b>A. ACTIVITIES THAT CAN BE ADJUSTED TO TAXONOMY</b>																			
<b>A1 Environmentally sustainable (taxonomy-compliant) activities</b>																			
CAPEX of environmentally sustainable (taxonomy-compliant) activities (A1)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which: supporting																		T	
Of which: transition																			On
<b>A2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy aligned activities)</b>																			
CAPEX of activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy aligned activities) (A2)		0																	
A. Total CAPEX of activities that can be adjusted to taxonomy (A1 A2)		0																	
<b>B. ACTIVITIES THAT CANNOT BE ADJUSTED TO TAXONOMY</b>																			
CAPEX of activities that cannot be aligned to taxonomy																			
<b>TOTAL (AB)</b>																			

Economic activities (1)	Code(s) (2)	OPEX (3)	Share of OPEX, 2024 (4)	Essential contribution criteria						DNSH criteria (Compliance with the principle of avoiding significant harm)						Minimum fines (17)	Proportion of OPEX taxonomy- (18)	Category: support activities (19)	Category: transition activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		million HUF	%	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y; N; Not align.	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	T	On
<b>A. ACTIVITIES THAT CAN BE ADJUSTED TO TAXONOMY</b>																			
<b>A1 Environmentally sustainable (taxonomy-compliant) activities</b>																			
OPEX of environmentally sustainable (taxonomy-compliant) activities (A1)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which: supporting																			T
Of which: transition																			On
<b>A2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy aligned activities)</b>																			
Collection and transportation of non-hazardous and hazardous waste		2.3	51.27	0.13%															
Construction of new buildings		7.1	3,574.78	8.91%															
Installation, maintenance and repair of energy efficiency equipment		7.3	623.82	1.55%															
Purchase and ownership of buildings		7.7	75.84	0.19%															
<b>OPEX of activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy aligned activities) (A2)</b>		<b>4,326</b>	<b>10.8%</b>																
<b>A. Total OPEX of activities that can be adjusted to taxonomy (A1 A2)</b>		<b>4,326</b>	<b>10.8%</b>																
<b>B. ACTIVITIES THAT CANNOT BE ADJUSTED TO TAXONOMY</b>																			
OPEX of activities that cannot be aligned to taxonomy		35,794	89.2%																
<b>TOTAL (AB)</b>		<b>40,120</b>	<b>100%</b>																

## Society

### Own workforce (S1)

*In accordance with Appendix C of ESRS 1, the Company will introduce disclosure and application requirements related to its own employees in the future. Based on the phased introduction, we expect to present detailed information in fiscal year 2025.*

### Health and safety at work

The Company prioritizes the health and safety of its workers, especially in the real estate sector and construction sites, which are traditionally hazardous. The majority of employees exposed to hazardous work tasks in the Group are employed by NEO, while in other subsidiaries the risk is lower due to the job role. A potential impact, arising from the materiality analysis, was identified exclusively for NEO.

In the case of NEO, in accordance with legal requirements, we employ occupational health and fire protection specialists who ensure compliance with the rules and the preparation of our own Occupational Health and Fire Protection Regulations. These documents define occupational and fire safety responsibilities, which are regularly monitored and evaluated by the Occupational Safety and Health Committee. These policies apply only to NEO employees. These policies are accessible to all employees, and they are introduced to them upon joining and during annual training, with special attention paid to prevention and analysis of previous accidents. We provide life and accident insurance to all our employees. In order to ensure occupational safety and meet legal requirements, our health and safety management system complies with the requirements of Act XCIII of 1993 and the ISO 45001:2018 standards. Data collection is currently focused on our own employees and workplaces, but we contractually stipulate the obligations of subcontractors. We ensure safe working conditions through regular on-site inspections and risk assessments, and any detected deviations and corrective measures are documented and regularly discussed by company management. Currently, the company's strategy does not address or cover the risks and opportunities that may arise as potential problems in the lives of the Company's employees, despite the fact that it has important policies aimed at performing certain tasks and managing the risks associated with them. In this regard, further regulations, policies and possibly action plans need to be developed. The management body (Governing Board) has the right to decide on its development and assignment of tasks, because their responsibilities include the authority to manage risk-related problems. The Company will initiate objectives, action plans and corporate policies regarding the health and safety of its own employees after a full assessment of the negative impacts.

For the topic of Own Workforce, the following material impact was identified during the dual materiality analysis related to NEO's value chain.

