

ALTEO Group

Sustainability Report 2025

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1. GENERAL INFORMATION

1.1 Basic principles for preparing the Sustainability Report

[BP-1] General basis for preparing sustainability statements

(BP-1_01-02) This document is the 2025 (January 1, 2025 – December 31, 2025) Annual Sustainability Report¹ of ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság (when referred to on its own, hereinafter: ALTEO Nyrt. or ALTEO) and its subsidiaries (hereinafter collectively referred to as ALTEO Group, Group, or Company, in terms of their business segment breakdowns, ALTEO Group's energy business line² and ALTEO Group's circular economy business line³) also consolidated in the financial report, which aims to present our sustainability and transparency efforts to all our stakeholders. The scope of consolidation of ALTEO Group has been expanded again in 2025, as ALTEO Circular Kft. (formerly known as ÉLTEX Kft.) and its subsidiaries have been integrated into ALTEO Group, strengthening the circular economy business line, thus sustainability information is presented in the various chapters along the two main business lines – energy and circular economy. The acquisition of ALTEO Circular Kft. was completed on June 30, 2025, that is in the reporting period of this Sustainability Report, in addition to the relevant narrative information, flow-type data points are presented according to values for the incomplete period, and stock-type data points are presented according to year-end values. If data points are disclosed differently, these are explained separately in the presentation of individual disclosure requirements.

The scope of consolidation, which is consistent with that in the financial statements, has been further adjusted in this report. During our review of the scope assessment, we have established that the financial consolidation methodology at Tisza-WTP Kft. reflects a lack of control, which we documented in the Sustainability Report.

This change in the principles of presentation had a partial impact on the following metrics:

- E1-5: Energy consumption – Consumption of electricity, heat, steam, or cooling purchased or procured from fossil sources
- E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions – Scope 2 emissions
- E3-4: Water withdrawal, water recycled and reused

Further reasons for the changes are detailed in sub-chapter *[BP-2] Disclosures in relation to specific circumstances* and in the relevant specific sub-chapters.

The Consolidated Sustainability Report has been prepared in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD) and the applicable European Sustainability Reporting Standards (ESRS), the sustainability statement set out therein and the sustainability reporting requirements set out in Act C of 2000 on Accounting.

(BP1_04) The Sustainability Report covers not only ALTEO Group, but also its relevant upstream and downstream value chain. To appropriately assess the impacts, risks and opportunities of our activities, we have taken into account both the upstream and downstream value chains. As part of our Double Materiality Assessment (DMA) for this report, we also assessed our value chain, which is described in detail in the sub-chapter *[SBM-1] Strategy, business model and value chain* in respect of our energy and circular economy business lines. In the course of mapping, we established the need to report primarily on relevant impacts, risks and opportunities, particularly in relation to our greenhouse gas (GHG) emissions, impacts on biodiversity and ecosystems, and our direct supplier relationships. We have not established targets or metrics covering the various stages of the value chain regarding our impacts on biodiversity and ecosystems, nor do we have related policies in place. Through our biodiversity-related projects, we address both upstream and downstream impacts.

Under its current practices, the Company treats the definition of energy consumption data and GHG emission scopes differently. For energy management purposes, ALTEO monitors all energy flows related to its own operations, including fuel and electricity consumption at the power plants it operates. Therefore, these are also included in the E1-5 energy consumption report.

At the same time, when classifying emissions, the Company adopts a narrower approach based on control powers: under Scope 1, it reports only emission sources over which it exercises actual control. Since it does not have control over the combustion processes at the power plants it operates, their direct emissions are not included in Scope 1. Since energy consumption related to operations is part of ALTEO's operational activities, based on a management decision, electricity consumption is reported under Scope 2, while upstream emissions related to fuel consumption are reported under Scope 3, Category 3. However, emissions resulting from combustion processes are not included in Scope 3 emissions. This dual approach – a

¹ Consolidated Sustainability Report prepared in accordance with Article 48i of Directive 2013/34/EU.

² ALTEO Nyrt. and its subsidiaries, except for FE-GROUP Invest Zrt., ALTEO Circular Kft., Peregium Green Zrt., ALTEO Circular Refining Kft.

³ FE-GROUP NVEST Zrt., ALTEO Circular Kft., Peregium Green Zrt., ALTEO Circular Refining Kft.

broader interpretation of energy flows and a narrower interpretation of emissions scopes – stems from the Company’s current data processing and operational practices.

The Company applies a financial control-based consolidation approach in accordance with the GHG Protocol Corporate Standard, under which ALTEO reports the emissions from ALTEO-owned power plants that it actually controls under Scope 1. In the case of power plants that are operated, but not owned by ALTEO, there is no financial control. At the same time, the Company partially takes into account the power plants it operates when determining its GHG emissions in line with a value chain approach.

In preparing this report, ALTEO determined that the energy needs associated with the operation of its power plants and the resulting emissions constitute relevant information related to the Company’s service provision and operations; therefore, these are presented under Scope 2 and Scope 3, Category 3 according to the following logic:

- Scope 2: electricity emissions associated with the operation of power plants, which reflect the energy footprint of service provision;
- Scope 3, Category 3 (fuel and energy-related activities): emissions from the upstream life cycle of natural gas used by ALTEO-operated power plants (extraction, processing, transportation).

This classification also applies to the calculations for 2024 and 2025. A management-level review of consolidation and operational delimitation, particularly regarding the handling of energy consumption and emissions associated with operated-power plants, will take place during the 2026-2027 period, in conjunction with the preparation of ALTEO Group’s Transition Plan. The purpose of the review is to establish clearly defined consolidation control boundaries for the future and to determine which emissions fall within ALTEO’s actual decision-making and operational authority. The findings of the review will be presented in next year’s report.

[\(BP-1_05-06\)](#) The Group has not used the opportunity to omit specific information on intellectual property, know-how or innovation results, nor has there been any information on upcoming developments or ongoing negotiations that we do not disclose.

[BP-2] Disclosures in relation to specific circumstances

Our reporting practices have not changed significantly from the previous period, as 2024 was the first year of reporting under the ESRS. [\(BP-2_01\)](#) The time horizons used for the presentation of material information, in addition to the preceding double materiality assessment (in line with the requirements of the ESRS 1 reporting standard), have been defined this year as follows:

	Definitions of time horizons used to disclose information in the Sustainability Report	Definitions of time horizons used in the double materiality assessment
Short-term	Similarly to the financial report, the period used as the reporting period.	If the positive or negative impact of a sustainability topic is already present in the current financial year, all topics identified as factual fall into this category (0-1 year).
Medium-term	Up to 5 years from the end of the reporting period.	If the positive or negative impact of a sustainability topic is already present in the current financial year, but does not yet have a significant impact on the environment and/or society, but is expected to be felt within 5 years (1-5 years).
Long term	Period exceeding 5 years.	If the positive or negative impact of the given sustainability topic is expected to occur only after 5 years (>5 years).

[\(BP-2_03-09\)](#) In preparing this report, we used estimates for the presentation of GHG emissions, for two monthly values of the efficiency of Győr 2, as well as for the presentation of EU ETS, where such estimates are deemed to be of reasonable certainty in line with industry expectations. The value chain estimation related to Scope 3 emissions was carried out by a contracted expert, while the GHG inventory was verified by the sustainability experts of ALTEO Nyrt. The above data are based on estimates that involve measurement uncertainty. We plan to reduce those uncertainties in the future by incorporating primary data and by regularly reviewing and refining our calculation methodology. Details of the estimation are described in more detail in the relevant chapters.

In addition, our report includes future projections, or climate scenarios, in the description of climate change risks and opportunities, the considerations for which are described in detail in sub-chapter *[IRO-1] Presentation of processes to identify and assess material impacts, risks and opportunities*.

[\(BP-2_12-14\)](#) We present a comprehensive overview of the errors from the previous period, regardless of their materiality.

Among the S1-14 Health and safety metrics published for 2024, we have made a correction to the calculation of the rate of recordable work-related accidents in our report for this year in respect of 2024, i.e. compared to the previous year, in accordance with ESRS requirements, the rate now represents the number of cases per million hours worked. The rate was not projected per million hours worked in 2024. The data disclosed in the previous year and adjusted were published in sub-chapter *[S1-14] Health and safety metrics*.

In the E3 Water topic, water-related data points were presented as water consumption and aggregated in last year's report, but the definition, scope (the review of the classification of Tisza-WTP Kft.) and breakdown of information were clarified during the review. The data measured by ALTEO Group relate to water withdrawal, thus we have republished the relevant values for the previous year in sub-chapter [E3-4] *Water withdrawal* for the sake of comparison. Furthermore, compared to the 2024 data reporting, we have also made adjustments to the consumption of electricity, heat, steam, and cooling purchased or procured from renewable sources based on the E1-5 Application Requirements, meaning that we now apply a conservative approach when accounting for renewables. The data disclosed in the previous year and adjusted were published in sub-chapter [E1-5] *Energy consumption and mix*. The decrease in steam consumption in 2025 can be explained by the revision of the classification of Tisza-WTP Kft.

In sub-chapter [E1-6] *Gross Scope 1, 2, 3 and Total GHG emissions*, the verification of the CO₂e emission allowances allocated during the auction was still in progress at the time of preparing the 2024 Sustainability Report, thus the value included in the previous report was provided as an estimate, which we have restated in this report following verification. The restatement applies to both Scope 1 and Scope 2 figures; in the case of the latter, market-based emissions in the energy business line were also calculated retroactively.

In addition, for the Scope 3 categories, we conducted methodological and data quality reviews in several areas compared to 2024. In the 2025 calculations, we eliminated duplicates – in particular intra-Group transactions and items that, despite being correctly classified according to the GHG Protocol, were not included in the appropriate category (e.g., waste transport, waste disposal, and electricity consumption in leased properties). Consequently, we have adjusted the 2024 data in several categories, typically along reclassifications, to ensure comparability.

The calculation methodology has been revised in several areas; we have refined the calculation methodology for commuting to work, and for waste management, we have replaced the previous general emission factors with waste-type-specific factors, and as a result, we have recalculated the 2024 figures.

We have flagged certain categories (e.g., . 4. Upstream transportation, 5. Waste, 7. Employee commuting, 8. Upstream leased assets; 10. Processing of sold products; 12. End-of-life treatment; 13. Downstream leased assets) for future review due to their low share within Scope 3.

Changes in the scope of consolidation, in particular the inclusion of ALTEO Circular and the review of classification of Tisza WTP Kft., affected the structure of several categories. Due to the integration of ALTEO Circular, additional activities and emissions have emerged in certain Scope 3 categories that were not present in previous years, resulting in a significant increase in emissions for these categories (e.g., upstream transport, leased assets, capital goods, and purchased goods and services). The review of classification of Tisza WTP Kft., meanwhile, reduced emissions associated with upstream energy consumption (in particular, the elimination of steam and district heating demand).

Due to changes in the scope of consolidation and the significant structural transformation resulting from the integration of ALTEO Circular, we have omitted the year-on-year percentage comparison of the circular economy business and the Group-level Scope 3 ratios from the 2025 report. Due to the different reporting scopes, the percentage change would not be comparable in accordance with the comparability principle of ESRS 1, such a presentation would give a distorted picture of the actual change in performance. Where relevant, additional explanations is given to help interpret the trends so that readers of the report can understand the changes in the appropriate context.

(BP-2_10-11) (BP-2_16-17) In the case of environmental metrics linked to material information, we publish new, entity-specific data in 2025 to provide a comprehensive overview of the activities associated with our energy business line, which under the voluntary *Global Reporting Initiative G4 - Electric Utilities Sector Disclosures* is based on the guidelines for *EU 11 – Average generation efficiency of thermal plants by energy source and by regulatory regime* in respect of the topic of System Efficiency, and on the guidelines for *EU 30 Average Plant Availability Factor by Energy Source and by regulatory regime* in respect of the topic of Access. In addition, the S1-13 Training and skills development metrics, which were deferred from last year's disclosure requirements, are already disclosed in this report. Comparative information is not available for metrics not previously reported, and data for ALTEO Circular Kft., integrated in the reporting year, are published only for this year.

(BP-2_20) In preparing this report, we do not reference other documents in completing the disclosures, and in the absence of the applicable Taxonomy, we have not been able to prepare a machine-readable markup of the sustainability content of the report.

Our aim is to prepare our Sustainability Report with the appropriate level of detail, including full disclosure of the necessary data, taking into account the applicable requirements. The average number of employees of ALTEO Group exceeded 750 in 2025, however, based on the amendments to the European Commission's "quick fix" regulation, it may still apply deferrals of certain relevant disclosures. These deferrals have been applied in this report.

For this report, we have applied a deferral in the following disclosures, which include our relevant governance documents, measures, targets, and metrics for material topics:

- Disclosure requirement E1-9, data point 68
- For data point 69 of disclosure requirement E1-9, our Group uses qualitative disclosure only
- Disclosure requirement E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities

- Disclosure requirement E5-6 Expected financial effects of resource use and circular economy-related impacts, risks and opportunities

1.2. Corporate governance

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

(G1.GOV-1_01-02) The governance structure of the newly integrated ALTEO Circular Kft. and its subsidiaries is not yet fully aligned with the Group's corporate governance systems, which are in the process of being established, but the integration has been completed for the most important issues, thus the ALTEO Board of Directors, Executive Board and Supervisory Board discuss and, where appropriate, make decisions in accordance with the relevant ALTEO rules of procedure for ALTEO Circular Kft. and its subsidiaries. ALTEO Group's management and supervisory bodies work closely in cooperation to ensure that the Company's business conduct complies with the laws and good business practices. The members of the management, led by the CEO, participate in operational management and contribute to the implementation of the corporate strategy, taking into account the interests and values of the Company. As an independent body, the Supervisory Board monitors the management of the Company, thus promoting compliance with ethical standards. The Audit Committee monitors the process of financial reporting and assists the Supervisory Board in order to facilitate the appropriate control over the financial reporting system. The Chief Executive Officer and the members of the Executive Board receive regular further training to keep up to date with business ethics, legal requirements and company directives.

(GOV-1_04) The representatives elected to the Group's relevant Committees have a broad range of experience in the energy and circular economy business, as well as in corporate governance, management and economics.

General Meeting

The main body of ALTEO is the General Meeting, which consists of all shareholders. It has an exclusive responsibility to make decisions regarding the management and operations of ALTEO, and on all matters which fall within its exclusive competence under the provisions of the Civil Code or the Articles of Association. The Board of Directors shall convene the General Meeting at least once a year.

Board of Directors

The Board of Directors is the managing body of ALTEO. It exercises its rights and duties as a single body, its members are legal representatives (senior executives) of ALTEO. The Board of Directors coordinates and manages ALTEO Group, provides guidance and defines ALTEO's business and development concept. (GOV-1_07) The Board of Directors consists of at least three and maximum nine natural persons, and elects its chairperson from among its members. The majority of the members of the Board of Directors (3 out of 4, that is 75%) are not employees of the Company, which ensures the independence of the Board from the work organization. The members of the Board of Directors are elected by the General Meeting for a definite term of up to five years. The Board of Directors approves the annual Consolidated Sustainability Report, which includes the targets and the material impacts, risks and opportunities identified. (GOV-1_12) The sustainability information provided to the Board of Directors is detailed in sub-chapter [GOV-2] *Information provided to and the sustainability issues addressed by the administrative, executive and supervisory bodies of the company.*

(GOV-1_01-02) Members of the Board of Directors as at December 31, 2025:

- Attila László Chikán, Chairman of the Board of Directors, CEO
- Dr. György Bacsa, Deputy Chairman of the Board of Directors (member independent of the work organization);
- Ágnes Bencsik, Member of the Board of Directors (member independent of the work organization) and
- Álmos Mikesy, Member of the Board of Directors (member independent of the work organization).

(GOV-1_05-06) One of the four members of the Board of Directors is a woman. This puts the ratio of women in senior management at **25%**, compared to **75%** ratio of men. Although women are at present underrepresented, we are committed to increasing diversity and inclusion.

The term in office for Attila László Chikán terminates on April 30, 2030, whereas for other members of the Board on April 3, 2028. Pursuant to Article 13 of the Company's Articles of Association, of the members of the Board of Directors, the Chief Executive Officer and members of the Board of Directors who are in an employment relationship with the Company qualify as executive members. Attila Chikán is an executive member of ALTEO Group, while the other members of the Board of Directors are non-executive members.

The Board of Directors has been authorized by the General Meeting to make decisions on the basis of its own powers, subject to the limits of the authorization. Such authorizations are presented in detail in *Section 1.13 "Information on the ownership structure of the Company and voting rights"* of the *Consolidated Business Report*.

Supervisory Board

The work of ALTEO's management is supervised by the Supervisory Board. Its objective is to ensure the protection of the owners' interests as well as to supervise the management of ALTEO. Although the Supervisory Board mainly assesses the Company's activities from a legal and financial perspective, it also takes sustainability aspects into consideration in the course of its work. As required by law, the Supervisory Board is composed of a majority of non-employee members (3, that is 100%), which ensures the independence of the Board from the work organization.

(GOV-1_05) As at December 31, 2025, the Supervisory Board had three male members (100%), whose mandate expires on April 3, 2028:

- Dr. Ákos Székely, Chairman of the Supervisory Board (member independent of the work organization);
- Péter Kaderják, Member of the Supervisory Board (member independent of the work organization);
- Márton Oláh, Member of the Supervisory Board (member independent of the work organization).

Audit Committee

The Audit Committee assists in auditing the financial reporting system, selecting a permanent auditor, and cooperating with the permanent auditor. The Audit Committee has the right to request information from members of the Board of Directors or senior executives of ALTEO, who must provide written answers to such queries. Its primary focus is on the monitoring of financial processes, but its activities also cover sustainability aspects through the combined financial and sustainability reporting requirements, ensuring that the data reported in the Sustainability Report are consistent with those in the financial statements. The Audit Committee consists of three members, independent of the organization, elected by the General Meeting from among the members of the Supervisory Board.

(GOV-1_05) The three male members (100%) of the Audit Committee as at December 31, 2025 are:

- Dr. Ákos Székely, Chairman of the Audit Committee (member independent of the work organization);
- Péter Kaderják, Member of the Audit Committee (member independent of the work organization) and
- Márton Oláh, Member of the Audit Committee (member independent of the work organization).

The term of office of the members of the Audit Committee expires on April 3, 2028.

The Supervisory Board and the Remuneration and Nomination Committee

The Remuneration and Nomination Committee is a committee established by the Board of Directors to act as a body. The Remuneration and Nomination Committee is composed of at least 4 members, 3 of whom are elected from among the members of the Board of Directors and 1 from among the members of the Supervisory Board.

Its members are elected by the Board of Directors for an indefinite term, but their term of office lasts until the term of office of the elected members of the Board of Directors and the Supervisory Board. Its members may be recalled at any time and their remuneration is proposed by the Board of Directors and decided by the General Meeting.

The Remuneration and Nomination Committee consisted of four members as at December 31, 2025:

- Dr. Ákos Székely, Chairman of the Remuneration and Nomination Committee;
- Dr. György Bacsa, Member of the Remuneration and Nomination Committee;
- Álmos Mikesy, Member of the Remuneration and Nomination Committee;
- Ágnes Bencsik, Member of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee makes proposals to the General Meeting concerning the election, recall and remuneration of the members of the Supervisory Board, the Audit Committee and the Board of Directors. It reviews and provides its opinion on the Remuneration Policy pursuant to Act LXVII of 2019 on the Encouragement of Long-Term Shareholder Engagement and the Amendment of Certain Acts with a View to Legislative Harmonization and provides its opinion on the Remuneration Report at least once a year prior to its submission to the General Meeting. It reviews the annual general salary increase and the compensation policy before the Board of Directors makes its decision thereon.

(GOV-1_08-14) Other key advisory and expert bodies on sustainability issues

Green Committee

The Green Committee is an advisory body to the CEO, and plays a key role in integrating ESG considerations into corporate decision-making. The Green Committee meets quarterly, and its primary purpose is the preparation, monitoring and corporate implementation of ALTEO Group's sustainability strategy and efforts. The board of senior officers and staff members from specialist areas monitor and approve corporate policies and

long-term objectives for sustainable development and ensure that the ESG approach and climate risks are kept on the agenda. The Green Committee also ensures that sustainability is consistently represented in ALTEO Group's external relations. The Committee reviews the Sustainability Report and approves its content in terms of consistency with sustainability objectives and its presentation of ALTEO's environmental, social and corporate governance performance.

Members of the Green Committee are appointed and recalled by the CEO. Membership lasts until recall, but no later than the termination of the Green Committee member's employment relationship. The main criteria for nomination for membership are that the areas of Sustainability and HSE, Controlling, HR, Energy Production and Services, Production Management and Business Development, M&A and Capital Markets, Legal, Ethics, Compliance and Control, and the Supervisory Board be represented. Members of the Green Committee may be recalled at any time. (GOV-1_15) ALTEO Group's administrative, management and supervisory bodies ensure that the expertise necessary for overseeing sustainability issues is integrated into decision-making processes. In addition, they do this by operating a Sustainability Team, whose members were selected based on relevant skills, experience, and qualifications (including a degree in environmental engineering). For all matters with material sustainability relevance, the bodies receive detailed information from the ESG managers or the Green Committee, which includes the necessary technical background explanations on the topic. If a matter requires specialized or in-depth expertise, the bodies are authorized to engage external experts in accordance with the Company's regulatory framework.

This approach ensures that the bodies always have access to the appropriate expertise when making decisions regarding the impacts, risks, and opportunities identified through the materiality assessment, even without a formal annual competency review.

(GOV-1_09) The Green Committee's rules of procedure provide a framework for the sustainability responsibilities of Committee members, but the Group does not currently have a comprehensive document or process that only covers administrative, executive, and supervisory bodies, and also stipulates tasks related to impacts, risks, and opportunities.

The Green Committee consisted of thirteen members as at December 31, 2025:

- Attila László Chikán, Chairman of the Green Committee;
- Márton Oláh, Member of the Supervisory Board;
- Anita Simon, Deputy CEO for Sustainability and Circular Economy
- László Hegedűs, Deputy CEO for Strategic HR and Communications.
- Beatrix Szabó, Director of Sustainability and HSE
- Attila Gyökeres, Controlling Director
- Gábor Hohol, Director of Maintenance
- Attila Kiss, Director of Operations Director and Head of the North-East Hungary Region
- Csaba Fekete, Director of Business Development and Implementation;
- Balázs Szécsi, Senior Transaction Manager;
- Dr. Melinda Mészáros, Legal Director;
- Márta OsztroLuczki, Director of Ethics, Compliance and Control
- Éva Klein-Stilller, Sustainability and IMS Manager, secretary of the Green Committee.

(GOV-1_16-17) ALTEO Group's Green Committee provides guidance, gives opinions and makes decisions on ESG and sustainability issues within its purview. In this context, it discusses and oversees the identification of impacts, risks and opportunities, which also form the basis for the sustainability report. Of the members of the Committee, Attila László Chikán represents the Board of Directors, while Márton Oláh represents the Supervisory Board.

Additionally, the leadership and expert skills of Attila László Chikán and Beatrix Szabó brought to the Green Committee, are closely related to the material impacts, risks and opportunities of ALTEO Group. Moreover, the accredited ESG consultancy training required by the ESG Act has been completed by some members of the Green Committee to further enhance the Group's sustainability competence.