ESRS S1 sub/sub-sub theme	Value chain	Business activity	Effect description	Impact characteristics	Negative impact on human rights
Working conditions/ Health and safety	Upstream	Energy procurement	Failure to prevent nuclear accidents, depending on their severity, can have far-reaching consequences for human health, such as radiation-related illnesses, which ultimately negatively affect the health of the workforce and local communities.	Negative (potential, medium term: <= 5 év)	No

Following the phased introduction, the Company plans to introduce the following metrics from its employee-related disclosures:

- Disclosure Requirement S1-5 – Objectives related to addressing material negative impacts, promoting positive impacts, and managing material risks and opportunities
- Disclosure Requirement S1-14 – Health and Safety Metrics

## Workers in the value chain (S2)

*In accordance with Appendix C of ESRS 1, the Company will introduce disclosure and application requirements related to workers in the value chain in the future. Based on the phased introduction, we expect to present detailed information in fiscal year 2026.*

### **Health and safety at work**

The Company pays special attention to ensuring that its activities do not endanger the personal safety of its own workforce or those working in the value chain. Given that more than 1,000 contracted subcontractors work through NEO, responsible working practices receive special attention. This is ensured by the Occupational Health and Safety Regulations and Code of Ethics.

The Company expects its employees and business partners to fully comply with health, safety and environmental laws and regulations. Identifying and managing occupational safety risks is important to them. Strict adherence to the rules is required from both our own employees and our supply chain partners. Their occupational health and safety experts can even shut down an entire construction site if necessary, as they have a zero tolerance approach to occupational safety issues.

In previous years, NEO has assessed all social and environmental risk exposures that may arise in the value chain. In addition to undeclared work, anti-competitive behavior and employee discrimination, inadequate job security emerged as a key risk. This includes, among others, incomplete occupational safety training, outdated or missing necessary certificates/licenses, improper use or lack of protective equipment and protective clothing, and violation of safety regulations.

During the dual materiality analysis, the Group reassessed the impacts, risks and opportunities related to the value chain. In the case of thematic disclosure S2 Workers in the value chain, the following material impacts were identified related to the Company's value chain.

<b>ESRS S2 sub/sub-sub theme</b>	<b>Value chain</b>	<b>Business activity</b>	<b>Effect description</b>	<b>Impact characteristics</b>	<b>Negative impact on human rights</b>
Working conditions/ Health and safety	Upstream	Energy procurement	Failure to prevent nuclear accidents, depending on their severity, can have far-reaching consequences for human health, such as radiation-related illnesses, which ultimately negatively affect the health of the workforce and local communities.	Negative (potential, medium term: <= 5 év)	Yes
Working conditions/ Health and safety	Upstream	Energy procurement	Workers in fuel cell and industrial battery work are exposed to human health hazards such as solvents, corrosives, lead (and its compounds), arsenic (and its compounds), cadmium and sulfuric acid, as well as known or suspected carcinogens, teratogens and mutagens, and are in potentially hazardous work situations that can cause fire, explosion, frostbite and electric shock.	Negative (potential, medium term: <= 5 év)	Yes

Currently, the company's strategy does not address or cover the risks and opportunities that may arise as potential problems in the work of value chain workers, despite having important policies and occupational health and safety processes in place. Further policies and possibly action plans need to be developed to reduce the exposure of all workers to workplace accidents. The Company will initiate objectives, action plans and corporate policies regarding the health and safety of its own employees after a full assessment of the negative impacts.

Following the phased introduction, the Company plans to introduce the following metrics from the disclosures related to workers in the value chain:

- Disclosure Requirement S2-5 – Objectives related to addressing material negative impacts, promoting positive impacts, and managing material risks and opportunities

## Affected communities (S3)

*In accordance with Appendix C of ESRS 1, the Company will present the disclosure and application requirements related to the relevant communities in the future. Based on the phased introduction, we expect to present detailed information in fiscal year 2026.*

### **Economic, social and cultural rights of communities / Water and water utilities**

Our company has begun assessing the impact that construction activities may have on local water resources, especially in water-scarce regions. Our commitment to sustainability drives us to keep the interests of the communities involved in mind, ensuring that our projects not only meet the needs of our clients, but are also developed while respecting and protecting the environment to the best of our ability.

The general contracting industry is a significant user of water, which has a number of negative impacts on environmental water resources. Construction projects, especially large-scale ones such as residential complexes, office buildings or industrial facilities, require huge amounts of water during various phases of construction, including concrete mixing, dust reduction and landscaping. This high water use often depletes local water resources, alters natural watercourses, and lowers groundwater levels, which in the long term can be unsustainable and have detrimental effects on the environment, including local communities.