- Attila László Chikán, Chair of the Green Committee and CEO of ALTEO Nyrt. He has extensive experience in the energy sector and in the field of sustainability. He is a member of the Presidential Committee on Sustainable Development of the Hungarian Academy of Sciences, serves as a member of the Supervisory Board of Blue Planet Climate Protection Investment Fund Management (Kék Bolygó Klímavédelmi Befektetési Alapkezelő Zrt.) and is also the Chairman of the Business Council for Sustainable Development in Hungary (BCSDH). As CEO of ALTEO Group, he is responsible for supervising the Company's strategic initiatives, including sustainable energy solutions and corporate sustainability practices.
- Beatrix Szabó, Director of Sustainability and HSE (Health, Safety and Environment Protection) of ALTEO Group, became an ESG consultant accredited by the Supervisory Authority for Regulatory Affairs of Hungary (SARA) in 2025. Her professional background includes extensive

experience in sustainability, environment, health and safety. In her role at ALTEO, she pays particular attention to integrating ESG (environmental, social and governance) aspects into corporate strategy, promoting sustainable development and long-term value creation.

Executive Board (Senior Management Advisory Board)

The CEO is responsible for operational management, the CEO is assisted by an advisory body, the Executive Board, consisting of the CEO of ALTEO and their Deputy CEOs. The Deputy CEOs are executives appointed by the CEO and are responsible for the management of the area they are put in charge of. (GOV-2_02) They are responsible, in accordance with the Company's corporate strategy, for ALTEO Group's operational leadership, cost-effective operation, quality service delivery, provision of healthy and safe working conditions, the protection of the environment, and for ensuring compliance with current legal requirements in line with the provisions of the Company's Integrated Management System (IMS) and the currently effective sustainability and ESG (Environmental, Social, Governance) standards.

At the management overview convened once annually by the CEO, the management reviews and assesses fulfillment of the above requirements and defines development opportunities for the future. During the overview, the management monitors, among others, fulfillment of the tasks outlined in the Quality, Energy and HSE objectives and programs and sets new tasks where necessary.

As at December 31, 2025, the Executive Board consisted of eight members (6 men and 2 women):

- Attila László Chikán, Chairman of the Board of Directors, CEO
- Zoltán Bodnár, Chief Financial Officer
- Domonkos Kovács, Deputy CEO for M&A and Capital Markets
- Péter Luczay, Deputy CEO for Production Management and Business Development
- Viktor Varga, Deputy CEO for Energy Production and Energy Supply
- Anita Simon, Deputy CEO for Sustainability and Circular Economy
- Magdolna Tokai, Deputy CEO for International Relations and Corporate Support;
- László Hegedűs, Deputy CEO for Strategic HR and Communications.

ALTEO Group's commitment to sustainability is also underlined by the fact that the Executive Board includes the Deputy CEO for Sustainability and Circular Economy as a representative of the ESG approach.

Compliance Committee

The Compliance Committee approves the annual risk analysis prepared by the Ethics, Compliance and Control Director and the annual compliance work plan prepared on the basis thereof, and takes a position in individual cases.

Works Council

(GOV-1_03) There was a Works Council in place at ALTEO Group's Energy business line to represent the interests of employees, and it allowed employees and the management to strengthen their cooperation. Employees submitted their requests and queries via email, anonymously through internal communication channels, or presented them at face-to-face meetings. However, the mandate of the Works Council expired in the 2025 financial year, and the successful re-election took place at the end of the year, meaning that it will only resume its activities in 2026.⁴ The Chairman of the Works Council was therefore only in office for a certain period in 2025 (until April 30, 2025) to represent ALTEO employees on the Supervisory Board, after which there was no formal representation of employees on the boards.

[GOV-2] Information provided to and the sustainability issues addressed by the administrative, executive and supervisory bodies of the company

ALTEO's Green Committee provides a regular forum to discuss sustainability issues at management level. A number of important issues have been discussed and presented at meetings held four times a year. Such issues included a double materiality assessment in 2025 with the operational involvement of several members of the Green Committee⁵, ensuring compliance with ESG legal requirements affecting the Group, the current status of the new ESG Strategy published in early 2025 and its extension to the circular economy business line, the publication of the biodiversity strategy and the first steps of its implementation, the Company's decarbonization targets, and details of the sustainability ambassador program. In addition, as our Group has relocated to new headquarters in 2025, ESG issues for the new HQ were also on the agenda. In addition, particular attention was

⁴ Nevertheless, employees were able to provide feedback or represent themselves in a number of ways in the current financial year, details on which are available in sub-chapter [S1-2] *Processes for engaging with own employees and employee representatives about impacts.*

⁵ Key topics and the related impacts, risks and opportunities are discussed in detail in sub-chapter [SBM-3] *Material impacts, risks and opportunities, and their interaction with strategy and business model(s).*

given to the development of the ESG Action Plan and the evaluation of the results of the 2025 ESG assessments, including the CDP and Ecovadis ratings and the decision on the future introduction of the LSEG rating. Finally, the meetings also discussed the current status of the CSR strategy and the planning of next year's programs was also on the agenda, including for example development of a donation plan.

(GOV-2_02) Due to the specific features of the business line, the Board of Directors is also informed of and decides on all growth, acquisition and major investment projects related to sustainability at a strategic level. **[GOV-3]** Integration of sustainability-related performance in incentive schemes

In addition to the above, ALTEO bodies adopted the following decisions in 2025:

- ALTEO Group has adopted a corporate strategy valid until 2030, and the aims of that strategy include regional expansion and a significant scale-up. The strategy focuses on the development of energy and circular economic activities, the expansion of the renewable portfolio and entry to Central European markets.
- ALTEO Group's Green Committee has adopted the Company's 15-year biodiversity strategy, which goes beyond environmental measures at the sites, and includes projects for habitat restoration and water retention. The strategy aims to conserve and restore biodiversity, in line with EU nature restoration objectives, through complex programs ranging from ecological maintenance of sites to programs implemented in the catchment area of River Hernád.
- Hungary's most modern waste processing plant was developed by FE-GROUP INVEST Zrt. The new automated line multiplies the processing capacity of PET bottles and aluminum cans from the DRS system several times over, contributing to the achievement of the circular economy goals.
- ALTEO Group has commissioned a 6 MW gas engine in the Győr Industrial Park, completing a fully self-financed investment project. The project is unique in that the gas engine, the battery energy storage system and ALTEO's Bőny Wind Farm are all connected to the national grid, increasing the utilization of existing capacities.
- ALTEO Group will install two additional automated waste processing lines, thus tripling the DRS waste processing capacity.
- The Group continued its corporate social responsibility program in the 2025 financial year, supporting several NGOs.

(GOV-2_01) The Green Committee provides the Board of Directors with information on the sustainability progress of ALTEO Group and on ESG trends as required. In addition, the Board of Directors and the Supervisory Board receive annual input on ALTEO Group ESG issues in the Sustainability Report, while the Supervisory Board also receives semi-annual reports.

(GOV-2_03) In 2025, the Board of Directors focused on the following issues related to material impacts, risks, and opportunities, and in this context, it considered proposals and, in several cases, made decisions:

- **E1 – Climate change adaptation:**
ALTEO Group's gradual transition to environmentally-conscious operations, such as increasing the efficiency of fossil power plants and strict compliance with environmental regulations, contributes to the global green transition.
- **E1 – Climate change mitigation:**
Risk of increased operating expenses and management burden due to expanded climate change reporting requirements (1.5 °C scenario only)
The portfolio also includes electricity production based on fossil fuels, which is also associated with GHG emissions.
Use of renewable energy. (54% of the power plant capacity in the portfolio is powered by renewable energy, which accounts for 24% of the Group's electricity production.)
The activities of ALTEO Circular and FE-GROUP contribute to the recycling of materials, which reduces the need for new raw material extraction and processing, thus reducing GHG emission associated with that kind of operations.
- **E1 – Energy:**
Increasing the share of renewable-dependent power plants in the portfolio can reduce dependence on fossil fuels.
- **E4 – Biodiversity and ecosystems:**
The materials needed to build renewable power plants (such as the steel needed to build wind turbines) were used for the first time, and their mining and processing could have had a significant impact on biodiversity.

[GOV-3] Integration of sustainability-related performance in incentive schemes

(GOV-3_01) The members of the administrative, management and supervisory bodies, i.e. the Board of Directors, the Supervisory Board and the Audit Committee, who are independent of the work organization receive a service fee, and there are no incentive mechanisms applicable to them. The body with the strongest decision-making power in ALTEO Group's operations, and also involved in incentive mechanisms, is the Executive Board, of which one member, Attila László Chikán, is also a member of the Board of Directors, and therefore the following shall apply to him.

(GOV-3_03) In addition to meeting financial performance criteria, the objective of providing fringe compensation to the Executive Board and all our staff is to meet agreed non-financial and social responsibility criteria.

These criteria are determined with a view to the business strategy, long-term interests and sustainability of the Company.

- CSR objective (e.g.: participation in a volunteering day or ALTEO Fit),
- HSE target (0 serious or fatal accidents).

However, these criteria cannot be considered ESG KPIs as defined by the ESRS, as they only represent certain parts of the annual individual performance assessments. As such, ALTEO Group currently does not have incentive mechanisms related to sustainability issues for the administrative or supervisory bodies.

[\(GOV-3_02\)](#) [\(GOV-3_05\)](#) [\(GOV-3_06\)](#) Our Compensation Policy thus seeks to promote the Company’s sustainability strategy alongside its business strategy. The Performance Assessment Bonus Scheme (PBS) and the Short-Term Incentive Scheme serve as the pillars of performance assessment, the details of how they work are summarized in a joint policy. Employees are only entitled to participate in one remuneration scheme at a time.

The annual performance management process starts with the target setting process at the beginning of the year. Among the annual objectives, it is mandatory to set ESG-related and HSE targets for all ALTEO employees participating in the Performance Assessment Bonus Scheme and the Short-Term Incentive Scheme. Their weight in the overall assessment, depending on whether the employee is a white-collar or blue-collar worker, is 5% or 5-10% each, respectively, meaning that there is a direct correlation between the achievement of ESG/HSE targets and the value of the bonus amount received on the basis of the performance assessment. For ALTEO Group companies FE-GROUP INVEST Zrt. and ALTEO Circular Kft., the development of the performance assessment process is currently underway and is expected to be completed by the first half of 2026 at the latest. The system is based on the previous experience of ALTEO Nyrt., but at the same time it takes into account the specificities of the circular economy business, meaning it is developed on the basis of a customized, different concept.

Under the Employee Share Ownership Program (ESOP) of ALTEO Nyrt., the Short-Term Incentive Scheme provides participating employees with remuneration that is largely dependent on the growth of the Company’s performance and, through this, the projected share price increase. This allows our employees to benefit from the Company’s performance, and the scheme aims to enhance shareholder culture within the organization. Performance assessments are also carried out for employees covered by the Short-Term Incentive Scheme, with the possibility of adjusting the benefit as set out in the related policy, i.e. it is necessary to set annual targets for participating employees as described above and to evaluate them accordingly.

In addition, Act LXVII of 2019 on the Encouragement of Long-Term Shareholder Engagement and the Amendment of Certain Acts with a View to Legislative Harmonization, which applies to the Company’s Directors and operations, stipulates that the Company must have a Remuneration Policy in line with the Act. The draft Remuneration Policy is prepared by the Board of Directors, then the Remuneration and Nomination Committee provides its opinion, and is then submitted to the General Meeting for approval. At least every three years, the Board of Directors reviews the policy and, if it deems necessary, proposes amendments to the General Meeting after having obtained the prior opinion of the Remuneration and Nomination Committee. If the General Meeting rejects the proposed amendments, the Board of Directors must re-submit these at the next meeting. In addition, the Company discloses the remuneration of the Directors, including the implementation of the Remuneration Policy, in the annual Remuneration Report.

[\(GOV-3_04\)](#) Overall, performance at ALTEO Group is assessed against the overall sustainability performance. These indicators and benchmark calculation methods have not been specified in detail. [\(E1.GOV-3_01\)](#) Under the general sustainability approaches (social responsibility criteria set out in the Performance Assessment Bonus Scheme), there are currently no direct performance indicators linked to climate change, or more specifically GHG emission reduction, in the broad performance assessment system, or specific incentive mechanisms in the remuneration mechanism of the administrative, management and supervisory bodies.

[GOV-4] Statement on due diligence

A summary of ALTEO Group’s due diligence process applied to this report with respect to sustainability topics is presented in the table below. Through these processes, we identify, manage, prevent and mitigate the actual and potential negative impacts on the environment and people associated with our business activities.

	Sections of the sustainability statement	Applicable policies, processes
a) incorporating due diligence into governance, strategy and the business model	GOV-1, GOV-2, G1	Code of Ethics Compliance Policy Business and ESG strategy Pre-qualification of Suppliers
b) cooperating with relevant stakeholders in all key steps of the due diligence	SBM-2, S1	Internal corporate communication Employee and supplier satisfaction surveys

c) identifying and evaluating adverse impacts	IRO-1, SBM-3	Double materiality assessment ESG and Biodiversity Strategy Compliance investigation
d) implementing measures to address those adverse impacts	GOV-2	Green Committee activities
e) monitoring the effectiveness of these efforts and communicating	GOV-2, sub-chapters on the measures of each thematic disclosure (S1, E1, entity-specific E topics, E2, E3, E4, E5, S1, G1)	ESG and Biodiversity Strategy Discussing progress at Green Committee meetings and providing information to the Supervisory Board

[GOV-5] Risk management and internal controls of sustainability reporting

(GOV-5_01-05) The preparation of the Sustainability Report is coordinated by the ALTEO Sustainability Team. Expert members responsible for sustainability reporting as auditors and the organization’s data point officers have been involved in the preparation of our Sustainability Report. After expert revisions, the report is reviewed by the Green Committee, and the final document is approved by the General Meeting as part of the annual report, on the basis of the proposal by the Board of Directors. Controls built into the process can prevent the risks associated with sustainability reporting, significantly reducing the potential for human error and misuse. The following internal controls were applied in the 2025 Sustainability Report to mitigate such risks:

- The “four eyes principle”, i.e. each of the sub-steps (double materiality assessment, data collection, report writing) related to sustainability reporting has been revised, reviewed and validated by at least two experts;
- The methodology and the steps taken were documented in the double materiality assessment;
- Meeting memos were prepared for the workshops supporting the preparation of the Sustainability Report, including sessions covering topics such as DMA, Scope 3, the EU Taxonomy, and the Transition Plan.
- For data collection, additional control points have been developed and applied, such as: appointing people responsible for data and approval;
- Approval of the Green Committee as the responsible professional organizational unit at key milestones, in respect of the final sustainability report;
- In addition, we also use external professional consultants to support our internal professional team and ESRS compliance in the preparation of our report.

Our external auditor provides limited assurance on our Sustainability Report, and their comments for 2024 have been taken into account by ALTEO Group and incorporated into the reporting process for the current financial year. The risks arising and the management thereof are discussed by the Green Committee.

1.3 Strategy

[SBM-1] Strategy, business model and value chain

(SBM-1_01) ALTEO Group was founded 17 years ago, in 2008, to exploit the new opportunities in the energy industry and to be part of the redefinition of this market in Hungary, of which the adoption of a sustainability approach is an essential part. Up until 2019, as an energy provider and trading company, the three pillars of our business activity were energy production based on renewable and natural gas energy carriers, energy trading and customized energy services and developments for companies. In 2019, we also added a waste management division to our scope of activities, which in 2025 was expanded to have an even broader portfolio and scale. Our waste management activities include the collection of various recyclable materials such as electronic, metal, plastic and paper waste, as well as the design and operation of complex waste management systems. With the launch of ALTEO Circular Kft., the scope is extended to include the treatment and recycling of hazardous waste, including batteries. Our circular economy business line covers the management of waste from residential, business partners and industrial production.

(SBM-1_03-04) (SBM-1_06-07) As a result of the expansion, our Group employed 1,263 people in Hungary as at December 31, 2025, and our total turnover (HUF xxx million) by major ESRS sectors was as follows:

Sector code	Sector name	Revenue
UPE	Energy production & utilities	HUF 66,996 million
UWW	Water & waste management services	HUF 19,149 million
SST	Wholesale & retail trade	HUF 37,318 million

ALTEO Group’s business model and value chain has a number of potential impacts, risks and opportunities that we monitor closely in our day-to-day operations. (SBM-1_26) The inputs that are necessary to make our business successful are essential elements of our business model. ALTEO Group is a knowledge-based company and, accordingly, the most important element of its business model is attracting and retaining a workforce with the appropriate skills and qualities. We strive to continuously train and develop our human resources. In addition, the involvement of external funding is crucial to the business model, and in addition to outstanding financial results, transparency and ethical operation are key to ALTEO Group’s financeability.

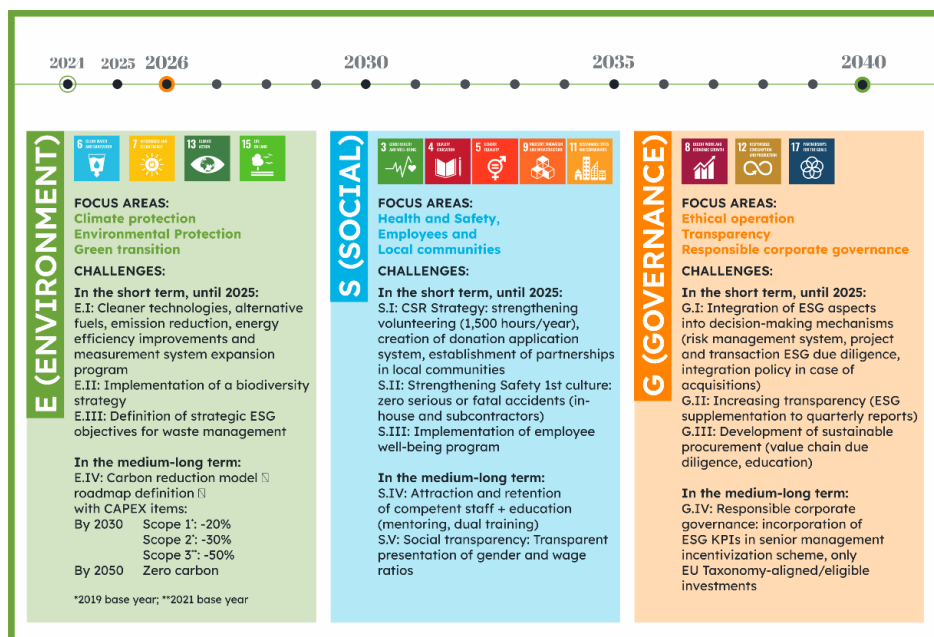
ALTEO Group’s structure, its strategy based on sustainability, its diversified portfolio and its outstanding staff of professionals all contribute to actively seizing market opportunities. (SBM-1_27) Our ability to operate quickly and flexibly enables us to react in a timely manner to market fluctuations, short and long-term trends and to identify opportunities in challenges. As a result, we can continuously improve customer satisfaction, increase our investors’ returns and maintain our strong competitive position in the market.

Our ESG approach and Sustainability Strategy

(SBM-1_21-23) Our long term goal is to become leaders in the domestic market through our commitment to ESG and to cooperate with our stakeholders to facilitate change for more sustainable future. Our vision is to create a sustainable business advantage for our partners by providing the best possible energy and waste management solutions today, and to become the companies of tomorrow. This commitment is proof of ALTEO Group’s belief in sustainable development, as demonstrated by our annual ESG certifications (Ecovadis, CDP)⁶.

We have been building our sustainability vision and strategy for a number of years now. In 2022, we published our first Sustainability Strategy for the 2022-2024 period, which is based on the UN Sustainable Development Goals (SDGs)⁷. In addition to updating our business strategy, we have added strategic objectives, specific measures and metrics to our revised ESG strategy for 2025-2030, with a consistent approach in our 2022-2024 strategy.

OUR ESG STRATEGY FOR 2025–2030:



⁶ For more information on the results of our E ratings, visit our website: <https://alteo.hu/fenntarthatosag/jelentesek-tenyek-adatok/esg/>.

⁷ The details of our sustainability strategy for 2022-2024 are available in our 2024 Integrated Report, and on our website: <https://alteo.hu/fenntarthatosag/>.

(SBM-1_22) ALTEO’s revised strategy⁸ continues to focus on energy, laying the foundations for growth through the continuous development of market leader digitalization and knowledge-based complex production management solutions, the expansion of its renewable portfolio and, in maintenance, operations and energy trading activities, through the exploitation of synergy opportunities within the ownership group in addition to new business acquisitions. Furthermore, by introducing new solutions, we aim to achieve significant results in reducing our GHG (greenhouse gas) emissions in the medium and long term. In 2025, we started to develop the concept of our transition plan to achieve this, which is presented in sub-chapter [E1-1] *Transition plan for climate change mitigation*. Furthermore, we published our biodiversity strategy to mitigate our impact on biodiversity and preserve our natural assets in 2025. Our planned actions are presented in detail in sub-chapter [E4-3] *Actions and resources related to biodiversity and ecosystems*.

We aim to take circular economy to the next level, building competences and activities across the waste management value chain. To this end, we acquired ALTEO Circular Kft. in 2025, and this company contributes to the realization of the above goal with its specific expertise and technology. The new competences allow us to incorporate new technologies and material streams, such as spent batteries or solar panels, further increasing the share of materials returned to the cycle. To formulate well-defined measures and set targets, we have also started to expand our ESG strategy to our circular economy business line in 2025.

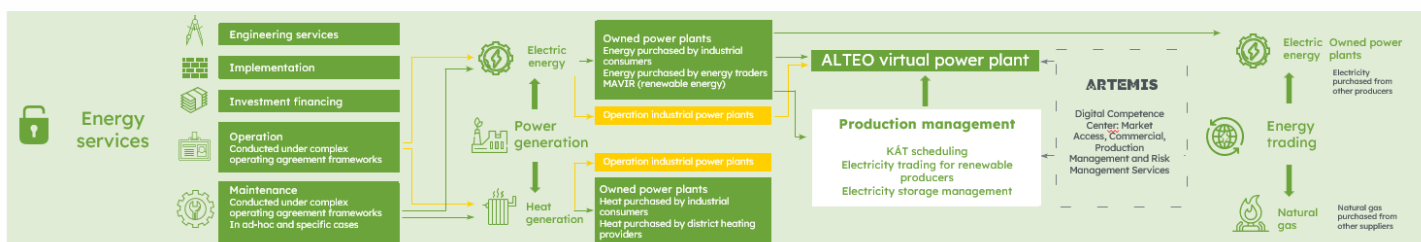
In 2025, no comprehensive, documented assessment was conducted of the performance of our key products and services, as well as our main markets and customer groups, against our sustainability targets. In the case of the energy sector, progress is being made toward achieving the 2025 goal of “cleaner technologies, alternative fuels, and emission reductions,” though no specific project has been dedicated to this objective. We will conduct a comprehensive assessment once the transition plan and business line KPIs have been finalized.

In addition to the environmental focus areas, we also want to make progress in the social and corporate governance dimensions to lay the foundations for our long-term sustainable operations. For our short-term objectives, we are continuously implementing our CSR Strategy, we have come close to our target number of volunteer hours in 2025, we have launched an open call for energy poverty donations, and we have partnered with local communities to deliver our volunteering programs. We have provided a range of wellbeing programs for our employees, and the zero number of serious or fatal accidents in 2025 is testament to our commitment to a Safety First culture. We have developed and implemented our sustainable procurement process and are also on track with our other corporate governance objectives.

(SBM-1_02) (SBM-1_25) (SBM-1_28) Activities and value chain of the energy business line

ALTEO Group’s energy activities and value chain include heat and power production and management, renewable energy production, energy services, energy retailing, as well as services for industrial companies, in particular the installation, operation and maintenance of energy systems.

Products and services of ALTEO Group



1. Heat and electricity production and management

This segment includes heat and electricity generation from non-renewable sources, the Virtual Power Plant, as well as the Renewable Production Management (RPM) business. The Virtual Power Plant is responsible for planning and managing production in electricity and/or heat generating and storing facilities owned by the Group and by external partners connected to the Virtual Power Plant.

Electricity production:	In the course of production, the Group produces the energy sold through its own power plants. Revenue from production activities also includes the activities of the Virtual Power Plant, which includes the full management of scheduling services, HEPURA and MAVIR data services and administration, real-time production monitoring activities for our contracted partners’ power production units and trading commissions.
Heat sales:	In the course of production, the Group produces the heat energy in its own power plants, and sells it to district heating companies under long-term contracts. In 2025, the segment sold heat energy not only to district heating suppliers but also

⁸ Details of our Business Strategy, including our ESG strategy, can also be found in the summary below: https://investors.alteo.hu/wp-content/uploads/2025/01/ALTEO_Strategia_2030__20250109.pdf

	to Heineken Hungária. With respect to these contracts, ALTEO Group continued to perform in a reliable and predictable manner.
Electricity ancillary services:	In order to maintain balance in the system, the Hungarian system operator (MAVIR) procures various types of balancing reserve capacities (FCR, aFRR, mFRR) from market actors with the appropriate authorization; the capacity charge is the consideration. The consideration received for committed, accredited charge-shifting capacity of the Group's production facilities and the revenue from Renewable Production Management are recognized: in terms of business relationships, building on competences, by way of the Renewable Production Management (RPM) business, ALTEO Group launched a smart, comprehensive scheduling service involving moderate risk for partners, which offers a solution to the challenges faced by renewable energy producers.
Operating lease	The Group gives certain parts of its properties at the sites of ALTEO-Therm Kft. in Sopron and Győr to operating lease (based on lease agreements). Lease contracts are concluded for an indefinite term. The Group does not have any separate dedicated assets for leasing purposes; however, it leases some of its own assets. The Group does not sublease its leased assets.

In the case of energy production, on the upstream side, it is of paramount importance to maintain relations with natural gas suppliers and service providers related to the operation and maintenance work, which is carried out by ALTEO Group itself. ALTEO Group employs several suppliers for the same services or activities, thus reducing its dependence on suppliers. In the case of energy production, dependencies on ecosystem services can be identified not only for suppliers, but also for the necessary resources and raw materials, which also expose our Group to financial risks. (Material financial risks are discussed in detail in sub-chapter [SBM-3] *Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.) The heat energy produced is primarily delivered to the people through the downstream value chain, through heat suppliers or to our direct consumers, industrial customers, and therefore security of supply is a priority for ALTEO Group.

2. Renewables-based energy production

The renewables-based energy production segment includes all of ALTEO Group's electricity production activities from renewable sources. This includes the solar, wind, hydro, landfill gas and biogas power plants of ALTEO Group. Some of the production units sell electricity under the KÁT (Mandatory Offtake System) subsidy system and under the KÁT premium and METÁR (Renewable Energy Sources Support Scheme) schemes, while others sell all of their electricity subject to market terms and conditions.

Under the KÁT selling system, MAVIR, as buyer, sets fixed electricity feed-in tariffs for producers. Power plants selling under the METÁR system sell the electricity they produce to any buyer on the free market at free-market prices. Under the METÁR system, after free-market sales, MAVIR makes price adjustments with a view to the difference between the contractual METÁR price and the market reference price as laid down by law in order to pay the corresponding amount to or collect such amount from producers (collectively: "price supplement").

The most important upstream and downstream partner of ALTEO Group in the field of energy management is the Hungarian electricity system operator (MAVIR). MAVIR is both a customer and a supplier, mainly in relation to ancillary services.

3. Retail energy trade

ALTEO Group is also engaged in natural gas and electricity trade, supplying business end-users with energy procured from wholesale partners. This activity involves the resale to final customers of electricity and natural gas purchased from within the Group and from other trading partners. In 2025, the key customers included GYŐR-SOPRON-EBENFURTI VASÚT Zrt., LEGO Manufacturing Kft., Transenergo Hungary Kft., NEO Property Services Zrt., Borgwarner Hungary Kft., Goodmills Magyarország Kft. and BPW-Hungária Kft.

4. Energy services

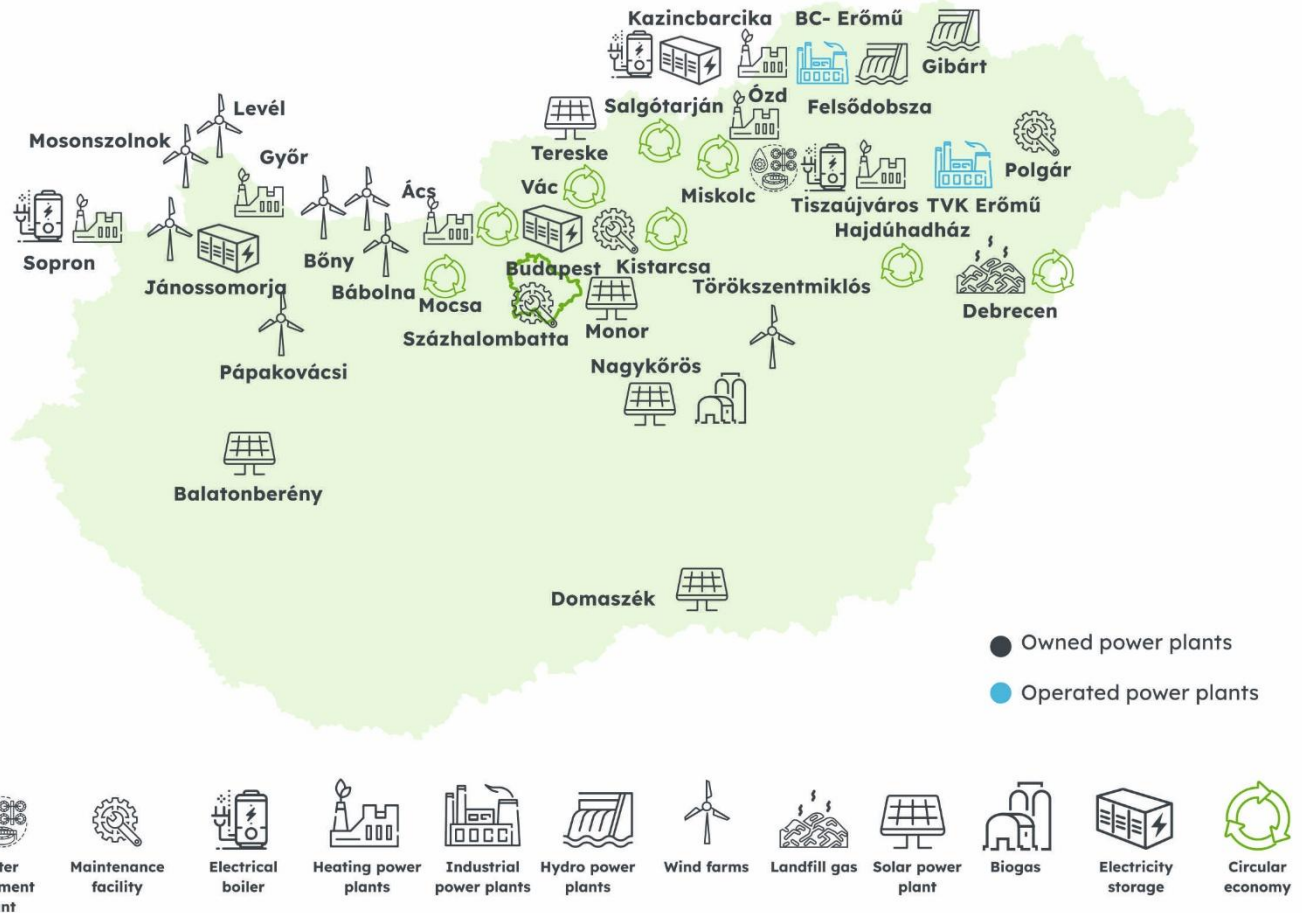
ALTEO strives to build long-term partnerships when providing energy construction, operation and maintenance services to third parties, with a strong focus on customer satisfaction. The Group also offers its customers engineering, project development and project management services, as well as main contractor construction services related to energy projects and developments, under individual orders and contracts. Furthermore, it contributes to expanding the production capacity of ALTEO Group's Energy Production division offering project management support.

In terms of business relationships, the highest volume of services provided by the business line is used by major players in the Hungarian industry (MOL Petrolkémia Zrt., MOL Nyrt., TVK Erőmű Kft., BorsodChem Zrt., FŐTÁV, Heineken, Siemens), for whom the reliable and stable operation of energy infrastructure is critical. The services provided to them are typically implemented in the framework of construction and/or long-term operation and maintenance contracts with high added value.

5. E-mobility services

In addition to the above, the Group also provides e-mobility services, through the operation of licensed charging equipment and e-mobility services to retail and corporate customers.

OPERATIONS MAP OF ALTEO'S ENERGY BUSINESS LINE ACCORDING TO THE DISTRIBUTION OF THE POWER PLANT PORTFOLIO



Key results for the 2025 financial year			
Energy production	Energy trading, balancing group services, scheduling	Natural gas retail	E-mobility
<p>Our power plants produced a total of 1,088 GWh of electricity and 2,841 GWh of heat.</p> <p>68% of the electricity produced came from industrial plants, 16% from heating plants and 16% from renewables-based power plants.</p>	<p>Volume of electricity sold in our trading activities in 2025: 654.1 GWh of retail sales and 1,108.5 GWh of wholesale sales.</p> <p>The majority of electricity sold was again wholesale in 2025, but the share of retail and wholesale in 2025 was around 40/60.</p>	<p>ALTEO Energiakereskedő Zrt. launched retail sale of natural gas in the gas year beginning on October 1, 2016, and sales have been increasing dynamically. In the 2025 financial year, we sold 24.9 GWh of natural gas.</p>	<p>In 2020, ALTEO Group started an E-mobility division through its subsidiary ALTE-GO Kft., which sells, installs and operates electric charging equipment across Hungary, with a focus on office buildings, parking lots, business sites, and public charging stations.</p>

(SBM-1_05) (SBM-1_09) (SBM-1_10) (SBM-1_13-14) As described above, ALTEO Group's energy business line is present in the natural gas sector, where we have achieved revenues of HUF 28,159 million in 2025, but no revenues were realized from fossil gas related economic activities aligned with the EU Taxonomy. Our products and services do not include any products or services that are banned in certain markets.

Methods of electricity production				
Site	Natural gas/renewable	Type	Installed electrical capacity (MW)	Electricity sales: Within the subsidized system, on the open market or by trading on the open market through the Virtual Power Plant (VPP)
Owned by ALTEO Group				
Győr 1	natural gas	heating power plant	17.9	VPP
Győr 2	natural gas	heating power plant	6.1	VPP
Sopron	natural gas	heating power plant	9.2	VPP
Kazincbarcika	natural gas	heating power plant	9.4	VPP
Ózd	natural gas	heating power plant	4.9	VPP
Tiszaújváros	natural gas	heating power plant	9.6	VPP
Füredi utca	natural gas	heating power plant	18.2	VPP
Felsődobosza	renewable	hydropower plant	0.9	On the open market
Gibárt	renewable	hydropower plant	1.0	Subsidized
Ács	renewable	wind turbine	2.0	On the open market
Jánossomorja	renewable	wind turbine	2.0	On the open market
Pápakovácsi	renewable	wind turbine	2.0	On the open market
Törökszentmiklós	renewable	wind turbine	1.5	On the open market
Bőny	renewable	wind turbine	25.0	On the open market
Bábolna	renewable	wind turbine	15.0	Subsidized
Mov-R	renewable	wind turbine	24.0	On the open market
Domaszék	renewable	solar power plant	2.0	Subsidized
Monor	renewable	solar power plant	4.0	Subsidized
Balatonberény	renewable	solar power plant	6.2	Subsidized
Nagykőrös (solar power plant)	renewable	solar power plant	6.9	Subsidized
Tereske	renewable	solar power plant	19.5	Subsidized
Debrecen	renewable	landfill gas	1.1	On the open market
Nagykőrös	renewable	biogas	2.0	On the open market
Power plants operated by ALTEO Group				
BC Power Plant	natural gas	industrial services	46.9	
BC Power	natural gas	industrial services	49.9	
TVK power plant	natural gas	industrial services	36.0	

(SBM-1_02) (SBM-1_25) (SBM-1_28) Activities and value chain of the circular economy business line

ALTEO Group's circular economy business line was set up in January 2019 to exploit cooperation opportunities in the waste management sector. The objectives envisioned included acquisitions, involvement in the development of innovative technologies in the sector, and demonstrating commitment to sustainability through activities in the waste management market.

- The first step was the acquisition of ECO-FIRST Kft., a biogas plant feedstock trading company founded in 2017. In July 2022, through another acquisition, ALTEO acquired a stake of more than 75% in FE-GROUP INVEST Zrt., a company founded in 1994 and engaged in complex waste management activities. Then, in 2024, exercising its call option stipulated in the Articles of Association of FE-GROUP INVEST Zrt., it acquired a 24.9% stake in Blue Planet Climate Protection Private Equity Fund (Kék Bolygó Klímavédelmi Magántőkealap), thereby gaining 100% ownership of FE-GROUP INVEST Zrt.
- Following the acquisition of FE-GROUP INVEST Zrt., in the summer of 2025, ALTEO Group became 100% owner of ÉLTEX Kereskedelmi és Fuvarozó Kft. (currently called ALTEO Circular Kft.), one of the leading waste management companies in Hungary, and its subsidiaries. By concluding the

acquisition, ALTEO has taken a significant step towards achieving its strategic goal of becoming the leading player in the domestic circular economy by 2030.

- The waste management segment’s activity is determined by the profits from the processing and management of organic and inorganic waste.

As a result of the acquisitions, ALTEO Group can now provide a large part of services in the waste management industry through its subsidiaries, further strengthening its commitment to circular economy, including waste recycling. It does this by developing their existing capacities and by applying state-of-the-art technologies into practice to enable the recovery of additional waste types beyond the existing material streams, thereby contributing significantly to reducing the proportion of waste disposed of in landfills in Hungary in accordance with EU regulations⁹.

ALTEO Group is present in a significant part of the waste management value chain, from collection and transport to processing, recycling and energy recovery solutions. Upstream activities related to waste management also include purchasing the necessary working equipment and collecting various waste streams. As a consequence, all partners that deliver waste to ALTEO Group are considered suppliers. MOHU MOL Hulladékgazdálkodási Zrt. is a key partner in the concession system¹⁰, however, non-concession activities by ALTEO Group primarily include flexible and customized services for medium-sized and large companies (e.g. sorting, compaction, pre-treatment, recovery of dismantled metal structures, battery waste, mixed waste, electronic waste, hazardous and non-hazardous waste). One example of the segment’s own activities is the company’s “total waste management” service, which offers customers a complex, integrated solution, including waste management consulting, ensuring regulatory compliance and supporting the principles of the circular economy. ALTEO Circular Kft. also focuses on the recycling of waste. The end-of-life treatment of products or their transfer for further utilization may be linked to the segment’s downstream activities.

[SBM-2] Interests and views of stakeholders

(SBM-2_01) Our stakeholders are given priority and are always treated as partners, as they provide important information on our performance and the environmental, economic and social factors that shape ALTEO Group’s value-creation processes. Our stakeholders also play a key role in determining the content and focus of our annual sustainability report.

(SBM-2_03-06) (SBM-2_12) We receive feedback from our stakeholders through several channels (e.g. face-to-face meetings, emails, etc.). Customer satisfaction surveys are conducted with annual frequency, and the results are analyzed and assessed as part of the management reviews. Maintaining positive evaluation results is our primary objective, so as a result of the evaluation, corrective actions are formulated, the results of which are monitored and subsequently assessed, and presented and acknowledged at the next management review.

Our key stakeholder groups, identified through interviews with our senior management, that have the appropriate information to assess our activities, either locally or by industry, are listed in the table below.

(SBM-2_02) (SBM-2_07) Alignment of stakeholder interests and views with the Company’s business strategy and model

Stakeholders	Employees, Management	Value chain workers	Society	Consumers and end-users
Alignment of interests and views with the Company’s business strategy and model	We are also in close contact with our expanding team through performance reviews, career planning and periodic assessments.	ALTEO Group’s activities have no significant impact on and the Company has identified no material risks or opportunities related to the workforce in its value chain, which has been reviewed in 2025 due to the acquisition of ALTEO Circular Kft.	We become active members of our communities, both at the operation sites and in our broader environment. Given the business in which we work, our aim is to build and maintain a long-term, open relationship.	Client-oriented operation, quality service and safe work are fundamental values for us. We are in constant contact with our customers, proactively seeking feedback and conducting satisfaction surveys.
	Owners, Investors	Professional organizations	Authorities	Suppliers
	Our corporate strategy aims to create value for owners and investors and to protect their interests.	ALTEO Group pays particular attention to acquiring and maintaining the appropriate expertise, also through communication with professional organizations.	Proactive and professional liaising with the Authorities is essential for a responsible company that looks to lead by example.	Our suppliers are important stakeholders in the sustainability of our activities, and we seek to engage them in dialogue and to build long-term strategic partnerships.

⁹ DIRECTIVE (EU) 2018/851 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 May 2018 amending Directive 2008/98/EC on waste.

¹⁰ MOHU has won the waste management concession tender announced by the Hungarian State, meaning that after July 01, 2023 it will collect and handle municipal solid waste in Hungarian settlements as a Concession Company for 35 years. FE-GROUP and ALTEO Circular participate in the process as subcontractors of MOHU. Since July 01, 2023, FE-GROUP’s activities have consisted of the collection and processing of the types of electronic, paper and foil/film waste covered by the concession, as well as more complex waste management and treatment services provided to third parties. At the same time, our subsidiary is constantly looking for new potential customers and cooperation opportunities.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

(SBM-3_01-07) (SBM-3_11-12) ALTEO Group has reviewed the ESRS topics in the following tables¹¹ in the framework of a double materiality assessment, and identified the impacts, risks and opportunities they contain as material at group, energy or circular economy business line level.

Compared to the 2024 results, this report includes a number of changes, for example, additional impacts, risks and opportunities specific to the circular economy business line have been assessed as material.

New material impacts, risks and opportunities in 2025:

- E1 – Positive and negative impacts of Climate change adaptation and mitigation in the circular economy business line;
- E2 – Financial risks of Pollution – Pollution of water and Pollution of soil in the circular economy business line;
- E – Entity-specific topics – System efficiency – Ensuring contractual conditions, high availability, and Energy efficiency – Energy efficiency, financial potentials of high efficiency operation in the energy business line;
- E3 – Water – Water withdrawals in the energy business line;
- E4 – Factors directly causing biodiversity loss – Current negative effects related to climate change and pollution, and current positive impacts on local organizations in the topics Land-use change, fresh water-use change and sea-use change;
- E5 – Circular Economy – Positive effects of resource outflows related to products and services in the circular economy business line, and positive and negative impacts and opportunities related to Waste in the waste business line.
- S1 – Own workforce – Working conditions – Secure employment and Equal treatment and opportunities for all – Training and skills development – current positive impacts.

Non-material impacts, risks and opportunities from the previous year based on 2025 results:

- E1 – Climate change adaptation – Acute physical risk (extreme storms and winds);
- E3 – Water – Current negative impact of water consumption;
- G1 – Business Conduct – Corporate Culture – Potential opportunity for diversity and inclusive corporate culture.

Topic	Subtopic	Sub-sub-topic	Affected business line	Impact	Risk	Opportunity
E1 – Climate change	Adaptation to climate change	-	ALTEO Group	•	•	
	Climate change mitigation	-	ALTEO Group	•	•	•
	Energy	-	ALTEO Group	•		•
E – Entity-specific	System efficiency	Ensuring contractual conditions, high availability	Energy			•
	Energy efficiency	Energy efficiency, high efficiency operation				•
E2 – Pollution	Air pollution	-	ALTEO Group	•		
	Water pollution	-	Circular economy		•	
	Soil pollution	-	Circular economy		•	
E3 – Water and marine resources	Hydropower	Water abstraction	Energy	•		
E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change	ALTEO Group	•		
		Change in land use, change in fresh water use and change in sea use	ALTEO Group	•		
		Pollution	Energy	•		
		Other	ALTEO Group	•		
	Impacts on the state of species	-	Energy	•		
	Impacts on ecosystem services and dependence thereon	-	Energy	•	•	
E5 – Circular economy	Resources inflows, including resource use	-	ALTEO Group	•	•	
	Resource outflows relating to products and services	-	Circular economy	•		
	Waste	-	ALTEO Group	•	•	•

¹¹ (IRO-2_09-11) The impacts, opportunities or risks identified in relation to Workers in the value chain (S2), Affected Communities (S3), and Consumers and end-users (S4) have not been assessed as material, as ALTEO Group has limited influence in these areas due to its business scope and activities.

S1 – Own workforce	Working conditions	Secure employment		•
		Health and safety	ALTEO Group	•
	Equal treatment and opportunities for all	Training and skills development		•
G1 – Business conduct	Corporate culture	-		• •
	Protection of whistleblowers	-		•
	Management of relationships with suppliers, including payment practices	-	ALTEO Group	•
		Prevention and detection including training		•
	Corruption and bribery	Incidents		•

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
E1 – Climate change						
Adaptation to climate change	ALTEO Group	Current, medium-term positive impact	-	Own operations	ALTEO Group's gradual transition to environmentally-conscious operations, such as increasing the efficiency of fossil power plants and strict compliance with environmental regulations, contributes to the global green transition.	Solutions for adapting to environmental change are also becoming increasingly important in the energy and waste management sectors, as physical risks become more frequent. ALTEO Group can increase its resilience by assessing and implementing green options.
	ALTEO Group	Potential, medium-term financial risk	Chronic physical risk	Own operations	Changes in resource availability can cause a reduction or disruption in production.	
Climate change mitigation	Circular economy	Current, short-term positive impact	-	Own operations	The activities of ALTEO Circular Kft. and FE-GROUP INVEST Zrt. contribute to the recycling of materials, which reduces the need for new raw material extraction and processing, thus reducing GHG emission associated with that kind of operations.	ALTEO is taking action on the impacts of its circular economy and energy businesses in line with its emission reduction targets.
	Circular economy	Current, short-term positive impact	-	Own operations	FE-GROUP INVEST Zrt. and ALTEO Circular Kft. sell a large amount of sorted raw material, thus avoiding significant amounts of CO ₂ equivalent (tCO ₂ e) emissions.	
	ALTEO Group	Current, short-term positive impact	-	Own operations	Use of renewable energy. (54% of the power plant capacity in the portfolio is powered by renewable energy, which accounts for 24% of the Group's electricity production.)	

¹² The definitions of the time horizons used are published in sub-chapter [BP-2] Disclosures in relation to specific circumstances.

¹³ The guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) have been used as a basis for identifying our risks and opportunities related to climate change.

¹⁴ (SBM-3_08-09) (SBM-3_10) ALTEO Group has not identified any material financial impact that could give rise to a significant risk regarding the adjustment in the financial report of the next financial year and, in addition, apart from climate-related risks and opportunities, it has not yet quantified the financial impact of any risks or opportunities that may arise. The resilience of the Group strategy and business model has thus been explored only in relation to climate change, which is presented in sub-chapter[E1-9] Expected financial impacts of material physical and transition risks, and potential climate-related opportunities.