Water consumption is also a significant factor in property management that must be taken into account to ensure sustainability. The daily operation of buildings, including the water requirements of plumbing systems, heating and cooling systems, as well as gardening and cleaning activities, can result in continuous and significant water use. Water-saving technologies and measures implemented during property operations, such as installing low-water-use equipment, rainwater harvesting and greywater recycling, can be key to reducing water consumption and mitigating environmental impacts.

During the dual materiality analysis, the following material risks were identified in relation to the Affected Communities topic related to the Company's value chain.

<b>S3 Sub-/sub-topic(s)</b>	<b>Value chain location</b>	<b>Business activities</b>	<b>Description</b>	<b>Characteristic</b>	<b>Financial impact category</b>
Economic, social and cultural rights of communities / Water and water utilities	Own operation	Minor construction work, demolitions	Construction projects in water-scarce regions can lead to a decrease in land values and difficulties in obtaining permits, which can result in negative financial impacts for businesses due to the loss of value of assets.	Risk (medium term: <= 5 év)	Performance
Economic, social and cultural rights of communities / Water and water utilities	Upstream	Procurement of energy sources (electricity, gas, water)	The Company faces increasing operational, regulatory, reputational and financial risks due to water scarcity, water procurement costs, regulations on wastewater or water usage, and competition with local communities and other industries for limited water resources, particularly in regions where water is scarce.	Risk (medium term: <= 5 év)	Development

Currently, the Company's strategy does not cover risks and opportunities related to the water rights of affected communities. Once we have identified negative impacts on local communities related to all of the Group's businesses, we will begin to create policies and develop action plans. The Company also aims to explore technologies that offer additional opportunities for our general contracting and property management businesses, in addition to the negative impacts and risks associated with water resources.

In the case of our current sustainability report, water use emerged as a significant negative risk. However, in the future, we plan to revise our materiality analysis to include the negative and positive aspects with the greatest impact in our report, such as noise pollution, infrastructure strain, social tensions or adverse economic impacts.

Following the phased introduction, the Company plans to present the following metrics from the disclosures related to the affected communities:

- Disclosure Requirement S3-5 – Objectives related to addressing material negative impacts, promoting positive impacts, and managing material risks and opportunities

## Consumers and end users (S4)

*In accordance with Appendix C of ESRS 1, the Company will introduce disclosure and application requirements related to consumers and end users in the future. Based on the phased introduction, we expect to present detailed information in fiscal year 2026.*

### **Personal safety/health and safety of Consumers and/or end users**

The personal safety and health of consumers and end users is of utmost importance to all of the Company's businesses, as it is not only fundamental to the well-being of our customers, but also essential to the long-term success of the Group. Ensuring a safe and healthy living and working environment is not just an ethical obligation. By using modern construction technologies, sustainable materials, and adhering to safety regulations related to real estate development, we minimize potential risks and create an environment that ensures the health and well-being of residents and employees.

Neglecting health and safety aspects could have serious negative effects for our customers. Improperly constructed buildings and poorly maintained properties can increase the risk of accidents, which can not only cause physical injuries, but can also have legal consequences and reputational damage for us. In addition, poor air quality or the use of unsustainable materials can also lead to health problems in the long term. That's why we constantly monitor the latest industry standards and innovations to ensure that all our projects meet the highest safety and health requirements.

During the dual materiality analysis, the following material impacts were identified in relation to the Company's value chain for the thematic disclosure S4 Personal safety/health and safety of consumers and/or end users.

<b>ESRS S4 to/to topic</b>	<b>Value chain</b>	<b>Business activity</b>	<b>Effect description</b>	<b>Impact characteristics</b>	<b>Negative impact on human rights</b>
Personal safety of consumers and/or end-users/Health and safety	Upstream	Energy procurement	Improper disposal of hazardous materials from fuel cells and batteries can cause poisoning that disrupts the human nervous and endocrine systems.	Negative (actual, short term: current reporting year)	Yes
Personal safety of consumers and/or end-users/Health and safety	Upstream	Procurement of energy sources (electricity, gas, water)	The combustion of fuel in electricity generation operations produces hazardous air pollutants (HAP), particulate air pollutants (CAP), and volatile organic compounds (VOC), which can have a variety of health effects, including eye, nose, and throat irritation; headaches and loss of coordination; nausea; and damage to the liver, kidneys, or central nervous system.	Negative (real, medium term: <= 5 év)	Yes

Our more than two decades of experience, market leadership, and broad client portfolio guarantee our reliable and quality services. However, our goals include the creation and adoption of policies and action plans related to the security of the properties we manage or construct.