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
	ALTEO Group	Potential, medium-term positive impact	-	Own operations	ALTEO has set ambitious targets to reduce GHG emission, and has started to develop a Transition Plan in 2025.	
	Circular economy	Current, short-term negative impact	-	Full value chain	All phases of waste management activities, including collection, transport, storage and processing, and the commercial activities of Circular (domestic sales and exports) can contribute to the Company's overall carbon footprint with significant CO ₂ and CH ₄ emissions, which are relevant indicators for climate change.	
	Energy	Current, short-term negative impact	-	Own operations	The biogas power plant in our portfolio uses renewable fuels to generate electricity, but its operations continue to emit greenhouse gases.	
	Energy	Current, short-term negative impact	-	Own operations	The portfolio also includes electricity production based on fossil fuels, which is also associated with GHG emissions.	
	ALTEO Group	Potential, medium-term financial opportunity	Market-based	Own operations	Increased available capital and/or reduced capital costs due to superior climate performance due to a transition to lower emission/impact technologies and superior climate performance, such as the development of optimized logistics and transport systems to reduce unnecessary empty runs, road congestion and energy use.	
	ALTEO Group	Potential, long-term financial risk	Transitional – Technology	Own operations	With rising temperatures and increasingly frequent droughts, there is a risk of reduced hydropower plant production and efficiency.	Conducting, monitoring and updating the TCFD risk analysis provides ALTEO Group with a solid basis for the introduction and continuation of appropriate measures.
	ALTEO Group	Potential, medium-term financial risk	Transitional – Technology	Own operations	Due to rising temperatures, there is a risk of reduced efficiency of solar farms as this may make the sun, as a resource, too unstable	
	ALTEO Group	Potential, medium-term financial risk	Transitional – Technology	Own operations	There is a risk of reduced hydropower production due to changes in rainfall.	
	ALTEO Group	Potential, medium-term financial risk	Transitional – Technology	Downstream	More frequent and intense peak loads on the distribution network due to heat waves	
	ALTEO Group	Potential, medium-term financial risk	Transitional – Market-based	Own operations	Risk of impairment of fossil fuel assets due to rising fuel costs as a result of the introduction of a carbon price component.	
	ALTEO Group	Potential, medium-term financial risk	Transitional – Market-based	Own operations	The risk of an increase in the financial burden related to potential development investments (CAPEX),	

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
					in particular due to the need to take into account rising CO2 prices and EU Taxonomy requirements in investment decisions.	
	ALTEO Group	Potential, medium-term financial risk	Transition – Reputation	Own operations	Risk of worse perception by investors due to ESG rating deterioration if ESG risk is not properly managed	
	ALTEO Group	Potential, medium-term financial risk	Transitional – Policies and laws	Own operations	Risk of increased operating expenses and management burden due to expanded climate change reporting requirements (1.5 °C scenario only)	
	ALTEO Group	Potential, medium-term financial risk	Transitional – Policies and laws	Own operations	More stringent financial requirements for projects with impacts and dependencies that also affect nature, that may reduce the possibility of obtaining financing and investment.	
Energy	Energy	Current, short-term positive impact	-	Own operations	The e-mobility segment of ALTEO installs charging stations for electric cars, contributing to the transition away from fossil fuels by building infrastructure.	ALTEO Group intends to address the energy issue by assessing and possibly introducing energy solutions that support the green transition, while maintaining existing business processes, and by focusing on a renewable production portfolio and energy services.
	Energy	Current, short-term negative impact	-	Own operations	The power plants in the ALTEO portfolio use energy to supply in-house consumption.	
	ALTEO Group	Current, medium-term negative impact	-	Upstream	The industrial extraction of natural gas for consumption associated with ALTEO Group's operations contributes to the depletion of natural resources and causes environmental damage, affecting ecosystems, water quality and biodiversity.	
	ALTEO Group	Potential, short-term financial opportunity	Products and services	Own operations	Increasing the share of renewable-dependent power plants in the portfolio can reduce dependence on fossil fuels.	
	ALTEO Group	Potential, medium-term financial opportunity	Products and services	Own operations	New business opportunities based on nature-based solutions.	
	ALTEO Group	Potential, long-term financial opportunity	Products and services	Own operations	Implementation of new renewable projects by retrofitting existing power plants.	
	ALTEO Group	Potential, short-term financial opportunity	Market-based	Own operations	Increase in revenue, brand value and employee motivation due to outstanding climate performance, and higher competitiveness in operations and expansion.	
	ALTEO Group	Potential, medium-term financial opportunity	Reputation	Own operations	Opportunity to improve investor perception through comprehensive climate risk management and external ESG rating.	

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
E – Entity-specific topics						
System efficiency – Ensuring contractual conditions, high availability	Energy	Potential, short-term financial opportunity	-	Own operations	Ensuring contractual conditions and high availability are of great importance in the energy services business line because they ensure that ALTEO remains competitive. Availability affects society indirectly, mainly through end-users, for example through security of supply and energy price changes, as ALTEO only has contractual relations with industrial players.	Continuing efforts to ensure contractual conditions, high availability, monitoring solutions aimed at development.
Energy efficiency – Energy efficiency, high efficiency operation	Energy	Potential, short-term financial opportunity	-	Own operations	Monitoring energy efficiency and high efficiency operation is essential for ALTEO to appropriately track its targets and to be comparable with its competitors.	Continuing efforts to ensure energy efficiency and high efficiency operation, application of monitoring activities in its operations. Looking for other points for possible development.
Air pollution	ALTEO Group	Current, short-term negative impact	-	Own operations	Production with gas engines releases nitrogen oxides (NO _x), carbon monoxide (CO) and (TOC) components into the atmosphere.	ALTEO Group is committed to complying with laws, and having environmental management systems in place, paying particular attention to minimizing air pollution. Our Company is committed to reducing pollution and protecting air quality in line with the UN Sustainable Development Goals.
	ALTEO Group	Current, short-term negative impact	-	Own operations	During production, nitrogen oxide and carbon monoxide are emitted into the air from boilers.	
Water pollution	Circular economy	Potential, short-term financial risk	-	Own operations	If subsidiaries fail to comply with environmental standards, they may face heavy fines, legal action and sanctions, lose their operating licenses, which can lead to shutdowns and loss of revenue. In the event of pollution, they may face significant clean-up, compensation, restoration and insurance costs, even if their obligation for environmental remediation does not arise from their own activities, and they may also be liable to pay compensation. The costly maintenance works required for restoration may also lead to a shutdown.	FE-GROUP INVEST Zrt. and ALTEO Circular Kft. are committed to complying with legal requirements and following environmental management systems, with a particular focus on water and soil pollution to mitigate potential risks.
Soil pollution	Circular economy	Potential, medium-term financial risk	-	Own operations		

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
Water – Water abstraction	Energy	Current, medium-term negative impact	-	Own operations	Large-volume industrial water withdrawal and discharge can affect the local hydrological cycle, altering water flow patterns and ecological balance.	In the course of our operation, we strive to reduce water withdrawal and protect water resources in line with the UN Sustainable Development Goals.
Direct impact drivers of biodiversity loss – Climate change	ALTEO Group	Current, short-term negative impact	-	Full value chain	The activities of ALTEO Group require significant use of natural resources, both in terms of the location of its work and the raw materials used. As far as biodiversity is concerned, changes in the use of natural resources can be a major driver of changes that can negatively affect local biodiversity.	ALTEO Group published its comprehensive Biodiversity Strategy in 2025, which aims to ensure the long-term sustainability of biodiversity and ecosystems.
Factors directly resulting in reducing biodiversity - Change in land use, change in fresh water use and change in sea use	ALTEO Group	Current, medium-term positive impact	-	Own operations	Cooperation with local communities and environmental organizations to protect and restore affected habitats	As part of our efforts to protect biodiversity, we aim to increase public benefit, participate in the planning of municipal green infrastructure networks, urban greening, and carry out surveys.
	Energy	Current, short-term negative impact	-	Own operations	Solar parks use land, which modifies habitats. Parks often have fencing or other barriers to enclose their area, which can affect the movement of species, and lead to habitat fragmentation. During the installation of solar parks, soil compaction can occur, leading to increased erosion and runoff.	ALTEO Group plans to reduce the negative impacts caused by it mainly in its energy business line, on its sites and impact areas, in line with the principles set out in the Biodiversity Strategy.
	Energy	Current, short-term negative impact	-	Upstream	The materials needed to build renewable power plants (such as the steel needed to build wind turbines) were used for the first time, and their mining and processing could have had a significant impact on biodiversity.	
	Energy	Current, short-term negative impact	-	Upstream	The mining of copper for wind and solar power plant components takes place in biodiversity-rich locations such as Chile, Peru, China and the Democratic Republic of Congo, where it has a significant negative impact on the environment and wildlife. Furthermore, the mining of lithium, cobalt, graphite, nickel and aluminum for wind and solar power plant and battery components in the Democratic	

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
Direct impact drivers of biodiversity loss – Pollution	Energy	Current, long-term negative impact	-	Full value chain	<p>Republic of Congo (DRC) has a significant impact on the local environment and ecosystems.</p> <p>Pipelines used to transport natural gas have a significant spatial footprint, which can lead to habitat degradation and fragmentation throughout the life cycle of the pipelines.</p>	
	Energy	Current, long-term negative impact	-	Full value chain	By generating electricity from natural gas in its 6 company-owned and 2 company-operated power plants, ALTEO Group may damage biodiversity through its value chain by causing habitat destruction and fragmentation, pollutant emissions, hydrological cycle disruption, noise and light pollution, all of which can have significant negative impacts on local ecosystems.	
Direct impact drivers of biodiversity loss – Other	ALTEO Group	Current, short-term positive impact	-	Own operations	ALTEO Group's strategic goal is to invest HUF 100 million in pilot projects to support biodiversity conservation by 2025. One such project, for instance, involved grassing solar park lands in 2025.	
Impacts on the state of species	Energy	Current, short-term negative impact	-	Own operations	Habitat disturbance due to the construction and operation of renewable energy sources. This has an effect on habitats due to land preparation works and the presence of infrastructure, adversely affecting certain species. For example, the head-on collision of birds and bats with a wind turbine blade can also be fatal.	Assessment of project opportunities for species conservation, restoration and identification of impacts on the state of species related to the sites and the impact area in order to improve biodiversity.
	Energy	Current, short-term negative impact	-	Own operations	Solar parks can be a disruptive factor for polarotactic insects (strongly and horizontally polarized light reflected back resembles water, where this species lays its eggs).	
Impacts and dependencies on ecosystem services	Energy	Current, medium-term negative impact	-	Full value chain	Natural gas infrastructure, including well pads, pipelines and other roads, often causes habitat fragmentation. This can alter wildlife habitats and migration patterns, and can also disrupt local biodiversity and the health of the affected ecosystem.	ALTEO monitors opportunities to minimize its impacts and dependencies on ecosystem services incurred through the resources it uses.
	Energy	Potential, medium-term financial risk	-	Own operations	Power production by hydropower plants may be at serious risk due to the loss or depletion of water resources, resulting in lost revenue.	
	Energy	Potential, medium-term financial risk	-	Own operations	A disturbed hydrological cycle can cause reduced water flow patterns (reducing productivity and therefore profits), as well as incur	

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
	Energy	Potential, medium-term financial risk	-	Own operations	substantial maintenance costs for the Company. For solar power plants, temperature fluctuations and changing solar radiation caused by climate change can reduce production and increase the maintenance costs of equipment.	
E5 – Resource use and circular economy						
Resources inflows, including resource use	ALTEO Group	Current, short-term positive impact	-	Own operations	The Group strives for maximum efficiency in the use of primary energy, using as little of these resources as possible.	Still preparing for the green transition, reducing dependence on non-renewable resources.
	ALTEO Group	Current, long-term negative impact	-	Own operations	The use of natural gas by ALTEO Group contributes to the depletion of the resources.	
	ALTEO Group	Potential, medium-term financial risk	-	Own operations	ALTEO Group is exposed to macroeconomic risks, including the changes of natural gas prices and availability.	
Resource outflows relating to products and services	Circular economy	Current, long-term positive impact	-	Own operations	Through recycling and reuse, ALTEO Group's circular economy business line contributes to the conservation of natural resources, the reduction of environmental degradation and the development of the circular economy, where the recycling and reuse of materials is at the forefront.	
Waste	Circular economy	Current, short-term positive impact	-	Own operations	Efficient waste sorting significantly reduces the amount of waste going to landfills.	Increasing the circular economy activities of ALTEO Group.
	Circular economy	Current, short-term positive impact	-	Own operations	We use practices that support the circular economy, contributing to the more efficient use of resources and to minimizing waste.	In the short term, the aim is to define strategic waste management ESG objectives within the Group, and to maintain and improve existing good practices to enhance positive impacts and financial opportunities; as well as to avoid negative impacts and financial risks.
	Circular economy	Current, short-term negative impact	-	Own operations	The integration of ALTEO Circular involves a higher volume of batteries, accumulators and PCB-containing waste that is managed by the Company, but such waste management may also have negative environmental impacts, especially in the case of temporary accumulation of batteries and other hazardous waste and deficiencies in storage.	
	ALTEO Group	Current, short-term negative impact	-	Own operations	The Group generates and treats hazardous waste in the course of its activities.	

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
	ALTEO Group	Current, short-term negative impact	-	Own operations	ALTEO Group generates a significant amount of non-hazardous waste in the course of its activities.	
	Circular economy	Potential, long-term financial opportunity	-	Own operations	Waste management and the circular economy represents a market opportunity for ALTEO Group. By producing secondary raw materials that can be used by industry players, we contribute to the conservation of resources, reducing the need to extract and process new raw materials.	
	Circular economy	Potential, medium-term financial risk	-	Own operations	As a result of the acquisition, Circular is required to remediate the industrial site in Salgótarján. The project involves soil replacement, and the resulting contaminated soil is disposed of as waste. The affected area will become usable again after recultivation, as it would be in the state as it was originally before the contamination.	
S1 – Own workforce						
Working conditions – Secure employment	ALTEO Group	Current, short-term positive impact	-	Own operations	ALTEO Group creates jobs operated under safe and fair conditions, in many settlements in Hungary. We ensure that our employees, including those not employed as part of our own workforce (contract workers) and potentially more vulnerable groups, work in a safe and fair working environment, with transparent and legal working conditions and benefits.	Maintaining current business practices, i.e. stable employment opportunities and appropriate working conditions. In the short term, the implementation of the employee well-being program has also been a focus for ALTEO Group.
Working conditions – Occupational health and safety	ALTEO Group	Current, short-term positive impact	-	Own operations	In addition to the legal requirements, compliance with occupational health and safety standards is supported by the Safety First culture, which focuses not only on preventing workplace accidents, but also on the general health of our employees. Preventive health services are offered to all employees, including those employed as non-employees (contract workers) within own workforce, and potentially more vulnerable groups.	Further preventive measures to support health and safety at work (risk assessment and control, internal policy and training, operation of the Occupational Health and Safety Management System (OHSMS), provision of protective equipment, health programs). In the short term, strengthening the Safety 1st culture is a priority, to maintain zero serious or fatal accidents (both on the part of our own workforce and subcontractors).
	ALTEO Group	Potential, medium-term negative impact	-	Own operations	People working in power plants and operational areas under unsafe working conditions, including those employed as non-employees (contract workers) and potentially more vulnerable	

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
					groups within our own workforce, can be at risk of serious work-related illnesses and accidents.	
Equal treatment and opportunities for all – Training and skills development	ALTEO Group	Current, short-term positive impact	-	Own operations	The Group provides career support through formal education and trainings. All employees, including those employed as non-employees and potentially vulnerable groups within the Company's own workforce, are subject to regular performance assessments and vocational training.	Offering continuous education and training opportunities for employees, and developing individual development pathways. In the medium to long term, the Group is committed to attracting and retaining a competent workforce, which it will achieve through education programs such as mentoring, career guidance sessions and dual training.
G1 – Business conduct						
Corporate culture	ALTEO Group	Potential, medium-term financial opportunity	-	Own operations	Strengthening corporate culture can improve employee engagement, morale and productivity, and fosters a more cohesive and motivated workforce.	When ALTEO Group performs its activities, developing a culture aligned with corporate values is of key importance, where the related principles and standards form an integral part of our operation.
	ALTEO Group	Potential, short-term financial risk	-	Own operations	Discrepancies between company values and employee behavior can lead to disengagement and conflict, which can prevent operational effectiveness. With the integration of ALTEO Circular, these differences may come to the fore, and reputational risks may temporarily arise from the different nature of the operations.	Our operating principles and standards contribute to the development and maintenance of ALTEO Group's corporate culture, through which we influence our employees and their families, and also all our business relationships. Our collegial and solution-focused approach helps foster an inclusive and value-creating culture.
Protection of whistleblowers	ALTEO Group	Potential, medium-term financial risk	-	Own operations	By not investigating the reported concerns thoroughly enough, the Company would risk potential legal or regulatory violations, as well as reputational damage.	We are committed to protecting whistleblowers, and creating a SpeakUp culture among our employees, ensuring that their concerns are handled confidentially, impartially and without retaliation to foster a culture of accountability, integrity and ethical behavior, thereby enhancing transparency and consistency within the organization. The Code of Ethics and Compliance Policy defines a process for investigating whistleblowing reports received in the

Material sub-topic/sub-sub-topic	Affected business line	Classification Likelihood and time horizon of occurrence ¹²	TCFD ¹³ category of risks and opportunities	Place of occurrence in the value chain	Description of impact, risk or opportunity	Impact, risk, or opportunity interaction with ALTEO Group's strategy ¹⁴
						whistleblowing system of the Group, and that process is always implemented in full compliance with the laws and regulations.
Management of relationships with suppliers, including payment practices	ALTEO Group	Potential, medium-term financial opportunity	-	Upstream and downstream	Fair payment practices, such as timely payments and transparent financial transactions, increase supplier satisfaction and promote better cooperation.	Continued availability and development of fair payment practices, identifying and realizing opportunities arising from a commitment to responsible procurement.
	ALTEO Group	Potential, medium-term financial opportunity	-	Own operations	By screening suppliers for compliance with standards, environmental regulations and ethical business practices, the Company can reduce the risk of working with unethical or unreliable partners and demonstrate its commitment to responsible procurement.	
Corruption and bribery – Prevention and detection including training	ALTEO Group	Potential, medium-term financial risk	-	Own operations	By focusing on fairness and on ethical behavior, the Company can enhance its reputation as a trustworthy and credible partner in the industry. Transparency, such as clear policies, procedures and control mechanisms help to detect and prevent corruption, safeguarding the Company's operations and reputation. Violating of that transparency this can pose a risk.	ALTEO Group's anti-corruption program aims to regulate and promote the principles against corruption and bribery that we have laid down in our Code of Ethics. Educating employees and suppliers is a key to prevention.
Corruption and bribery – Incidents	ALTEO Group	Potential, short-term negative impact	-	Own operations	Possible corruption and bribery cases can have a potentially negative impact, and to prevent such an impact we have a zero tolerance policy in place, which maintains the integrity, credibility and legal compliance of the Company, protecting it from financial loss, regulatory penalties and reputational damage.	Our material impact is our zero-tolerance policy to avoid corruption and bribery, which preserves the integrity, credibility and legal compliance of the Company, protecting it from financial loss, regulatory penalties and damage to reputation. This includes strict control of conflicts of interest by making conflict of interest declarations mandatory for all employees and business partners. By focusing on fairness, transparency and ethical behavior, the Company enhances its reputation as a reliable and credible partner in the industry. Clear policies, procedures and control mechanisms help to detect and prevent corruption, safeguarding the Company's operations and reputation.
	ALTEO Group	Potential, short-term negative impact	-	Own operations	Possible corruption and bribery cases can have a potentially negative impact, so rigorous conflict of interest checks and conflict of interest declarations are made essential and mandatory for all employees and business partners.	

1.4 Management of impacts, risks and opportunities

[IRO-1] Description of processes to identify and assess material impacts, risks and opportunities

(IRO-1_01) The ALTEO Group has reviewed its materiality assessment in 2025 according to the principle of double materiality, with a particular focus on the identification and assessment of impacts, risks and opportunities related to ALTEO Circular Kft. Double materiality, as defined by the ESRS methodology, has two dimensions: impact materiality and financial materiality. Impact materiality includes the assessment of sustainability matters where the undertaking may have material actual or potential, positive or negative impacts on people or the environment over the short, medium and long-term¹⁵. A sustainability matter is financially material for an undertaking if it generates risks or opportunities that could have a material influence on the undertaking's financial position or financial performance over the short-, medium- or long-term.

(IRO-1_15) Compared to the practice of the previous year, the methodology for the double materiality assessment¹⁶ has not changed, the background documentation for the analysis has been harmonized to improve the internal reporting processes. The next review of the DMA will be prior to writing the Sustainability Report for the 2026 financial year.

(IRO-1_05) ALTEO Group's sustainability experts include professionals with knowledge of the Group's activities, sustainability targets and commitments, representing key functions. These experts joined from the departments of law, compliance, environmental protection and HSE, ESG, capital markets, production, waste management, accounting, controlling and HR. In addition, internal representatives were appointed to represent the interests of each major stakeholder group to ensure appropriate sustainability expertise. (E2.IRO-1_02) (E3.IRO-1_02) (E4.IRO-1_05) (E5.IRO-1_02) However, we did not consult with affected communities to assess some of our impacts, risks and opportunities.

Step 1 – Understanding the context:

(IRO-1_04) ALTEO Group's Double Materiality Assessment (DMA) and Sustainability Report were primarily based on the assessment of the impact scope of the Group, in other words on identifying which subsidiaries should be included in the DMA and, in addition, in the process of gathering and publishing information in the reporting process. At the same time, we also identified the core activities of the Group, and in addition to own activities, we mapped our upstream and downstream value chain activities, broken down by energy and circular economy business lines. The value chain mapping also included an assessment of our significant dependencies, operating locations and stakeholders.

Step 2 – Identifying potentially relevant and relevant sustainability topics:

(IRO-1_14) The sub-topics and sub-sub-topics listed in the ESRS standard have been reviewed and examined, in addition to which entity-specific sustainability topics specific to ALTEO Group, such as topics related to energy production, efficiency and availability, were also taken into account.

Prior to the start of the assessment, a comprehensive list of potentially material sub-topics and sub-sub-topics for ALTEO Group was identified based on the key and potentially relevant topics from previous years' reports, the results of the competitive analysis of ALTEO's energy and circular economy business lines, industry standards (SASB industry-specific topics) and the requirements of ESG ratings.

The experts in the sustainability area excluded sub-topics and sub-sub-topics that were clearly not considered key topics due to ALTEO Group's activities and value chain, and identified sub-topics and sub-sub-topics that were deemed relevant by ALTEO experts, thus compiling the short list.

Step 3 – Identifying and assessing impacts, risks and opportunities (along the sustainability topics identified as relevant):

(IRO-1_02-03) (IRO-1_14) The sustainability experts identified and assessed the impacts, risks and opportunities relevant to ALTEO Group following the double materiality methodology defined in the ESRS standard. The process drew on the expertise of ALTEO Group experts, the results of competitor analysis and an assessment of the Company's operational context, as well as historical data and information related to the specific impact, risk, or opportunity. The assessment took into account the impacts, risks and opportunities for employees, suppliers, consumers, customers, end-users, local communities, vulnerable people, public authorities, regulators and financial institutions. (IRO-1_06) In identifying actual and potential impacts, both positive and negative impacts of ALTEO Group were considered. Particular attention was paid to ecological data and the protection of species, since nature as "silent stakeholder" also plays a significant role in our sustainability efforts. After identifying the arising impacts, the next step was to assess their severity¹⁷. Three main factors were taken into account in this respect: the scale, scope and irremediable nature of the impacts.

- Scale shows how severe the negative impacts are for people and the environment, or how beneficial the positive impacts are.
- Scope measures the extent of the impacts, for example, how many people or how large a geographical area is affected.

¹⁵ The definitions of the time horizons applied are published in sub-chapter [\[BP-2\] Disclosures in relation to specific circumstances](#).

¹⁶ The double materiality assessment is reviewed and updated annually.

¹⁷ In particular, the severity of potential negative impacts on human rights were strictly assessed, as in this area severity takes precedence over likelihood.

- The irremediable nature indicates the extent to which the negative impacts can be reversed, for example, whether the environment can be restored to its previous state.
- For potential impacts, the probability of occurrence was also assessed.

(IRO-1_07-08) In assessing financial materiality, we identified the risks and opportunities that could affect our financial position, performance, cash flows and cost of capital in the short, medium and long term. In identifying these, our dependencies on social and natural resources that may also contribute to changes in our financial performance, either positively or negatively, have been considered. We also looked at the impacts of tightening government regulations and reputational risks. These factors can indirectly affect our business and financial performance.

(IRO-1_09) In the course of the assessment process, the likelihood of financial impacts and their magnitude (the magnitude of risks and opportunities that could affect, for example, the financial performance and cash flow of ALTEO Group) were considered, based on forecasts and different scenarios. We also assessed the potential financial impact of possible future events and the changes of non-financial capital, such as natural, intellectual, human, social and relational capital.

(IRO-1_10-12), (E1.IRO-1_01) To identify and assess the risks and opportunities related to climate change, we relied on the results of a qualitative climate risk assessment¹⁸ prepared according to the Task Force on Climate-related Financial Disclosures (TCFD) methodology, which we have taken into account in our double materiality assessment for 2025. The time horizon and risk assessment approach of our assessment is consistent with that used in the double materiality assessment and with ALTEO Group's existing risk assessment methodology, which we also used as a basis for consistency. The Group's existing risk analysis system also includes and assesses ESG-related risks, so we created alignment and consistency between material risks at Group-level and the risks assessed as material in the double materiality assessment, which we ensured by involving relevant areas.

The results of the assessment of the materiality of impacts, risks and opportunities are ranked on a 25-point numerical scale, and materiality is determined on that scale.¹⁹ All impacts, risks and opportunities that have a value of 17 or more are considered material. The threshold was defined on the basis of expert opinion and experience, taking into account that the items below it are not material overall. For impacts, risks and opportunities with an assessed value close to the threshold, the preliminary assessment was confirmed or revised in further consultation, from which the substantive topic list was drawn up.

Step 4 – Synthesis and validation of the findings:

(IRO_1-11) After the sustainability expert validation of the impact, risk and opportunity assessments, the results were summarized, and the final list of material topics and associated impacts, risks and opportunities was approved by the Green Committee and presented in detail in our Sustainability Report.

[IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability statements

The material information to be disclosed on the impacts, risks and opportunities that ALTEO Group considers material has been identified by the expert group responsible for the preparation of the report. The decision was based on a double materiality assessment prior to the drafting of the Sustainability Report. In the course of the double materiality assessment, a topic deemed material either from an impact or a financial perspective, or both, is considered a material topic.

(IRO-2_13) Based on the materiality of the sub-topics and sub-sub-topics, we have determined which information to present in our Sustainability Report based on the ESRS and EFRAG ID177 guide. **(IRO-2_04)** The impact and financial materiality of the different sub-topics for the pollution topic have been taken into account when defining the data points: the soil and water pollution sub-topic has only financial materiality in ALTEO's waste management business, so the data points related to this sub-topic are presented in the E2-6 disclosure requirement. However, in terms of impact, no actual operational water or soil pollution was identified, as the waste management business has taken over the financial liabilities of an existing pollution outside its scope and operation, which should not arise as an impact in the future. As such, policies, measures, targets and metrics related to remediation and restoration are addressed in the E5 disclosure. The impact metrics that may be associated with air pollution material at the group level are presented under disclosure requirement E2-4.

In cases where the Group did not have information of sufficient detail and quality, the deferral option was used as per Annex 1.C of the ESRS and the "quick fix".

¹⁸ Material climate risks are described in more detail in the environmental sub-chapter *[IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities*.

¹⁹ Materiality thresholds were defined by experts involved in the DMA process and presented to the Green Committee when the final DMA results were approved.

(IRO-2_02) ESRS disclosure requirements in the Company’s sustainability statement

ESRS 2 – GENERAL DISCLOSURES

Topic		Page number
1. Basis for the preparation of the Sustainability Report		3
BP-1.	General basis for preparing sustainability statements	3
BP-2.	Disclosures in relation to specific circumstances	6
2. Governance		6
GOV-1.	The role of the administrative, management and supervisory bodies	6
GOV-2.	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	9
GOV-3.	Integration of sustainability-related performance in incentive schemes	53
GOV-4.	Statement on due diligence	11
GOV-5.	Risk management and internal controls of sustainability reporting	12
3. Strategy		12
SBM-1.	Strategy, business model and value chain	12
SBM-2	Interests and views of stakeholders	18
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	19
4. Impact, risk and opportunity management		30
IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	30
IRO-2	Disclosure requirements in ESRS covered by the undertaking’s sustainability statements	31

“E”: Environmental topics

Topic	Page number
EU taxonomy report	40

ESRS E1 – Climate change

Topic		Page number
Strategy		53
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	53
E1-1	Transition plan for climate change mitigation	53
ESRS 2 SBM-3.-E1	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	53
Impact, risk and opportunity management		53
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	53
E1-2	Policies related to climate change mitigation and adaptation	54
E1-3	Actions and resources related to climate change policies	55
Metrics and targets		56
E1-4	Goals related to climate change mitigation and adaptation	56
E1-5	Energy consumption and mix	57
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	60
E1-9	Expected financial impacts of material physical and transition risks, and potential climate-related opportunities	66 However, for data point 68 of the requirement, deferral is used, and for data point 69, only qualitative disclosure is used.

E – ENTITY-SPECIFIC TOPICS

Topic		Page number
Strategy		19
ESRS 2 SBM-3.-E1	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	19
Impact, risk and opportunity management		68
ESRS 2 IRO-1	Description of process to identify and assess material impacts, risks and opportunities	53
MDR-P	Policies adopted to manage material sustainability matters	68
MDR-A	Actions and resources in relation to material sustainability matters	68
Metrics and targets		68
MDR-T	Monitoring the effectiveness of policies and actions through targets	68
E entity-specific (EU 11)	System efficiency	68
E entity-specific (EU 30)	Availability	69

ESRS E2 – Pollution

Topic		Page number
Impact, risk and opportunity management		70
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	70
E2-1	Policies related to pollution	71
E2-2	Actions and resources related to pollution	71
Metrics and targets		72
E2-3	Targets related to pollution	72
E2-4	Air pollution	72
E2-6	Anticipated financial effects of material pollution-related impacts, risks and opportunities	The undertaking may omit the information prescribed by the E2-6 disclosure requirement under the “quick fix” regulation.

ESRS E3 – WATER AND MARINE RESOURCES

Topic		Page number
Impact, risk and opportunity management		72
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	72
E3-1	Policies related to water and marine resources	72
E3-2	Actions and resources related to water	73
Metrics and targets		73
E3-3	Targets related to water and marine resources	73
E3-4	Water abstraction	73

ESRS E4 – BIODIVERSITY AND ECOSYSTEMS

Topic		Page number
Strategy		74
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	74
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	74
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks, dependencies and opportunities related to biodiversity and ecosystems	75

Impact, risk and opportunity management		75
E4-2	Policies related to biodiversity and ecosystems	75
E4-3	Actions and resources related to biodiversity and ecosystems	75
Metrics and targets		76
E4-4	Targets related to biodiversity and ecosystems	76
E4-5	Impact metrics related to biodiversity and ecosystems change	76

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Topic		Page number
Impact, risk and opportunity management		77
ESRS 2 IRO-1.-E5	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	77
E5-1	Policies related to resource use and circular economy	77
E5-2	Actions and resources related to resource use and circular economy	77
Metrics and targets		77
E5-3	Targets related to resource use and circular economy	77
E5-4	Resource inflows	78
E5-5	Resource outflows	78
E5-6	Expected financial effects of resource use and circular economy-related impacts, risks and opportunities	The undertaking may omit the information prescribed by the E5-6 disclosure requirement under the “quick fix” regulation.

"S" – Social topics

ESRS S1 – Own workforce

Topic		Page number
Strategy		18
ESRS 2 SBM-2	Interests and views of stakeholders	18
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	80
Impact, risk and opportunity management		80
S1-1	Policies related to own workforce	80
S1-2	Processes for engaging with own employees and employee representatives about impacts	82
S1-3	Processes to remediate negative impacts and channels for own employees to raise concerns	83
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	84
Metrics and targets		85
S1-5	Targets related to managing material negative impacts, facilitating positive impacts, and managing material risks and opportunities	85
S1-6	Characteristics of the undertaking’s employees	86
S1-7	Characteristics of non-employee workers within the undertaking’s own workforce	87
S1-11	Social protection	88
S1-13	Training and skills development metrics	89
S1-14	Health and safety metrics	89
S1-17	Incidents, complaints and severe human rights impacts	91

“G” – Corporate governance topics

ESRS G1 – Business conduct

Topic		Page number
Governance		93
ESRS 2 GOV-1.	The role of the administrative, supervisory and management bodies	93
Impact, risk and opportunity management		93
G1-1	Corporate culture and business conduct policies, and corporate culture	93
G1-2	Management of relationships with suppliers	94
G1-3	Prevention and detection of corruption and bribery	95
Metrics and targets		96
G1-4	Confirmed incidents of corruption or bribery	96
G1-6	Payment practices	97

(IRO-2_01) List of datapoints in cross-cutting and topical standards that derive from other EU legislation²⁰

Disclosure requirement and related datapoint	SFDR reference ²¹	Pillar 3 reference ²²	Benchmark Regulation reference ²³	EU Climate Law reference ²⁴	Page number
ESRS 2 GOV-1 Board’s gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		6
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		6
ESRS 2 GOV-4 Due diligence statement paragraph 30	Indicator number 10 Table #3 of Annex I				11
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a 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	Delegated Regulation (EU) 2020/1816, Annex II		12
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II”		Not material.
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material.
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material.

²⁰ In accordance with the ESRS standard, this table shows where the data points from other EU legislation listed in Appendix B of ESRS 2 can be found in the sustainability statement. At the same time, the laws referred to do not apply to ALTEO Group, which means that the European Climate Law, the EU Climate Transition Benchmarks Regulation, the regulation on sustainability-related disclosure in the financial services sector (SFDR) or the disclosure requirements under Pillar 3 of the EBA do not apply to the Company.

²¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation)

²² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Text with EEA relevance) (Capital Requirements Regulation – “CRR”) (OJ L 176, 6/27/2013, p. 1).

²³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 6/29/2016, p. 1).

²⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (OJ L 243, 7/9/2021, p. 1).

ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2	53
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1) (d) to (g), and Article 12(2).		Not material.
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		56
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				57
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				57
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				58
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Articles 6 and 8(1)		61
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		62
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			66

ESRS E1-9. Breakdown of the carrying value of its real estate assets by energy efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate Change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			Not material.
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		68
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				72
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				72
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				72
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				Not material.
ESRS E3-4 Total recycled and reused water paragraph 28(c)	Indicator number 6.2 Table #2 of Annex I				73
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				73
ESRS 2 – IRO 1 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I				75
ESRS 2 – IRO 1 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				75
ESRS 2 – IRO 1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				75
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				Not material.
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				Not material.
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				Not material.
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				79
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				79
ESRS 2 – SBM3 – S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				27
ESRS 2 – SBM3 – S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				27

ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 in Table 3 and Indicator number 11 in Table 1 of Annex I				80
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Not material.
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				80
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				80
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				83
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		89
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				91
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material.
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material.
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				92
ESRS S1-17. Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		91
ESRS 2 – SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material.
ESRS S2-1 Human rights policy commitments Section 17	Indicator number 9 in Table 3 and Indicator number 11 in Table 1 of Annex I				Not material.
ESRS S2-1 Policies related to value chain workers Section 18	Indicator number 11 and n. 4 Table #3 of Annex I				Not material.
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material.
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material.

ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Not material.
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 in Table 3 and Indicator number 11 in Table 1 of Annex I				Not material.
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines Section 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material.
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material.
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 in Table 3 and Indicator number 11 in Table 1 of Annex I				Not material.
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines Section 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material.
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				Not material.
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				93
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				96
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		96
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				96

2. ENVIRONMENT

2.1 EU Taxonomy

With the adoption of the **EU Taxonomy Regulation**²⁵ in 2020, large companies will be required to disclose the extent to which their activities are considered sustainable from 2023 onwards. Activities that are considered environmentally sustainable, i.e. “Taxonomy-aligned” and “eligible” within the meaning it is used by the law, must be defined according to the classification system of the EU Taxonomy Regulation (or its delegated regulations). Article 3 of Regulation (EU) 2020/852 defines the criteria by which an economic activity can be considered sustainable, by complying with the technical screening criteria (TSC) for the activities, i.e.:

- contributes substantially to one of the six environmental objectives, (1) climate change mitigation; (2) climate change adaptation; (3) sustainable use and protection of water and marine resource; (4) transition to a circular economy; (5) pollution prevention and control; and (6) protection and restoration of biodiversity and ecosystems,
- does not significantly harm (“Do No Significant Harm” – DNSH) any of the other five objectives,
- complies with social and corporate governance requirements (“Minimum Social Safeguards” – MSS).

If the activity meets the above criteria, it is considered “taxonomy-aligned”.

We also examined the reporting elements of the Commission Delegated Regulation (EU) 2022/1214 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities. Disclosures related to activities involving fossil gases are provided at the end of this chapter, with the exception of the tables showing alignment and non-eligibility, as the EU Taxonomy activity relevant to ALTEO Group is fully eligible, and therefore the tables showing alignment and non-eligibility would not contain any additional information.

Pursuant to the EU Taxonomy regulation and the relevant disclosure rules²⁶, undertakings are required to disclose their revenues from taxonomy-eligible and taxonomy-aligned activities as well as the CapEx and OpEx ratios. It is necessary to assess the criteria²⁷ in terms of alignment and eligibility, and to disclose the prescribed revenue, CapEx and OpEx indicators for each environmental target in accordance with the relevant regulations.

General methodology regarding the financial year 2025²⁸

For 2025, ALTEO Group examined and identified its economic activities that may potentially be regarded as sustainable for each environmental objective and examined Taxonomy-alignment regarding the activities identified. In accordance with the disclosure requirements of the EU Taxonomy Regulation, we have calculated the proportion of our Company’s taxonomy-aligned activities in terms of the revenues and all of the Company’s activities as well as our CapEx and OpEx expenditures.

Identification of taxonomy-eligible activities

In the course of identifying the taxonomy-eligible activities of ALTEO Group, the company took into consideration the eligibility criteria set out in the delegated regulations of the Taxonomy regulation as well as the so-called NACE codes specified for the each activity deemed sustainable. The assessment covered the activities of all subsidiaries of ALTEO Group, including ALTEO Circular Kft. acquired in 2025.

Examination of taxonomy-aligned activities

Taxonomy-eligible activities were examined for their alignment in three steps. First, we looked at compliance with the material contribution criteria specified in the relevant delegated regulations for each activity, that is, the environmental objectives to which the economic activities of ALTEO Group contribute. Then, if the material contribution criteria were satisfied, we examined whether the activities comply with the DNSH criteria, and finally, we also checked compliance with the Minimum Social Safeguards regarding each activity.

Assessment of the satisfaction of material contribution

²⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

²⁶ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 specifying the content and presentation of information to be disclosed by undertakings concerning environmentally sustainable economic activities – <https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=CELEX:32021R2178>

²⁷ The law specifying the criteria: Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation – <https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=CELEX:32021R2139>; Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to environmental objectives –

²⁸ The 2024 EU Taxonomy Report is available on the ALTEO website.

The material contribution criteria specify the conditions that need to be met for any given economic activity to substantially contribute to the achievement of one of the six environmental objectives specified in the Taxonomy Regulation. Satisfaction of the material contribution criteria was examined based on the technical documentation of projects relevant for each activity. Where more than one environmental objective was relevant for an economic activity, the materiality of the contribution determined the environmental objective for which the criteria would be assessed. In the 2025 financial year, we examined the material contribution criteria for climate change mitigation and the transition to a circular economy in our energy and circular business activities.

Assessment of DNSH (Do No Significant Harm) in the context of targets for climate change mitigation and for transition to a circular economy

Climate change mitigation

In the 2025 financial year, the assessment of compliance with the climate change mitigation criterion was not relevant for either the climate change mitigation activities or the circular economy-related activities under review, where activities aligned with the EU Taxonomy under review were concerned.

Climate change adaptation

The adaptation-related DNSH criteria are set out in Annex A for all delegated regulations. In order to demonstrate the compliance of the activities, a detailed assessment was carried out under Annex A (i.e. compliance with climate change adaptation requirements) for the sites of all eligible activities.

This year, the assessment of climate risks and the sensitivity of activities relied on the two climate change scenarios specified by the IPCC. The IPCC RCP 4 climate model envisages a global average temperature increase path of 2.5 °C until 2100, while the RCP 8.5 climate model yields a 4.3 °C increase; these differences may entail different risk levels and sensitivities with regard to the activities.

In the climate risk assessment, we used the long-term climate change forecasts of the IPCC (Intergovernmental Panel on Climate Change) and the EEA (European Environment Agency) as our sources. In addition, the European Climate Adaptation Platform (Climate-ADAPT) database was used to select the relevant climate risks. We have considered all relevant key future climate risks that are relevant in Hungary according to the Climate-ADAPT database. Wherever possible, we also examined risks, and the sensitivity of the identified economic activities from a regional aspect based on the sources of the National Adaptation Geo-information System (NAGiS).

Based on the climate risk assessments performed for the energy business line and FE-GROUP INVEST Zrt. in the 2024 financial year, and for ALTEO Circular Kft. in the 2025 financial year, we identified no long-term physical climate risks that would require adaptation solutions to be identified due to their significance.

Sustainable use and protection of water and marine resources

During the assessment of compliance under Annex B of the delegated regulations, technical documentation as well as water operating and environmental permits were used as a basis when assessing the criteria for the targets for climate change mitigation and for transition to a circular economy.

Transition to a circular economy

In analyzing activities related to the climate change mitigation objective, in the case of transition to a circular economy, the waste management services related to the activities are not yet available in Hungary (material recovery of solar power plant and wind turbine accessories), but progress is expected to be made in this regard by the expected date of replacement of the technical equipment used. In view of the present abandonment and technological replacement plans and operating procedures, the relevant activities comply with the DNSH requirements regarding transition to a circular economy. Until proper material recovery is ensured in our country, we will ensure storage of the disassembled components in the appropriate manner. For activities contributing to the transition to a circular economy, this DNSH criterion is not relevant.

Prevention and reduction of environmental pollution

During the assessment of compliance under Annex C of the delegated regulations or the criteria for the objective of ALTEO Circular Kft. – transition to a circular economy, we relied on operating and environmental permits to demonstrate the specific requirements of the activity.

Protection and restoration of biodiversity and ecosystems

During the assessment of compliance under Annex D of the delegated regulations, we reviewed operating and environmental permits.

Assessment of compliance with Minimum Social Safeguards (MSS)

ALTEO Group is committed to respecting human rights, and complies with the Minimum Social Safeguards, the World Benchmark Alliance UNGP key indicators required for the protection of human rights, the UN Business and Human Rights guidelines and the OECD guidelines for multinational enterprises.

ALTEO Group is a listed company with a strict corporate governance system that ensures compliance with the requirements related to human rights, corruption, taxation and competition law stipulated in the guidelines related to minimum social safeguards.

For the preparation of the EU taxonomy report we also looked at compliance with MSS criteria on the group level and assessed the MSS risks of each activity. The ALTEO Group meets all criteria at the enterprise level and no MSS risk was identified for any of its activities subject to the Taxonomy. Further relevant information related to MSS at the Company-level is available in ALTEO Group's Code of Ethics, the Compliance-related chapters of our Integrated Report and in Group disclosures.

Taxonomy-eligible and taxonomy-aligned activities

When ensuring compliance with EU Taxonomy, ALTEO Group identified the following eligible economic activities as relevant to its operations:

In connection with the environmental target of climate change mitigation²⁹:

- **4.1. Electricity production using photovoltaic solar technology:** The sale of electricity produced (revenue) by ALTEO Group's power plants in Monor, Nagykőrös, Balatonberény, Domaszék and Tereske, related capital expenditures (CapEx), and operating expenditures (OpEx) are incurred in connection with this activity. The activity is aligned, as the technical assessment criteria are met, and the Group also meets the minimum safeguards.
- **4.3. Electricity production using wind power:** In the case of ALTEO Group's wind farms in Bábolna, Bőny, Ács, Törökszentmiklós, Jánossomorja, Pápakovácsi and Levél-Mosonszolnok, the sale of electricity produced (revenue), ongoing investment projects and the acquisition of additional wind farms (such as in Mecsér) (CapEx), and operating expenditures (OpEx) are incurred. The activity is aligned, as the technical assessment criteria are met, and the Group also meets the minimum safeguards.
- **4.5. Electricity production using hydropower:** The sale of electricity produced by the Felsődobcsa and Gibárt hydropower plants operated by ALTEO Group (revenue), as well as relevant capital expenditures (CapEx) and expenditures incurred by the operation of the hydropower plants (OpEx). The activity is aligned, as the technical assessment criteria are met, and the Group also meets the minimum safeguards.
- **4.8. Electricity production using bioenergy:** The sale of electricity produced by the biogas plant in Nagykőrös owned by Energigas Kft. (revenue), capital expenditures (CapEx), and the operation of the plant (OpEx). The activity is non-aligned, as the technical assessment criteria are not met.
- **4.10. Electricity storage:** The sale of electricity produced at ALTEO Group's Győr, Kazincbarcika and Füredi utca heating power plants (revenue), developments related to the new heating power plants and energy storage activities using lithium-ion solutions implemented in Győr and Bana (CapEx), as well as the maintenance of operation (OpEx). The activity is aligned, as the technical assessment criteria are met, and the Group also meets the minimum safeguards.
- **4.29. Electricity production from gaseous fossil fuels:** The sale of electricity produced by the natural gas and cogeneration power plants operated by ALTEO Group (revenue), related developments (CapEx), and operational activities (OpEx). The activity is non-aligned, as the technical assessment criteria are not met.
- **5.10. Landfill gas capture and utilization:** The sale of electricity produced by the Debrecen I and Debrecen II small-scale power plants from landfill gas generated at the Debrecen landfill site (revenue), as well as capital expenditures (CapEx) and operation (OpEx). The activity is non-aligned, as the technical assessment criteria are not met.
- **7.4. Indoor installation, maintenance and repair of charging stations for electric vehicles:** Service by the electric vehicle charging stations owned by ALTE-Go Kft. (revenue), as well as capital expenditures (CapEx), and operating expenses (OpEx) incurred during commissioning, maintenance, and repair are relevant. The activity is non-aligned, as the technical assessment criteria are not met.