Following the phased introduction, the Company plans to present the following metrics in its consumer and end-user disclosures:

- Disclosure Requirement S4-5 – Objectives related to addressing material negative impacts, promoting positive impacts, and managing material risks and opportunities

## Corporate Governance (G1)

Information on the role of the administrative, management and supervisory bodies can be found in [ESRS 2 GOV-1](#) published in the chapter.

Presentation of processes for identifying and assessing significant impacts, risks and opportunities (ESRS 2 IRO-1 G1)

A detailed description of the process for identifying and assessing significant impacts, risks and opportunities [Procedure for identifying and assessing significant impacts, risks and opportunities \(IRO-1\)](#) description is contained in the chapter. Using the methodologies described in this chapter, we identified and assessed the Company's impacts, risks and opportunities related to business conduct issues.

THE [Material impacts, risks and opportunities and their interaction with the strategy and business model \(SBM-3\)](#) In Chapter c. we stated that the material impacts, risks and opportunities covered by the ESRS disclosure requirements are described in detail in the thematic standards. The table below summarizes the material risks and opportunities related to the G1 Business Conduct topic, according to each subtopic.

Sub-/sub-topic(s)	Value chain location	Business activities	Description	Characteristic	Financial impact category
Corruption and Bribery / Incidents	Upstream	Fuel procurement	Corruption in the bidding process for exploration and production licenses in the oil and gas sector results in less qualified entities being awarded licenses, which can jeopardize public investments, increase the risk of litigation, and cause negative environmental impacts that can result in fines.	Risk (medium term: <= 5 év)	Position

Corruption and Bribery / Prevention and Detection, including training	Upstream	Fuel procurement	Corruption in the bidding process for exploration and production licenses in the oil and gas sector results in less qualified entities being awarded licenses, which can jeopardize public investments, increase the risk of litigation, and cause negative environmental impacts that can result in fines.	Risk (medium term: <= 5 év)	Performance
Corporate culture	Upstream	Fuel procurement	The organization's potential financial opportunity is to convert the expected reduction in GHG emissions into expected revenue in line with the Paris Agreement's goal of keeping temperature increases below 2°C.	Possibility (long distance: > 5 years)	Performance

## Policies on corporate culture and business conduct (G1-1)

The development of the Company's corporate culture is implemented in several dimensions. Governing bodies, such as the Governing Board and the Audit Committee, meet according to a predetermined schedule, which is regulated by their rules of procedure. At the beginning of each year, both bodies develop their annual work schedule, which sets out the meeting dates and agenda items. In addition, ad hoc meetings may be convened if necessary. Key topics often discussed at such meetings include the discussion and approval of financial statements and the determination of the auditor's identity and remuneration. (G1-1\_9a)

In the case of NEO, it is important to highlight that the management, executive and supervisory boards discuss daily and current issues and problems to be solved during weekly and ad hoc discussions, meetings and forums. Their goal is to establish harmony between employees and the company and to communicate with each other. Every employee can feel free to contact their manager with any questions or requests. As part of the corporate culture, in 2024, several opportunities, programs, and training were provided to employees that emphasized the strengthening of employee well-being and the power of team building. (G1-1\_9a)

Transparency and prudence are among the principles that are prominently communicated and supported within the corporate culture. The Company publishes all relevant information in a timely manner on the usual platforms, such as the Budapest Stock Exchange (BSE) and the Hungarian National Bank (MNB). In the case of NEO, other emphasized topics include dual training, the possibility of lifelong learning and its financing, team building, and the right to free assembly. In addition, the possibility of collective bargaining and union membership, as well as fundraising, play an important role. (G1-1\_9b)

Members of the Company's management, executive and supervisory bodies may make suggestions for the development of corporate culture, for example in the field of training programs. In the case of NEO, members of the company's management board actively participate in team-building events and employee forums, and support employee voice opportunities. (G1-1\_9c)

The Company does not currently offer specific incentives or tools to its employees to support the promotion of corporate culture. Motivating and retaining employees is of strategic importance for NEO, therefore both senior management and stakeholder representation treat the issue with high priority. The company ensures competitive wages by following market trends. In addition, we provide numerous fringe benefits to our employees, in the form of year-end bonuses, cafeterias, and corporate motivation programs. (G1-1\_9d)

The two tables below describing employee benefits are to be interpreted solely in relation to NEO.

*THE Benefits provided to employees\**

	Benefit description
Group life and accident insurance	Employees are insured against accidents, surgeries, death and birth by a contracted insurance company. Our employees and their families are entitled to compensation under group life and accident insurance, e.g. in the event of accidents or surgeries.
Healthcare	The company offers the possibility of using Health Fund contributions. The company transfers 1 percent per person to the health fund, if the employees take on the deductible.
Pension insurance	The company transfers 2 percent per person to the pension fund, if the employees take on the deductible.
Other	Employees are entitled to rental allowances, emergency benefits, and other cafeteria items according to company regulations.