In connection with the environmental target of transitioning to a circular economy³⁰:

²⁹ The legislation specifying the criteria: Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation –

³⁰ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to environmental objectives –

- **2.3. Collection at source and transport of non-hazardous and hazardous waste in separate fractions:** Revenues of FE-GROUP INVEST Zrt. and ALTEO Circular Kft. relating to the collection and transportation of hazardous and non-hazardous waste (revenue), and operating costs (OpEx). The activity is aligned, as the technical assessment criteria are met, and the Group also meets the minimum safeguards. Given that only some of the vehicles transporting waste at FE-GROUP INVEST Zrt. comply with the EURO V criterion of the delegated regulation, Taxonomy-eligible and Taxonomy-aligned revenue and OpEx was determined based on the ratio of vehicles conforming to the EURO IV and EURO III (eligible) and EURO V (aligned) standards.
- **2.4. Management of hazardous waste:** ALTEO Circular Kft. operates hazardous waste management facilities as a means of material recovery operations, which involves the recycling, recovery of inorganic materials and the recovery of components used to reduce pollution, which in turn also generate revenue, in which case the Company generates revenue and incurs operating costs. The activity is non-aligned, as the technical assessment criteria are not met.
- **2.7. Sorting and material recovery of non-hazardous waste:** The activities are associated with the sorting of non-hazardous waste collected by FE-GROUP INVEST Zrt. and ALTEO Circular Kft., the revenue generated from this, FE-GROUP INVEST Zrt.'s capital expenditures (CapEx), and operating expenditures (OpEx). The activity is non-aligned, as the technical assessment criteria are not met.

KPI calculation methodology:

For non-financial companies, the eligibility performance indicator (KPI) related to **revenue** is defined as the ratio of revenue from products or services related to taxonomy-eligible activities (numerator) to the consolidated net revenue for the current year (denominator). For electricity production activities, sales revenue is determined based on the method of production. In the case of activities related to the installation of charging stations for electric vehicles and to the circular economy business line within ALTEO Group, revenue statements for the activities were reported separately for FE-GROUP INVEST Zrt. and ALTEO Circular Kft. Based on the available data for ALTEO Circular Kft., our Group made several assumptions and applied various adjustments when determining the revenue denominators for the various eligible activities. In the coming years, as a result of improvements in financial data collection in line with EU Taxonomy activities, we will be able to present more accurate figures for ALTEO Circular Kft. as well. The proportion of Taxonomy-aligned sales revenue was calculated based on the electricity sold to MAVIR and the guarantee of origin sold to third parties in the case of activities related to electricity production.

In the case of capital expenditures (CapEx), direct costs specified in the Taxonomy Regulation were taken into account, but they do not include the costs of central management activities and maintenance of central office buildings (denominator). The CapEx costs of EU Taxonomy-eligible as well as Taxonomy-aligned activities (numerator) include costs relating to the procurement and leasing of properties, machinery, equipment and intangible assets.

In the case of operating expenditures (OpEx), the following items may be included: costs related to assets or processes (including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development) (numerator); capital expenditures to expand taxonomy-aligned economic activities or allow taxonomy-eligible economic activities to become taxonomy-aligned; and expenditures relating to individual measures enabling aligned activities to become low-carbon or facilitating GHG reductions (denominator). In the case of activities related to the commissioning of electric vehicle charging stations and to the circular economy business line within ALTEO Group, for FE-GROUP INVEST Zrt. and ALTEO Circular Kft. information received from the business units was compiled separately, and revenue statements for the activities were prepared based on the prorated revenue data. In the case of electricity production as aligned activity, the direct costs of the relevant power plants were taken into account, including primarily, but not exclusively, costs related to operation and scheduling, potential insurer revenues and non-income tax type charges.

Disclosures regarding performance indicators are included in the tables below:

TABLE 1: PROPORTION OF REVENUE FROM PRODUCTS OR SERVICES RELATING TO TAXONOMY-ALIGNED AND TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES IN 2025³¹

Financial year 2025				Material contribution criterion						DNSH criteria (compliance with the Do No Significant Harm principle)									
Economic activities (1)	Code(s) (2)	Absolute amount of revenue (3)	Ratio of revenue, 2025 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Safeguards (17)	Taxonomy aligned (A1.) or eligible (A2.) proportion of turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Electricity generation using solar photovoltaic technology	CCM 4.1. (Annex I) / D35.11.	2,348	1.9	100							Y		Y		Y	Y	1.5		
Electricity generation from wind power	CCM 4.3. (Annex I) / D35.11.	4,687	3.8	100							Y	Y	Y		Y	Y	3.8		
Electricity generation from hydropower	CCM 4.5. (Annex I) / D35.11.	395	0.3	100							Y	Y			Y	Y	0.5		
Storage of electricity	CCM 4.10. (Annex I) / NA	1,054	0.9	100							Y	Y	Y		Y	Y	1.4	E	
Landfill gas capture and utilization	CCM 5.10. (Annex I) / E38.21.	184	0.1	100							Y			Y	Y	Y	0.1		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and at parking spaces belonging to buildings)	CCM 7.4. (Annex I) / F43.11.	66	0.1	100							Y					Y	0.1	E	
Collection and transportation of non-hazardous and hazardous waste	CE 2.3. (Annex II) / E38.11.	1,350	1.1				41,7				Y	Y		Y		Y	1		
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1.)		10,085	8.2														8.5		
Of which: enabling		1,120	0.9														1.6	E	
Of which: transitional		0	0														0 ³²		T
A.2. Revenue from taxonomy-eligible but environmentally not sustainable activities (taxonomy-non-aligned activities)																			

³¹ Pursuant to Annex II to Delegated Regulation (EU) 2021/2178 regarding disclosure

³² Following a review, the 6.9% rate published in 2024 has been modified in this publication.

Financial year 2025				Material contribution criterion						DNSH criteria (compliance with the Do No Significant Harm principle)									
Economic activities (1)	Code(s) (2)	Absolute amount of revenue (3)	Ratio of revenue, 2025 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Safeguards (17)	Taxonomy aligned (A1.) or eligible (A2.) proportion of turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N										
Electricity generation using bioenergy	CCM 4.8. (Annex I) / D35.11.	707	0.6	Y													0.6		
Electricity generation from fossil gaseous fuels	CCM 4.29. (Annex I) / NA	13,325	10.8	Y													12.3		
Collection and transportation of non-hazardous and hazardous waste	CE 2.3. (Annex II) / E38.11.	2,300	1.9				Y										1.4		
Treatment of hazardous waste	CE 2.4. Annex II) / NA	373	0.3				Y										n/a		
Sorting and material recovery of non-hazardous waste	CE 2.7. (Annex II) / E38.32.	13,285	10.8				Y										2.8		
Revenue from taxonomy-eligible but environmentally not sustainable activities (taxonomy-non-aligned) (A.2.)		29,990	24.3														17.2		
A: Sales revenues from taxonomy-eligible activities (A.1+A.2.)		40,074	32.5														25.7		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales revenues from taxonomy-non-eligible activities		83,389	67.5																
Total (A+B)		123,463	100																

RATIO OF REVENUE / TOTAL REVENUE

	Taxonomy-aligned, by objective	Taxonomy-enabled, by objective
Climate change mitigation (CCM)	7.1%	11.4%
Adaptation to climate change (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Transition to a circular economy (CE)	1.1%	12.9%
Pollution prevention and control (PPC)	0%	0%
Protection of biodiversity and ecosystems (BIO)	0%	0%

TABLE 2: PROPORTION OF CAPEX ATTRIBUTABLE TO PRODUCTS OR SERVICES RELATING TO TAXONOMY-ALIGNED AND TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES – IN 2025³³

Financial year 2025				Material contribution criterion						DNSH criteria (compliance with the Do No Significant Harm principle)									
Economic activities (1)	Code(s) (2)	Absolute amount of CapEx (3)	Ratio of CapEx, 2025 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Safeguards (17)	Taxonomy aligned (A1.) or eligible (A2.) proportion of CAPEX, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Electricity generation using solar photovoltaic technology	CCM 4.1. (Annex I) / D35.11.	60	0.2	100							Y		Y		Y	Y	8.7		
Electricity generation from wind power	CCM 4.3. (Annex I) / D35.11.	312	1.2	100							Y	Y	Y		Y	Y	38.9		
Electricity generation from hydropower	CCM 4.5. (Annex I) / D35.11.	4	0	100							Y	Y			Y	Y	0.6		
Storage of electricity	CCM 4.10. (Annex I) / NA	14,137	53.2	100							Y	Y	Y		Y	Y	n/a	E	
Landfill gas capture and utilization	CCM 5.10. (Annex I) / E38.21.	90	0.3	100							Y			Y	Y	Y	0.6		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and at parking spaces belonging to buildings)	CCM 7.4. (Annex I) / F43.11.	18	0.07	100							Y						0	E	
CAPEX from environmentally sustainable activities (taxonomy-aligned) (A.1.)		14,622	55.1														48.9		
Of which: enabling		14,156	53.3														0	E	
Of which: transitional		0	0														0 ³⁴		T

³³ Pursuant to Annex II to Delegated Regulation (EU) 2021/2178 regarding disclosure

³⁴ Following a review, the 48.9% rate published in 2024 has been revised in this publication.

Financial year 2025				Material contribution criterion						DNSH criteria (compliance with the Do No Significant Harm principle)									
Economic activities (1)	Code(s) (2)	Absolute amount of CapEx (3)	Ratio of CapEx, 2025 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Safeguards (17)	Taxonomy aligned (A1) or eligible (A2) proportion of CAPEX, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A.2. CAPEX from taxonomy-eligible but environmentally not sustainable activities (taxonomy-non-aligned activities)																			
				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N										
Electricity generation using bioenergy	CCM 4.8. (Annex I) / D35.11.	172	0.6	Y													0.1		
Electricity generation from fossil gaseous fuels	CCM 4.29. (Annex I) / NA	1,178	4.4	Y													34.7		
Sorting and material recovery of non-hazardous waste	CE 2.7. (Annex II) / E38.32.	1,597	6				Y										2.4		
CAPEX from taxonomy-eligible but environmentally not sustainable activities (taxonomy-non-aligned) (A.2.)		2,947	11.1														37.2		
A: CAPEX from taxonomy-eligible activities (A.1+A.2.)		17,569	66.1														86.1		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX from taxonomy-non-eligible activities		8,990	33.9																
Total (A+B)		26,559	100																

RATIO OF CAPEX/ TOTAL CAPEX

	Taxonomy-aligned, by objective	Taxonomy-enabled, by objective
Climate change mitigation (CCM)	55.1%	5.1%
Adaptation to climate change (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Transition to a circular economy (CE)	0%	6.0%
Pollution prevention and control (PPC)	0%	0%
Protection of biodiversity and ecosystems (BIO)	0%	0%

TABLE 3: PROPORTION OF OPEX ATTRIBUTABLE TO PRODUCTS OR SERVICES RELATING TO TAXONOMY-ALIGNED AND TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES IN 2025³⁵

Financial year 2025				Material contribution criterion						DNSH criteria (compliance with the Do No Significant Harm principle)									
Economic activities (1)	Code(s) (2)	Absolute amount of OPEX (3)	Ratio of OPEX, 2025 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Safeguards (17)	Taxonomy aligned (A1), or eligible (A2), proportion of OPEX, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Electricity generation using solar photovoltaic technology	CCM 4.1. (Annex I) / D35.11.	323	0.3	100							I		I		I	I	0.3		
Electricity generation from wind power	CCM 4.3. (Annex I) / D35.11.	2,053	1.9	100							I	I	I		I	I	1.6		
Electricity generation from hydropower	CCM 4.5. (Annex I) / D35.11.	113	0.1	100							I	I			I	I	0.2		
Storage of electricity	CCM 4.10. (Annex I) / NA	49	0	100							I	I	I		I	I	0.1	E	
Landfill gas capture and utilization	CCM 5.10. (Annex I) / E38.21.	274	0.3	100							I			I	I	I	0.2		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and at parking spaces belonging to buildings)	CCM 7.4. (Annex I) / F43.11.	196	0.2	100							I					I	0.3	E	
Collection and transportation of non-hazardous and hazardous waste	CCM 2.3 (Annex II) / E38.1.1	1,110	1.1				41,7				I	I		I		I	0.7		
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1.)		4,118	3.9														3.4		
Of which: enabling		245	0.2														0.4	E	
Of which: transitional		0	0														0 ³⁶		T

³⁵ Pursuant to Annex II to Delegated Regulation (EU) 2021/2178 regarding disclosure

³⁶ Following a review, the 3% rate published in 2024 has been modified in this publication.

Financial year 2025				Material contribution criterion						DNSH criteria (compliance with the Do No Significant Harm principle)											
Economic activities (1)	Code(s) (2)	Absolute amount of OPEX (3)	Ratio of OPEX, 2025 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Safeguards (17)	Taxonomy aligned (A1) or eligible (A2) proportion of OPEX, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (21)		
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A.2. CAPEX from taxonomy-eligible but environmentally not sustainable activities (taxonomy-non-aligned activities)																					
				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N												
Electricity generation using bioenergy	CCM 4.8. (Annex I) / D35.11.	313	0.3	Y													1				
Electricity generation from fossil gaseous fuels	CCM 4.29. (Annex I) / NA	11,074	10.5	Y													12				
Collection and transportation of non-hazardous and hazardous waste	CE 2.3. (Annex II) / E38.11.	2,027	1.9				Y										1				
Treatment of hazardous waste	CE 2.4. Annex II) / NA	343	0.3				Y										n/a				
Sorting and material recovery of non-hazardous waste	CE 2.7. (Annex II) / E38.32.	11,200	10.6				Y										2.8				
Revenue from taxonomy-eligible but environmentally not sustainable activities (taxonomy-non-aligned) (A.2.)		24,957	23.7																	16.8	
A: Sales revenues from taxonomy-eligible activities (A.1+A.2.)		29,075	27.6																	20.2	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CAPEX from taxonomy-non-eligible activities		76,289	72.4																		
Total (A+B)		105,364	100																		

OPEX RATIO/ TOTAL OPEX

	Taxonomy-aligned, by objective	Taxonomy-enabled, by objective
Climate change mitigation (CCM)	2.9%	10.8%
Adaptation to climate change (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Transition to a circular economy (CE)	1.1%	12.9%
Pollution prevention and control (PPC)	0%	0%
Protection of biodiversity and ecosystems (BIO)	0%	0%

TABLE 4: ACTIVITIES RELATING TO NUCLEAR ENERGY AND FOSSIL GAS³⁷

Line	Activities relating to nuclear energy	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of cogeneration heat/cooling energy and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cooling energy using fossil gaseous fuels.	YES

³⁷ Pursuant to Annex III to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2021/2178.

TABLE 5: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Line	Economic activity	Revenue		CapEx		OpEx	
		Climate change mitigation (CCM)		Climate change mitigation (CCM)		Climate change mitigation (CCM)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities as specified in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities as specified in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities as specified in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but taxonomy-non-aligned economic activities as specified in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139	13,325	10.8%	1,178	4.4%	11,074	10.5%
5.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities as specified in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities as specified in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities not mentioned in lines 1 to 6	16,665	13.5%	1,769	6.7%	13,883	13.2%
8.	Amount and proportion in the denominator of the applicable KPI of taxonomy-eligible but not taxonomy-aligned economic activities	29,990	24.3%	2,947	11.1%	24,957	23.7%

2.2 Climate change

[GOV-3] Integration of sustainability-related performance in incentive schemes

Currently, performance metrics aligned with climate change and the Company's GHG (greenhouse gas) emission reduction targets are not yet reflected in the remuneration of senior management and board members. However, ALTEO Group's general sustainability incentives are elaborated in detail in sub-chapter *[GOV-3] Integration of sustainability-related performance in incentive schemes*.

[E1-1] Transition plan for climate change mitigation

(E1-1_16) The development of a transition plan for ALTEO Group's energy business line was launched in 2025 with the outline drawn up for the basic concept. Experts were consulted to outline possible measures and decarbonization instruments in line with the emission priorities and existing targets. Prior to the conceptualization, a benchmark analysis was also carried out to assess good practices. The transition measures, decarbonization instruments and resource planning linked to our emission reduction targets will be finalized in the coming years. We will communicate our specific plan for the green transition in our 2028 Sustainability Report.

Our circular business line does not currently have a fully developed roadmap for developing a transition plan.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

(E1.SBM-3_01-07) In preparing the Report, ALTEO Group assessed its exposure and sensitivity to climate change risks (including physical and transition risks) for all its assets and business activities, taking into account their likelihood, magnitude and duration, as well as 1.5°C and high-emission climate scenarios that formed the basis of our TCFD scenario analysis and risk assessment. The exposure of assets and activities is detailed in the sub-chapter on disclosure requirement *[E1-9] Anticipated financial effects from material physical and transition risks and potential climate-related opportunities*, which includes transition and physical risks and opportunities. The Group uses climate scenario analysis as a strategic tool to identify and assess risks and opportunities in the short, medium and long term, and to determine vulnerability. We published our material climate-related physical (chronic) and transition (market, technology, policy and legislation, reputation) risks in a table containing the results of the double materiality assessment in sub-chapter *[SBM-3] Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.

The fact that the availability of resources necessary for ALTEO Group's operations may change in the medium term due to climate change, which could have an adverse impact on business, was identified as a chronic physical risk. In terms of transition opportunities, a shift to lower greenhouse gas emission technologies may result in capital gains or cost reductions for the Group, while in terms of risks, for example, technological failures or disruptions due to globally rising temperatures, drought periods or changes in rainfall patterns; from a market perspective, increased costs of unsustainable operations; tightening of the regulatory environment; and unfavorable investor perception due to inadequate management of the resulting risks could negatively affect ALTEO Group's cash flow, the continuity of use of resources or business relationships.

[IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

(E1.IRO-1_01-16) In identifying and assessing climate change impacts, risks and opportunities, based on the TCFD methodology, we relied on the results of the qualitative climate risk assessment reassessed in 2024. The time horizon and risk assessment approach of our assessment is consistent with that used in the double materiality assessment³⁸ and with ALTEO Group's existing risk assessment methodology.

Our quantified exposures linked to physical risks, as well as to transition risks and opportunities, are discussed in sub-chapter *[E1-9] Anticipated financial effects from material physical and transition risks and potential climate-related opportunities*.

The findings were entered into the Group's risk records, and are continuously monitored and managed in accordance with the Group's risk management strategy and risk management process.

In 2025, ALTEO Group identified and assessed its climate-related material impacts, including negative impacts, risks and opportunities due to GHG emissions, through a double materiality assessment, the details of which are presented in sub-chapter *[IRO-1] Description of processes to identify and assess material impacts, risks and opportunities*.

³⁸ Except for ALTEO Circular Kft., a subsidiary that is not yet covered by the scenario and risk analysis.

[E1-2] Policies related to climate change mitigation and adaptation

The energy and waste management industry, and thus ALTEO Group, plays a major role in managing the global problem of climate change. That is why we are prioritizing climate change mitigation, including, among other things, by reducing the use of fossil fuels, increasing the share of renewables and promoting decarbonization, as well as strengthening the waste recycling activities of our circular economy business.³⁹ Adapting to climate change is a priority for the Group, and we are taking great care to increase the efficiency of our fossil power plants and strictly comply with environmental regulations. ALTEO Group is committed to Hungary’s renewable energy production and circular economy, and to achieving climate neutrality by 2050. Our strategy and business model also reflect this commitment, with innovation and sustainability at its core.

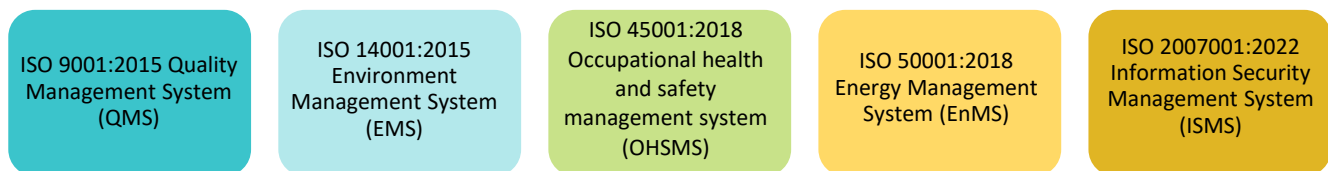
(E1-2_01) Key policies and regulations related to the disclosure requirement:

Material sustainability topics	Related policies, regulations	Scope (MDR-P_02)
Adaptation to climate change Climate change mitigation Energy	ESG Policy	ALTEO Group’s energy business line
	Integrated Management policy	ALTEO Group’s energy business line and ALTEO Circular Kft.
	Quality Management and Environmental Management Policy	FE-GROUP INVEST Zrt.

(MDR-P_01) (MDR-P_03-06) In the energy business line, our ESG Policy summarizes our sustainability commitments, which, like our ESG Strategy, is aligned with the United Nations Sustainable Development Goals. The policy also includes primary environmental positions, as well as planned measures to reduce the environmental footprint, which are available to all stakeholders on the Group’s [website](#). Management is responsible for the implementation of the policy.

The Integrated Management Policy serves as the fundamental document for the Integrated Management System of the energy business line of ALTEO Group. It is a document in which the Company’s management commits itself to providing quality services, safe work environment, energy efficiency, environmental protection and sustainability. Our Integrated Management Policy applies to the whole range of activities and the value chain of the energy industry. By integrating quality management, environmental management, occupational health and safety and energy management systems, the Integrated Management System (IMS) can operate to international standards. This also ensures compliance with current laws and stakeholder expectations. The members of the Executive Board are responsible for the operation of the IMS, while the management of ALTEO Group is responsible for the implementation of the policy. Through its activities, ALTEO serves mitigation and adaptation, as well as energy efficiency and the use of renewable energy.

All of the above is implemented through our Integrated Management System (IMS), which is a system integrating five international standards⁴⁰:



The extract of the Integrated Management Policy can be downloaded from [our website](#), and our employees also receive specific training on the processes and application details.

The Integrated Management System available at ALTEO Circular Kft. is based on the ISO standards QMS, EMS, OHSMS and EnMS, i.e. it is operated in a manner almost identical to the system operated in the energy business line, with the exception of the ISMS (Information Security Management System).⁴¹ The operational framework for the system is defined in the Integrated Management Policy. The system is put in place and is continuously improved so that all activities that have quality, environmental, occupational health and safety, energy consumption impacts are controlled processes that comply with the applicable legislation, professional, standards, external and internal regulations and other requirements we undertake in relation to arising hazards. The manager appointed by senior management is responsible for operations and policy implementation. With the help of the QMS-EMS-OHSMS-EnMS, we ensure that the employees of ALTEO Circular Kft. understand and apply the Integrated Management Manual. All new employees receive training on the policy, and policy content is regularly reviewed for continued suitability during management reviews. Our policy is also made available to all identified stakeholders, and those stakeholders can inspect the policy at any time at our offices in Kistarcsa and Mocsá.

³⁹ Our related strategic targets and results for the current year are reported under disclosure [SBM-1] Strategy, business model and value chain.

⁴⁰ Our certifications are available on our [website](#).

⁴¹ The scope of our Integrated Management System and its components also cover the requirements of the R2v3 standard for electronic waste processing and recycling, which is certified by a separate international standard (preparation of electronic waste for reuse and material recovery). Further details on this are provided in sub-chapter [E5-1] Policies related to resource use and circular economy.

(MDR-P_07) Beyond its Quality Management and Environmental Management Systems and the associated policies, which primarily cover waste management, FE-GROUP INVEST Zrt. currently does not have a separate policy or regulation that addresses climate change mitigation or transition in a documented format.

[E1-3] Actions and resources related to climate change policies

(MDR-A_01-05) As a responsible company, ALTEO Group has a comprehensive sustainability strategy⁴², which includes strategic targets, measures, and metrics to monitor them. Climate change mitigation and adaptation are central elements of our policies and our strategy.

The key measures related to the strategic objectives, on which ALTEO Group’s energy business line is actively working, include the identification and introduction of new business and technological opportunities to reduce negative impacts and potential risks. The core activities of the circular economy business line (managing manufacturing, hazardous and non-hazardous and electronics waste, batteries, waste from machine dismantling, paper and plastic waste, wood waste) contribute to climate change mitigation on an ongoing basis.

The main ongoing measures of our Group are the following:

- **Use of renewable energy sources in energy production, including wind, solar, hydro, biogas and landfill gas technologies.**

In 2025, we have managed to generate 176.5 GWh of electricity from renewable energy sources.

Another key performance indicator for us is the increased share of renewable energy production capacity. The indicators used to measure this include the amount invested in renewables and the volume of energy produced from renewables. (MDR-A_09) In line with EU Taxonomy guidelines, the value of the CapEx spent to increase the share of renewable energy production capacity in the portfolio of ALTEO Group energy business line, is used to produce the indicator. We consider activities such as electricity generation from wind, hydro and solar energy, and landfill gas separation and utilization. This allows us to calculate the total amount invested in renewable energy.

INDICATORS FOR OUR STRATEGIC OBJECTIVE TO INCREASE THE SHARE OF RENEWABLES-BASED ENERGY PRODUCTION CAPACITY	2024	2025
Total amount invested in renewable energy – CapEx (HUF million)	10,907	638
Volume of energy produced from own renewables [GJ]	599,484	635,367

- **Operation of the scheduling service for renewable power plants**, which has enabled us since 2020 to operate the renewable energy production capacity we have built, with the highest possible efficiency.
- **Operation of continuous emission measurement systems with high availability and compliance with daily limits** to ensure regulatory compliance, reduce environmental load and improve operational efficiency. The measure applies to the industrial power plants operated by the Group.
- **Continuous improvement of energy efficiency⁴³**, in line with the objective defined in the Integrated Management Policy. In this context, **investment projects are implemented to achieve various energy efficiency targets, conduct diagnostic maintenance, support the education and training of the next generation of employees, and raise the awareness of the future generations in this regard. In 2025, when our headquarters was relocated, energy efficiency considerations were taken into account when selecting the new office building and determining the necessary equipment required there.**
- **We support the education and training of the next generation of employees and raise awareness concerning energy efficiency.**
- **The circular economy business line is involved in recycling industrial waste, that is, extracting and processing new raw materials resulting in secondary raw materials**, and by providing companies with complex waste management systems, or simply by duly and properly managing waste, and by ensuring environmental compliance and advice to **its partners, raising awareness of the principles of the circular economy.**

(MDR-A_01-06) (MDR-09-12) (E1-3_01) ALTEO Group’s energy business line is currently developing its transition plan for climate change mitigation; therefore, decarbonization measures and the associated CapEx and OpEx costs have not yet been determined, nor are these figures currently available for the circular economy business line. However, current measures are primarily linked to the use of renewable energy sources, industrial energy efficiency and decarbonization of the supply chain.

(E1-3_05) The implementation of actions depends largely on the availability and appropriate distribution of resources. The availability of human resources to build new renewable power plants and to implement waste management processes is essential, as is the availability of

⁴² Our ESG strategy is available [on our website](#).

⁴³ The efficiency, adjustability and central monitoring of ALTEO Group’s energy business line is ensured by the Virtual Power Plant.

technology. Where wind turbines are concerned, there may be a waiting time of several years due to the length of the manufacturing process, while solar panels require rare earth elements, which also limit the availability of the resources. In addition, adequate green loans need to be available to secure financing for renewable energy production projects.

Highly skilled professionals are needed to provide scheduling services of appropriate quality, and this may be hampered by the expansion of the market.

Together, these factors determine the success and effectiveness of actions and the achievement of long-term goals. In response to these challenges, our Company is constantly looking for ways to make the best use of resources.

[\(E1-3_03-04\)](#) Information on our current GHG emission reductions in the energy and circular economy business lines is provided in sub-chapter [\[E1-6\] Gross Scope 1, 2, 3 and Total GHG emissions](#), to which the measures described have also contributed significantly. However, our Group does not currently track the reductions achieved through the various measures; instead, effectiveness of these measures is assessed and monitored internally or by analyzing the indicators published in our Sustainability Report.

[E1-4] Goals related to climate change mitigation and adaptation

[\(MDR-T_01-09\)](#) [\(MDR-T_11\)](#) [\(E1-4_01\)](#) In order to mitigate climate change, we have defined our targets for reducing our carbon footprint in our ESG strategy up until 2030, with the support of employees from the relevant departments and the approval of senior management. Based on this strategy, we aim to reduce our direct Scope 1 emissions by at least 20%, our indirect Scope 2 emissions by 30%, and other indirect Scope 3 emissions by 50% by 2030. We are also using our natural gas-fired power plants to compensate for the fluctuations of renewable energy sources, stabilizing the electricity system and supporting the more extensive integration of renewables. Our targets are defined for our energy business line, and we are currently developing a strategy for our circular economy business line.

[\(E1-4_02\)](#) [\(E1-4_04\)](#) [\(E1-4_07\)](#) [\(E1-4_10\)](#) [\(E1-4_16\)](#)

GHG emission reduction targets ⁴⁴	Base year	Target year	Target for 2030	Target in absolute terms ⁴⁵ (for 2050)	Target for 2050
Scope 1	2019	2050	20%	50%	100% (net zero)
Scope 2	2019	2050	30%	75%	100% (net zero)
Scope 3	2021	2050	50%	100%	100% (net zero)

We have set further ambitious targets for 2050: to have ALTEO Group’s energy business line transition to net-zero operation. Achieving these targets will contribute to meeting the European Union’s net zero emissions targets. Apart from these targets, we did not consider it necessary to define any further intermediate objectives and milestones, and therefore these are not relevant for ALTEO Group’s energy business line. Our Scope 2 greenhouse gas emission reduction target is set on a location basis.

[\(MDR-T_10\)](#) [\(E1-4_22\)](#) ALTEO has developed its 2030 and 2050 emission reduction targets in line with the 1.5 °C warming limit of the Paris Agreement ratified by the European Union. The details of the methodology and quantified benchmarks will be defined in the next reporting cycle.⁴⁶

[\(E1-4_18\)](#) In order to ensure consistency between greenhouse gas (GHG) emission reduction targets and GHG inventory limits, we apply the GHG (Greenhouse Gas) Protocol standard. [\(E1-4_19\)](#) There is no information on the past progress towards the targets from before the current base year. [\(E1-4_20-21\)](#) The baseline remains representative as our energy activities have not changed significantly since 2023.

[\(E1-4_24\)](#) Climate risks have been assessed in terms of the impact on the Company’s financial position and the achievement of strategic goals, in line with the Company’s existing ERM (risk analysis) methodology. We considered 2 climate scenarios⁴⁷ (1.5 °C and 4 °C warming paths), for which we assessed the relevant risks over 3 time horizons: short (2025), medium (2030) and long (2050, trend assessment only). Currently, no specific assessment has been carried out to identify decarbonization instruments.

Furthermore, the Group does not use technological (e.g., CCS/CCU), market-based (carbon credits), or nature-based (e.g., afforestation) carbon neutralization measures. We, therefore, have no information in this regard. However, we intend to explore further strategies and assets that can contribute to reducing emissions through decarbonization in the future.

⁴⁴ [\(MDR-T_12-13\)](#) There have been no changes to the targets compared to previous years; our progress can be viewed in sub-chapter [\[E1-6\] Gross Scope 1, 2, 3 and Total GHG emissions](#).

⁴⁵ The reduction in absolute terms is expressed as a percentage of emissions in the base year, as required by the ESRS, and is not an intensity indicator linked to production or turnover.

⁴⁶ Based on the guidance in ESRS E1 AR 26, companies can refer to sectoral emission trajectories aligned with the achievement of the 1.5°C warming limit to set benchmarks. ALTEO has not prepared a separate reference trajectory calculation for this reporting year, as a detailed comparison with science-based trajectories will be carried out in parallel with the development of the transition plan, which is underway.

⁴⁷ Reference scenarios used to define the 1.5 °C scenario: IPCC RCP 2.6, IPCC SSP1, NDCs (EU). Reference scenarios used to define the 4 °C scenario: IPCC RCP 8.5, IPCC SSP5.

In our updated strategy, our primary focus is still on identifying profitable investments and significantly expanding our green portfolio. In the spirit of transparency, we prepare an annual report on the total amount invested in renewables and the volume of energy produced from renewables. This report provides an opportunity for stakeholders and partners to monitor our progress and commitment to achieving sustainability goals.

With these steps, we are determined to reduce GHG emissions, while continuing to develop sustainable energy solutions that help us achieve our environmental and economic targets. (E1-4_23) At present, we do not assess the reduction volumes achieved for each individual mitigation measure separately.

[E1-5] Energy consumption and mix

The energy mix of ALTEO Group is presented in the following sub-chapter, broken down by our energy and circular economy business lines.

Characteristics of the energy business line

(E1-5_01-15)

ENERGY CONSUMPTION AND MIX OF ALTEO GROUP'S ENERGY BUSINESS LINE ⁴⁸	Unit of measurement	2024	2025
Total energy consumption related to own operations	MWh	4,034,670	3,798,823
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	2,926	2,385
Fuel consumption from natural gas	MWh	3,640,565	3,583,717
Fuel consumption from other fossil sources	MWh	328,747	150,106
Consumption of purchased or procured electricity, heat, steam, and cooling from fossil sources	MWh	8,040	8,435
Total energy consumption from fossil sources	MWh	3,980,278	3,744,643
Total fossil energy consumption	%	98.64%	98.57%
Total energy consumption from nuclear sources	MWh	7,813	6,781
Share of energy consumption from nuclear sources in total energy consumption	MWh	0.19%	0.18%
Fuel consumption from renewable sources	MWh	42,669	42,856
Consumption of purchased or procured electricity, heat, steam, and cooling from renewable sources ⁴⁹	MWh	0	0
Consumption of self-generated non-fuel renewable energy	MWh	3,910	4,542
Share of renewable energy sources in total energy consumption	%	1.16%	1.25%
Total energy consumption from renewable sources	MWh	46,579	47,398

⁴⁸ As described in the sub-chapter [BP-1] [BP-1] General basis for preparation of the sustainability statement, ALTEO tracks all energy flows related to its own operations, including the fuel and electricity consumption of the power plants it operates, which are included in this energy consumption report.

⁴⁸ Based on the review of the classification of Tisza-WTP Kft., the company is no longer included in the metric. As a result, the category has been recalculated and restated for 2024.

⁴⁹ In the 2024 report, the original figure was 4,096 MWh, meaning that the total share of renewable energy was also higher, at 1.25%.

(E1-5_18-21)

ENERGY INTENSITY OF ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS (ENERGY BUSINESS LINE ⁵⁰)	Unit of measurement	2024	2025	Change (%)
Energy intensity of activities in high climate impact sectors ⁵¹ (total energy consumption per net revenue) ⁵²	MWh/HUF million	38.28	36.42	-1.86
Total energy consumption of activities in high climate impact sectors	MWh	4,034,670	3,798,823	-5.84
Net revenue from activities in high climate impact sectors	HUF million	105,389	104,314	-1.02
Net revenues from activities outside high climate impact sectors	HUF million	0	0	0

(E1-5_16-17)

ENERGY PRODUCTION	Unit of measurement	2024	2025
Non-renewable energy production	MWh	3,374,873	3,752,018
Renewable energy production	MWh	166,523	176,491

Characteristics of the circular economy business line

(E1-5_01-15)

ENERGY CONSUMPTION AND MIX OF ALTEO GROUP'S CIRCULAR ECONOMY BUSINESS LINE	Unit of measurement	2024	2025
Total energy consumption related to own operations	MWh	2,844	5,748
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	1,914	3,261
Fuel consumption from natural gas	MWh	94	142
Fuel consumption from other fossil sources	MWh	420	750
Consumption of purchased or procured electricity, heat, steam, and cooling from fossil sources	MWh	125	877
Total energy consumption from fossil sources	MWh	2,642	5,031
Total fossil energy consumption	%	98.77%	87.52%
Total energy consumption from nuclear sources	MWh	202	718
Share of energy consumption from nuclear sources in total energy consumption	%	7%	12%
Fuel consumption from renewable sources	MWh	0	0
Consumption of purchased or procured electricity, heat, steam, and cooling from renewable sources ⁵³	MWh	0	0
Consumption of self-generated non-fuel renewable energy	MWh	0	0
Total energy consumption from renewable sources	MWh	0	0
Share of renewable energy sources in total energy consumption	%	0%	0%

⁵⁰ Energy production, energy trading, e-mobility, energy business and energy services, production management services, waste management.

⁵¹ The net revenues from high climate impact sectors have been determined by classifying the core activities of subsidiaries and parent companies within ALTEO Group according to NACE code.

⁵² ALTEO Group's net revenue linked to the energy business line in the current year amounted to HUF 104,314 million. The revenue figure shown is the same as that in the financial report.

⁵³ In the 2024 report, the original figure was 80 MWh, meaning that the total share of renewable energy was also higher, at 2.8%.

(E1-5_18-21)

ENERGY INTENSITY OF ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS (WASTE MANAGEMENT ⁵⁴)	Unit of measurement	2024	2025	Change (%)
Energy intensity of activities in high climate impact sectors (total energy consumption per net revenue) ⁵⁵	MWh/HUF million	0.45	0,30	-0.10
Total energy consumption of activities in high climate impact sectors	MWh	2,844	5,748	The change is not being published due to the integration of ALTEO Circular Kft.
Net revenue from activities in high climate impact sectors	HUF million	6,292	19,149	
Net revenues from activities outside high climate impact sectors	HUF million	0	0	0

Energy consumption and energy structure characteristics of the ALTEO Group

(E1-5_01-15)

ENERGY CONSUMPTION AND MIX OF ALTEO GROUP'S CIRCULAR ECONOMY BUSINESS LINE	Unit of measurement	2024	2025
Total energy consumption related to own operations	MWh	4,037,514	3,804,571
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	4,840	5,646
Fuel consumption from natural gas	MWh	3,640,659	3,583,859
Fuel consumption from other fossil sources	MWh	329,167	150,856
Consumption of purchased or procured electricity, heat, steam, and cooling from fossil sources	MWh	8,165	9,312
Total energy consumption from fossil sources	MWh	3,982,831	3,749,673
Total fossil energy consumption	%	98.65%	98.56%
Total energy consumption from nuclear sources	MWh	8,015	7,499
Share of energy consumption from nuclear sources in total energy consumption	%	0.20%	0.20%
Fuel consumption from renewable sources	MWh	42,669	42,856
Consumption of purchased or procured electricity, heat, steam, and cooling from renewable sources	MWh	0	0
Consumption of self-generated non-fuel renewable energy	MWh	3,910	4,542
Total energy consumption from renewable sources	MWh	46,579	47,398
Share of renewable energy sources in total energy consumption	%	1.15%	1.25%

ENERGY INTENSITY OF ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS (ENERGY BUSINESS LINE)	Unit of measurement	2024	2025	Change (%)
Energy intensity of activities in high climate impact sectors (total energy consumption per net revenue)	MWh/HUF million	38	31	0
Total energy consumption of activities in high climate impact sectors	MWh	4,037,514	3,804,571	-0.06
Net revenue from activities in high climate impact sectors	HUF million	105,389	123,463	17
Net revenues from activities outside high climate impact sectors	HUF million	0	0	0

⁵⁴ The net revenues from high climate impact sectors have been determined by classifying the core activities of subsidiaries and parent companies within ALTEO Group according to NACE code.

⁵⁵ ALTEO Group's net revenue linked to the circular economy business line in the current year amounted to HUF 19,149 million. The revenue figure shown is the same as that in the financial report.

[E1-6] Gross Scope 1, 2, 3 and Total GHG emissions

ALTEO Group is committed to operating in a sustainable manner and, therefore, continuously strives to reduce its environmental load, and to disclose information as transparently as possible. We achieve the reduction of our environmental load partly by increasing the share of renewable energy sources and circular economy solutions, but it is equally important for us to minimize the environmental impacts of existing energy production processes. The strategic objectives of ALTEO Group include reducing our emissions of pollutants and greenhouse gases in order to actively contribute to the protection of the environment and a sustainable future. To this end, we continuously improve our technologies and processes while taking account of opportunities, and we regularly review our GHG emission calculations and adjust our methodology.

[\(E1-6_15\)](#) In our GHG calculations, we conducted market and location-based analyses, and our calculations were prepared in accordance with the methodologies specified in the relevant standards of the GHG Protocol. The Group's operations are limited to a single country; therefore, we have not broken down our GHG emissions by other criteria (such as country, operating segment, economic activity, subsidiary, GHG category, etc.), but only by business lines (energy and circular economy). [\(E1-6_14-16\)](#) [\(E1-6_29\)](#) We used a financial control approach to calculate our direct and indirect emissions. In the 2025 financial year, the increase in GHG emissions reported in the table for circular economy business line, due to the acquisition of ALTEO Circular Kft., resulted in a more significant change compared to the 2024 figures, which also affects GHG intensity. No other changes have been implemented with regard to the ALTEO Group's scope of operations or its value chain.

ALTEO Group has drawn up its sustainability strategic goals for the long term, and has set emission reduction targets for 2030 and 2050; the Company does not have annual emission reduction targets, on the formulation of which we provided details in sub-chapter [\[E1-4\]](#) [\[E1-4\]](#) *Targets related to climate change mitigation and adaptation.*

Gross Scope 1, 2, 3 and Total GHG emissions for the Energy business line

In the energy industry, we need to find the optimal balance between economic efficiency and environmental sustainability. Although energy production and use are essential for the economy and society, traditional methods can have harmful effects on the environment and even on human health.

[\(E1-6_15\)](#) In its direct ("Scope 1") and indirect ("Scope 2") carbon calculations, ALTEO Group's energy business line uses the DEFRA (Department for Environment, Food & Rural Affairs) conversion factors and the emission factors of HEPURA and domestic suppliers to convert its greenhouse gas emissions from petrol, diesel and purchased heat to carbon dioxide equivalents.

[\[BP-1\]](#) In line with sub-chapter [\[BP-1\]](#) *General basis for preparation of the sustainability statement*, ALTEO also classified the energy demand associated with the operation of the power plants it operates and the resulting emissions as relevant information related to its service provision and activities, during the reporting process, therefore, these are presented under Scope 2 and Scope 3, Category 3.

[\(E1-6_18-19\)](#) Taking into account the principles and requirements of the GHG Protocol's Scope 2 guidelines, the share of the Group's contract assets used in its Scope 2 greenhouse gas emissions and for the sale and purchase of energy is 0%. As there are no contract assets at our Company, their types are not relevant.

Our facilities that are part of the European Union's carbon emissions trading system (EU ETS) are the Győr Power Plant, the Sopron Power Plant, the Kazincbarcika Heating Power Plant, the Tiszaújváros Heating Power Plant, and the Fűredi utca Heating Power Plant. The aforementioned power plants participate in the EU-ETS emissions trading system, and also receive emission unit allocations. [\(E1-6_08\)](#) In 2025, freely allocated allowances covered around 11% of the total emissions by the power plants of ALTEO Group; therefore, we had to purchase a large amount of CO₂ quotas at auctions.

TOTAL RECEIVED AND PURCHASED CO ₂ QUOTA OF ALTEO GROUP (tCO ₂ e)	2024	2025
Free allowances of CO ₂ e emissions	13,629	13,098 ⁵⁶
Allowances of CO ₂ e emissions allocated at auction	94,984 ⁵⁷	92,418

[\(E1-6_29\)](#) The other indirect (Scope 3) emissions of ALTEO Group's energy business line were measured for the first time in the calendar year 2021. No new materiality assessment was carried out for the Scope 3 categories, as there were no material changes in the energy business line's operations in 2025 compared to the 2021 assessment. After 2022, calculation methodology and data reporting was again based on the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard to ensure that the Group's value chain emissions are measured according to an internationally accepted methodology. Scope 3 emissions accounted for approximately 79% of the total emissions of ALTEO Group's energy business line in 2025, representing 513,957.9 tCO₂e out of a total (Scope 1 + market-based Scope 2 + Scope 3) of 650,070.7 tCO₂e of emissions.

⁵⁶ The verification of EU ETS emissions is in progress at the time of preparing the Sustainability Report, so the value included here is an estimated value according to the ESRS classification available at the time of preparing the report, which will be re-disclosed in the next year's report if it is clarified.

⁵⁷ The verification of EU ETS emissions was ongoing when the 2024 Sustainability Report was prepared; therefore, the figure included in the previous report (95,212 tCO₂e) was considered an estimated value based on the ESRS classification, which we have restated in this report following verification.

(E1-6_27) In calculating its Scope 3 emissions, ALTEO Group’s energy business line took the following categories into account in 2025, in accordance with the methodological scope: 1. purchased goods and services; 2. capital goods; 3. fuel and energy-related activities (not included in Scope 1 or Scope 2); 4. upstream transportation and distribution; 5. waste generated in operations; 6. business travel; 7. employee commuting; 8. upstream leased assets; 9. downstream transportation; 11. use of sold products; 12. end-of-life treatment of sold products.

In the energy business line, the reasons for the significant changes in 2025 compared to the 2024 emissions data, broken down by category, were as follows:

- 1. Purchased goods and services: In 2025, the volume of raw materials and services increased, which also led to a rise in related emissions (particularly in the case of project development items). In addition, the costs associated with the new office resulted in significant additional emissions.
- 2. Capital goods: Capital goods related to project development in the energy business line increased in 2025, which was a major contributor to the growth in Category 3.2.
- 3. Fuel and energy-related activities (not included in Scope 1 or Scope 2): The exclusion of the Tisza WTP associate from the scope of consolidation resulted in no steam settlement recorded this year, and a significant portion of district heating consumption was also excluded (approximately 98%). However, the significant increase in electricity sales led to growth in this category.
- 4. Upstream transportation and distribution: The decrease in the volume of transported products led to a reduction in emissions from related transportation.
- 9. Downstream transportation and distribution: The increase in the volume transported led to a rise in related emissions.
- 12. End-of-life treatment of sold products: The 2024 data for this category has been recalculated with respect to the number of charging stations and solar panels sold. No solar panels were sold in 2025, thus no emissions related to the end-of-life treatment of these products incurred that year, resulting in lower emissions compared to 2024.

(E1-6_01) (E1-6_07-13) CARBON DIOXIDE EMISSIONS OF ALTEO GROUP’S ENERGY BUSINESS LINE

	Actual data				Milestones and target years			
	Base year value	2024	2025	Change (%)	2025	2030	2050	Annual % target value / base year
Scope 1 GHG emissions⁵⁸								
Gross Scope 1 GHG emissions (tCO ₂ e)	219,987	133,671.5	131,283.2	-2	-	20%	50%	-
Percentage of GHG emissions from Scope 1 regulated emissions trading systems (%)	201,235	108,612.8 (80%)	105,516.2 (80%)	-3	-	-	-	-
Scope 2 GHG emissions⁵⁹								
Gross Scope 2 location-based GHG emissions tCO ₂ e	2,878	4,443.5	4,165.5	-6	-	30%	75%	-
Scope 2 market-based GHG emissions (tCO ₂ e)	-	5,215.7	4,829.6	-7	-	30%	75%	-
Scope 3 GHG emissions (tCO₂e)⁶⁰								
Total gross indirect Scope 3 GHG emissions (tCO₂e)	330,007.2	414,195.8	513,957.9	+24	-	55%	100%	-
1. Purchased goods and service	4,078.9	5,285.1	14,118.0	+167	-	-	-	-
2. Capital goods	1,416.7	8,977.9	10,796.3	+20	-	-	-	-

⁵⁸ We have recalculated the Scope 1 emissions data for 2024 based on the harmonization of emission factors and the final 2024 ETS emission values. For the sake of comparability, we have restated the figures in this report (figures published in the 2024 report: Gross Scope 1 GHG emissions: 131,061, GHG emissions from Scope 1 regulated emissions trading systems: 108,841 tCO₂e)

⁵⁹ We have recalculated the Scope 2 emission data for 2024 due to the harmonization of emission factors and the re-classification of Tisza-WTP Kft. We have also retroactively included market-based emissions. For the sake of comparability, we have restated the figures in this report (figures published in the 2024 report: Gross location-based Scope 2 GHG emissions 3,637 tCO₂e, market-based 3,313 tCO₂e).