\*The benefits listed here apply only to full-time employees and part-time employees, and do not apply to temporary employees.

*Measures to support employee well-being*

	Description
Providing screening tests, organizing programs on health topics, etc.	Organizing health days, family days with sports opportunities. Organization of thematic health protection programs and workshops
Organization of sports and social events	Family day with sports opportunities, team building events
Employee suggestion system	Trade union, employee forum, year-end employee event

The Company does not have an anti-corruption or anti-bribery policy in line with the United Nations Convention against Corruption and we are currently unable to comment on whether the Company intends to establish such a policy in the future. NEO has a whistleblowing system, but this is not in line with the United Nations Convention against Corruption. (G1-1\_10b)

Within the framework of the Company's training policy on business conduct, it should be emphasized that in the case of supervisory and administrative bodies related to the Company's operations – such as the Budapest Stock Exchange (BSE) and KELER – legislative changes or the introduction of new procedures and business rules often occur. The new requirements require issuers to organize appropriate educational programs and briefings related to current legal compliance and planned changes. For example, the implementation and development of

the KELER CAPS system, the management of emerging problems, and in the case of the BSE, the discussion of issuer compliance under the ESG Act are all areas that require specialized training.

Within the Company, the company management is most exposed to corruption and bribery. After the general meeting, the highest decision-making body is the Governing Board. The Governing Board is responsible for performing operational tasks related to the operation of the Company, ensuring legal compliance related to public operations, developing corporate policies, and performing all tasks contained in the Company's Articles of Association.

### Prevention and detection of corruption and bribery (G1-3)

The Company is committed to preventing and detecting corruption and bribery, and effectively handling allegations and cases related to them. To this end, it has developed comprehensive regulations and policies, such as the MAD-MAR Regulation, the GDPR Regulation, and the Whistleblowing Regulation. These documents detail the procedures and regulations that ensure compliance with legal and ethical requirements and support transparent and integrity-based operations. (G1-3\_18a)

At NEO, we treat anti-corruption as a top priority. Our anti-corruption policy, as set out in our Code of Ethics, sets out our objective to ensure that our workplace and business processes are completely free from any form of corruption, bribery and abuse. We have built an anti-corruption clause into our contracts. In addition to our employees, we also expect all our business partners to be aware of, understand and comply with our anti-corruption policy as set out in our Code of Ethics. If any of our employees suspects corruption or bribery, they are required to report it to their managers.

We introduce our Code of Ethics to our employees upon their joining, and we repeatedly educate them on its content later. The Code of Ethics is continuously available to our employees and subcontractors.

We cannot comment on whether investigators or investigation committees are separated from the management chain involved in the case during investigations, as there has been no such case. ((G1-3\_18b)

The Company currently does not have a formal procedure for reporting the results of anti-corruption and bribery cases to the management, executive and supervisory bodies. However, there is a reporting obligation on the part of the Governing Board to the supervisory board(s) should such a case arise. (G1-3\_18c) Currently, the Company's policies do not include plans to adopt anti-corruption and anti-bribery procedures. (G1-3\_18d)

The Company's policies are accessible to all employees, and knowledge of them is mandatory, as as a publicly traded company, significant liability rests on both the company and its

employees in the event of a leak of internal information. Such incidents can have serious consequences, such as fines or loss of job. (G1-3\_20)

The Company currently does not have mandatory anti-corruption and anti-bribery training programs and does not provide such training to its employees, as there is no legal obligation to do so. (G1-3. 21 b AR4)

The table below contains the information required regarding anti-corruption and bribery training for AKKO and its subsidiaries, as well as NEO separately. G1-3 AR8)

AKKO (subsidiaries)	Functions at risk	Leaders	AMSB*	Other own employees
<b>Training coverage</b>				0.163%
Total				1
Total training participation				1
<b>Training method and duration</b>				
Instructor-led classroom training (hours)	12 hours		12 hours	
Computer training (hours)	0	0	0	0
Voluntary computer training (hours)	0	0	6 hours	0
<b>Frequency</b>				occasional
How often is training needed? (for example: annually, semi-annually)				occasional
<b>The topics discussed (X mark)</b>				
Knowledge of public compliance (Investor relations rules and knowledge)	x		x	

\*AMSB: Management, executive and supervisory bodies

#### Corruption and bribery cases (G1-4)

There were no cases of corruption or bribery at the Company during the reporting period. (G1-4\_22a)