⁶⁰ For Scope 3 Categories 3, 4, 5, 7, and 12, we recalculated the 2024 emission figures following a review of the methodology and have restated them to ensure comparability. Category 3 was recalculated due to a review of Tisza-WTP Kft.’s classification. For Category 4, we corrected the units of measurement for two delivered items and applied the corresponding emission factors. For Category 5, we refined the calculation using emission factors tailored to the type of waste and the relevant treatment method. For Category 7, we adjusted the commuting emissions based on the workweek. For Category 12, to ensure comparability, we have included the end-of-life treatment of products sold under Category 11 in accordance with the 2025 approach (values published in the 2024 report: Gross Scope 3 GHG emissions, Category 3 347,803.5 tCO₂e, Category 4 325.3 tCO₂e, Category 5 293.3 tCO₂e, Category 7 131.4 tCO₂e, Category 12 0 tCO₂e).

	Actual data				Milestones and target years			
	Base year value	2024	2025	Change (%)	2025	2030	2050	Annual % target value / base year
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	241,440	347,772.1	434,684.1	+25	-	-	-	-
4. Upstream distribution and transport	105.86	3,963.5	2,234.9	-44	-	-	-	-
5. Waste generated in operations	106.6	1,188.5	1,124.7	-5	-	-	-	-
6. Business trips	*	6.0	7.0	+15	-	-	-	-
7. Employee commuting	206.6	178.0	158.6	-11	-	-	-	-
8. Upstream leased assets	4	18.2	*	-	-	-	-	-
9. Downstream transport	17.45	159.1	250.2	+57	-	-	-	-
10. Processing of products sold	*	*	*	-	-	-	-	-
11. Processing of sold products	61,600.3	46,647.3	50,584.0	+8	-	-	-	-
12. End-of-life treatment of sold products	21,030	0.06	0.02	-74	-	-	-	-
13. Downstream leased assets	*	*	*	-	-	-	-	-
14. Franchise agreements	*	*	*	-	-	-	-	-
15. Investments	*	*	*	-	-	-	-	-
Total GHG emissions (location-based) (tCO₂e)	552,872.2	552,310.8	649,406.6	+18	-	-	-	-
Total GHG emissions (market-based) (tCO₂e)	555,878.2	553,083	650,070.7	+18	-	-	-	-

* The (E1-6_26) category was not considered significant for the activities of the Energy business line, and was not calculated.

The specific CO₂ emissions of power plants owned by ALTEO Group continued to drop in the past year. As an energy producing company, we place a high priority on emission intensity, i.e. the volume of emissions per unit of energy produced. The specific carbon dioxide emissions of ALTEO Group's energy business line were calculated as the ratio of its Scope 1 emissions (131,283.2 tCO₂e) to the total volume of energy produced (3,928,509 MWh).

SPECIFIC CO ₂ EMISSIONS OF ALTEO GROUP'S ENERGY BUSINESS LINE (kgCO ₂ E/MWh)	2024	2025
Specific emission	37.75	33.42

Gross Scope 1, 2, 3 and Total GHG emissions for the Circular economy business line

At our waste management subsidiaries, all phases of waste management, including collection, transport, storage and processing, as well as ALTEO Circular Kft.'s commercial activities (domestic sales and exports) contribute to the Company's overall carbon footprint with significant CO₂ and CH₄ (methane) emissions.

(E1-6_15) In its direct (Scope 1) and indirect (Scope 2) carbon dioxide emissions calculations, ALTEO Group's circular economy business line uses the DEFRA (Department for Environment, Food & Rural Affairs) conversion factors and the emission factors of HEPURA and domestic suppliers to convert its greenhouse gas emissions from petrol, diesel, LPG, and natural gas consumption and from purchased electricity and heat energy to carbon dioxide equivalents.

(E1-6_18-19) Taking into account the principles and requirements of the GHG Protocol's Scope 2 guidelines, the share of the Group's contract assets used in its Scope 2 greenhouse gas emissions and for the sale and purchase of energy is 0%. As there are no contract assets at our Company, their types are not relevant.

(E1-6_27) Based on the scope of the calculation methodology for other indirect (Scope 3) emissions in the circular economy business line, categories that are not relevant to the calculation of emissions associated with the Company's operations have been excluded. In calculating its Scope 3 emissions, ALTEO Group's circular economy business line took the following categories into account in 2025, in accordance with the methodological scope: 1. purchased goods and services; 2. capital goods; 3. fuel and energy-related activities (not included in Scope 1 or Scope 2); 4. upstream transportation and distribution; 5. waste generated in operations; 7. employee commuting; 8. upstream leased assets; 9. downstream transportation; 10. processing of sold products; 13. downstream leased assets.

Calculation methodology and data reporting was based on the WBCSD/WRI GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard to ensure that the Group's value chain emissions are measured according to an internationally accepted methodology. Scope 3

emissions accounted for approximately 99% of the total emissions of the circular economy business line in 2025, amounting to 14,088 tons of CO₂e.

(E1-6_01) (E1-6_07-13) CARBON DIOXIDE EMISSIONS OF THE CIRCULAR ECONOMY BUSINESS LINE

	Actual data				Milestones and target years			Annual % target value / base year
	Base year value	2024	2025	Change ⁶¹ (%)	2025	2030	2050	
Scope 1 GHG emissions⁶²								
Gross Scope 1 GHG emissions (tCO ₂ e)	598.0	549.5	1,347.4	-	-	-	-	-
Percentage of GHG emissions from Scope 1 regulated emissions trading systems (%)	-	-	-	-	-	-	-	-
Scope 2 GHG emissions⁶³								
Gross Scope 2 location-based GHG emissions tCO ₂ e	65.0	114.1	438.4	-	-	-	-	-
Scope 2 market-based GHG emissions (tCO ₂ e)	65.0	133.9	508.2	-	-	-	-	-
Scope 3 GHG emissions (tCO₂e) ⁶⁴								
Total gross indirect Scope 3 GHG emissions (tCO₂e)	3,001.1	3,921.5	14,087.8	-	-	-	-	-
1. Purchased goods and service	125.6	209.9	4,369.5	-	-	-	-	-
2. Capital goods	176.9	167.8	1,740.1	-	-	-	-	-
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	100.0	119.0	316.8	-	-	-	-	-
4. Upstream distribution and transport	135.2	36.0	1,381.9	-	-	-	-	-
5. Waste generated in operations	1,201.5	1,528.7	3,491.0	-	-	-	-	-
6. Business trips	*	*	*	-	-	-	-	-
7. Employee commuting	55.8	99.0	279.4	-	-	-	-	-
8. Upstream leased assets	*	54.6	214.5	-	-	-	-	-
9. Downstream transport	246.1	248.4	481.2	-	-	-	-	-
10. Processing of products sold	945.9	1,388.7	1,750.9	-	-	-	-	-
11. Processing of sold products	*	*	*	-	-	-	-	-
12. End-of-life treatment of sold products	*	*	*	-	-	-	-	-
13. Downstream leased assets	14.2	69.4	62.5	-	-	-	-	-
14. Franchise agreements	*	*	*	-	-	-	-	-
15. Investments	*	*	*	-	-	-	-	-
Total GHG emissions (location-based) (tCO₂e)	3,574.1	4,585.1	15,873.6	-	-	-	-	-
Total GHG emissions (market-based) (tCO₂e)	3,574.1	4,604.9	15,943.4	-	-	-	-	-

* The (E1-6_26) category was not considered significant for the activities of the companies in the Circular economy business line, and was not calculated.

⁶¹ As described in sub-chapter [BP-2] Disclosures in relation to specific circumstances of the report, we do not disclose the figures of the change for the business line.

⁶² We have recalculated the Scope 1 emissions data for 2024 due to the harmonization of emission factors. For the sake of comparability, we have restated the figures in this report (figures published in the 2024 report: Gross Scope 1 GHG emissions: 540.3 tCO₂e)

⁶³ We have recalculated the Scope 2 emissions data for 2024 due to the harmonization of emission factors. For the sake of comparability, we have restated the figures in this report (figures published in the 2024 report: Gross location-based Scope 2 GHG emissions 133.9 tCO₂e, market-based 136.6 tCO₂e).

⁶⁴ For Scope 3 Categories 5, 8, and 13, we recalculated the 2024 emission figures of FE-GROUP INVEST Zrt. following a review of the methodology and have restated them to ensure comparability. For Category 5, we refined the calculation using emission factors tailored to the type of waste and the relevant treatment method. For Category 8, we compared the consumption figures with the Scope 2 calculations, and updated the list of leased assets accordingly. For Category 13, we compared the consumption figures with the Scope 2 calculations and updated the list of leased-out assets accordingly (figures published in the 2024 report: Gross Scope 3 GHG emissions, Category 5 2,856.4 tCO₂e, Category 8 0 tCO₂e, Category 13 0 tCO₂e).

(E1-6_01) (E1-6_07-13) CARBON DIOXIDE EMISSIONS OF ALTEO GROUP

	Actual data				Milestones and target years			Annual % target value / base year
	Base year value ⁶⁵	2024	2025	Change (%)	2025	2030	2050	
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO ₂ e)	-	134,221.0	132,630.6	+1	-	-	-	-
Percentage of GHG emissions from Scope 1 regulated emissions trading systems (%)	-	108,612.8 (81%)	105,516.2 (80%)	-3	-	-	-	-
Scope 2 GHG emissions								
Gross Scope 2 location-based GHG emissions tCO ₂ e	-	4,557.6	4,603.9	+1	-	-	-	-
Scope 2 market-based GHG emissions (tCO ₂ e)	-	5,349.6	5,337.8	0	-	-	-	-
Scope 3 GHG emissions (tCO₂e)								
Total gross indirect Scope 3 GHG emissions (tCO₂e)	-	418,117.3	528,045.6	+2	-	-	-	-
1. Purchased goods and service	-	5,495.0	18,487.6	+236	-	-	-	-
2. Capital goods	-	9,145.7	12,536.4	+37	-	-	-	-
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	-	347,891.1	435,000.9	+25	-	-	-	-
4. Upstream distribution and transport	-	3,999.5	3,616.8	-10	-	-	-	-
5. Waste generated in operations	-	2,717.2	4,615.7	+70	-	-	-	-
6. Business trips	-	6.0	7.0	+14	-	-	-	-
7. Employee commuting	-	277.0	438.0	+58	-	-	-	-
8. Upstream leased assets	-	72.8	214.5	+195	-	-	-	-
9. Downstream transport	-	407.5	731.4	+79	-	-	-	-
10. Processing of products sold	-	1,388.7	1,750.9	+26	-	-	-	-
11. Processing of sold products	-	46,647.3	50,584.0	+8	-	-	-	-
12. End-of-life treatment of sold products	-	0.1	0.02	-80	-	-	-	-
13. Downstream leased assets	-	69.4	62.5	-10	-	-	-	-
14. Franchise agreements	-	-	-	-	-	-	-	-
15. Investments	-	-	-	-	-	-	-	-
Total GHG emissions (location-based) (tCO₂e)	-	556,895.9	665,280.1	+19	-	-	-	-
Total GHG emissions (market-based) (tCO₂e)	-	557,687.9	666,014	+19	-	-	-	-

(E1-6_33-35) GHG INTENSITY BASED ON NET REVENUE AT ALTEO GROUP	Unit of measurement	2024	2025	Change (%)
Net revenue used to calculate GHG intensity	HUF million	105,389	123,463	+17
Net revenue not used to calculate GHG intensity	HUF million	0	0	0
GHG emissions intensity ⁶⁶	CO ₂ e/HUF million	5.28	5.39	+2

⁶⁵ The base years and their corresponding values differ between the energy and circular economy business lines, and as such are not disclosed.

⁶⁶ (E1-6_30) Based on the reliability of the data, ALTEO Group calculated its GHG intensity exclusively on a location basis. Based on the recalculation of the 2024 data, the intensity value was also recalculated and then republished, which was 56.6 CO₂e/million HUF in the 2024 report.

(E1-6_32) The operations of both business lines of ALTEO Group are carried out in GHG-intensive industries; therefore, the net revenue used to calculate emission intensity is equal to the Company's total revenue. The net revenue is reconciled to the consolidated sales revenue line in the financial statements. By carefully reviewing and harmonizing the revenue data in the financial statements, we ensure that the net revenue used to calculate the GHG emissions intensity accurately reflects the Company's actual economic activity. While doing so, we take into account the credibility of relevant financial data and reconcile them with the values disclosed in sustainability reports, ensuring transparency and reliability from both a financial and environmental perspective.

(E1-6_15) Additional characteristics of GHG emissions calculation methodologies

- In our calculations, we used CO₂e-based factors by default; however, for some items, the sources published only CO₂ values. We used a CO₂-based factor in the following cases: In the case of HEPURA's statistical specific emissions, the electricity data for MVM Next and the Hungarian residual mix, as well as the values related to Scope 3.3 upstream district heating emissions.
- In the Scope 1 calculation, emissions from the use of company vehicles are calculated from the fuel used and the conversion factor from the DEFRA (Department for Environment, Food & Rural Affairs) database.
- Emissions from power plants are calculated based the amount of fuel used and the available quality certificates.
- For Scope 2, based on purchased electricity and heat energy, we calculate market-based emissions using the AIB Residual mix, and location-based emissions using the conversion factors reported by Hungarian providers as market averages.
- The methodology used to calculate Scope 3 emissions involves several steps and approaches, depending on the type of data available. We primarily used three methods: the method based on averaged data, the distance-based method, and the expenditure-based method. When calculating the various Scope 3 categories, we took into account financial or consumption-related items pertaining to the same activity that appeared in multiple categories, intra-group sales where applicable, and filtered these out to address any duplication. We obtained the emission factors from the databases listed below; we did not use emission factors provided by our direct suppliers.
 - For transport-related emissions, the distance-based method calculates emissions by multiplying the weight of the shipment by the distance travelled and the corresponding emission factor. This factor includes emissions from the upstream and combustion stages, which represent emissions from fuel extraction, processing and combustion. In cases where specific data on vehicle type and fuel used were not available, an average emission factor was applied to a standard truck. The methodology also takes into account the load capacity of the vehicle to accurately calculate emissions per ton-kilometer. The sources of emission factors are the DEFRA (Department for Environment, Food & Rural Affairs), Bilan Carbone, Base-Empreinte, IEA and Nowtricity databases.
 - In cases where expenditure data were available instead of specific transport metrics, the expenditure-based method was used. This required the items denominated in HUF to be converted to GBP using the daily average exchange rates for 2025 available on the Exchanges Rates UK website, because the cost-based emission factors used were available in the DEFRA database in GBP. We then multiplied the costs converted to GBP by the emission factors. This method did not require adjustment for inflation due to the availability of up-to-date financial data.
 - In addition, the averaged data method was used for products defined by weight or number of items. We assigned the products listed by weight, typically raw materials, to the emission factors of similar products publicly available in the EPD Library, based on their categories. This method multiplied the specified weight or volume of the product by the average cradle-to-gate emissions of the product used, covering both the extraction and manufacturing phases up to the first retailer. For products specified by unit count, our estimate took into account the average package size and density of the product in question, and the quantity was converted to weight based on these factors.
- For last year's Scope 3 categories, based on a management decision, methodological reviews and reclassifications were completed for the items listed below, based on which the 2024 emissions data were recalculated:
 - 3. Fuel and energy-related activities (not included in Scope 1 or Scope 2),
 - 4. Upstream distribution and transport,
 - 5. Waste generated in operations,
 - 7. Employee commuting,
 - 8. Upstream leased assets,
 - 12. End-of-life treatment of sold products
 - 13. Downstream leased assets.

Each calculation aims to take into account different aspects and phases of the life cycle of a product or activity to provide a comprehensive assessment of the Scope 3 emissions.

[E1-9] Expected financial impacts of material physical and transition risks, and potential climate-related opportunities

ALTEO Group has assessed the anticipated financial impacts arising from its material physical and adaptation risks, and from potential opportunities related to climate change.⁶⁷ These are primarily related to the energy business line.

Anticipated financial effects from material physical and transition risks

(E1-9_05-06)

ASSETS AT MATERIAL PHYSICAL RISK	Location – Hungary (NUTS code)
Solar power plant	HU333
Solar power plant	HU232
Solar power plant	HU120
Solar power plant	HU313
Wind turbine	HU221
Wind turbine	HU322
Wind turbine	HU212
Wind turbine	HU212
Wind turbine	HU213
Wind turbine	HU221
Hydropower plant	HU311
Water treatment plant	HU311
Maintenance site	HU120
Maintenance site	HU321
Maintenance site	HU110
Natural gas e-term	HU110
Natural gas e-term	HU221
Natural gas e-term	HU311

(E1-9_01-04)

RATIO OF SIGNIFICANT ASSETS AT MATERIAL PHYSICAL RISK	2024 (HUF million, %)	2025 (HUF million, %)
Assets at important physical risk before considering climate change adaptation actions	37,636	42,314
Assets at acute material physical risk before considering climate change adaptation actions	25,971	25,212
Assets at chronic material physical risk before considering climate change adaptation actions	11,665	17,102
Percentage of assets at material physical risk before considering climate change adaptation actions	72%	62%
Ratio of assets at material physical risk over the short-term	0	0
Ratio of assets at material physical risk over the medium-term	37,148	41,839
Ratio of assets at material physical risk over the long-term	37,636	42,314

(E1-9_07) The ratio of assets at material physical risk covered by actions aimed at adapting to climate change (for more information, see sub-chapter [SBM-3] *Actions and resources in relation to climate change policies*) is 62% of the total assets at material physical risk. (E1-9_08) Net revenue from business activities at material physical risk amounted to HUF 42,314 million. (E1-9_09) The percentage of net revenue from business activities is 34% of activities at physical risk.

⁶⁷ Further information on material risks and opportunities is available in sub-chapter [SBM-3] *Material impacts, risks and opportunities and their interaction with strategy and business model(s)*.

(E1-9_10-11) The expected financial impacts and valuation of assets and businesses at material physical risk, the risk factors for the net revenue from these assets and businesses, and the impact of this on the margin erosion of the businesses have not been quantified; consequently, we did not consider any scenarios in determining this.

(E1-9_14-16)

RATE OF ASSETS AT MATERIAL TRANSITION RISK	2024 (HUF million, %)	2025 (HUF million, %)
Rate of assets at material transition risk before considering climate change mitigation actions	12,320	17,813
Percentage of assets at material transition risk before considering climate change mitigation actions	26.6%	26.8%
Percentage of assets at material transition risk managed with climate change mitigation actions	0.0%	0.0%
Rate of assets at short-term material transition risk	0	0
Rate of assets at medium-term material transition risk	10,222	15,807
Ratio of assets at material transition risk over the long-term	12,320	17,813

(E1-9_17) (E1-9_22) The total carrying amount of the real estate assets owned by ALTEO Group is 0, as the Group does not have any real estate assets defined by the standard to be valued according to energy efficiency classes.

(E1-9_18-19) We do not have quantified information on the potential impact on the future financial performance and position of assets and businesses exposed to material transition risk, thus the assessment does not rely on any process identifying material transition risks and determining scenarios.

(E1-9_20) (E1-9_23) We have not identified any potentially discontinued assets or liabilities arising from material transition risks that may need to be recognized in the financial statements.

(E1-9_24-27)

RATE OF EU ETS-RELATED OBLIGATIONS	2024	2025	Unit of measurement
Number of Scope 1 GHG emission allowances held within regulated emissions trading systems at the beginning of the reporting period	111,368	105,516	EUA
Number of emission allowances to be purchased annually on the regulated emissions trading market in the period up to 2030	679,609*	679,609	EUA
Potential future obligations related to carbon emission allowances based on existing contractual arrangements that are planned to be used in the near future	No such obligation has been identified.	No such obligation has been identified.	-
Gross monetary value of Scope 1 and 2 greenhouse gas emissions	4,033	3,657	HUF million

* The information is provided by also taking 2023 into account.

** The verification of EU ETS emissions is currently underway as this Sustainability Report is being prepared; therefore, the figure presented here is an estimate based on the ESRS classification that was available at the time of preparation. Should this figure be revised, we will update it in next year's report.

(E1-9_29-35)

NET REVENUE FROM BUSINESS ACTIVITIES AT MATERIAL TRANSITION RISK BY CUSTOMER TYPE	2024	2025	Unit of measurement
Net revenue from business activities at material transition risk	29,385	28,159	HUF million
Net revenue from customers engaged in coal-related activities	0	0	HUF million
Net revenue from customers engaged in oil-related activities	3,115	13,889	HUF million
Net revenue from customers engaged in gas-related activities	13,008	8,940	HUF million
Percentage of net revenue from customers engaged in coal-related activities	0%	0%	-
Percentage of net revenue from customers engaged in petroleum-related activities	4%	15%	-
Percentage of net revenue from customers engaged in gas-related activities	17%	10%	-

* Net revenue from natural gas-based energy production and trade

** Based on net revenue from the TOP20 largest partners (subject to partner's activity)

The expected changes in net revenue cannot be clearly quantified since the market to which the Company has access is quite extensive compared to the size of ALTEO Group.

(E1-9_36) The percentage rate of the net revenue from business activities at material transition risk, from natural gas-based energy production and trading in the case of ALTEO Group, is 23%.

(E1-9_37-38) The price of strategic fuels used by the ALTEO Group follows market processes. The possibility that the price of the fuel procured by the ALTEO Group will increase in the future, cannot be ruled out, which can have a negative effect on the Group's profitability. Changes in the demand on electricity and natural gas markets may have a profound influence on the revenues, profitability and strategic expansion plans of the ALTEO Group.

During ALTEO Group's energy trading activities, portfolio planning is done on the basis of data service from consumers and the Group's calculations. A planning error or incorrect data report may lead to an inappropriate procurement strategy, where a subsequent correction can cause losses to the ALTEO Group.

The Group seeks to cover 100% of the annual consumer demand, in shorter periods, however, open positions may remain due to natural seasonality, which are mainly closed on the spot and balancing energy markets. Prices on the spot and balancing energy markets cannot be planned in advance, any change in these markets may impact the profitability of the ALTEO Group.

Natural gas and electricity volumes are mainly contracted through low-risk wholesale partners and, to a lesser extent, through exchanges. Trading is continuous, and therefore the prices of products change on a daily basis, given that the trading in exchange-traded products is continuous. Day-by-day price movements, sometimes with significant changes, may represent a risk in the case of longer-term consumer proposals, however, such risk is mitigated by the Company by issuing indicative quotes (not binding for the trader) and hedging transactions. Even though the ALTEO Group performs its retail trade activities on the basis of a risk management procedure adopted by the Board of Directors; a potential erroneous transaction may have a significant negative effect on the profitability of the ALTEO Group.

Any changes in the difference between (margin on) the (procurement) price of natural gas and the price of electricity and/or heat that is sold influence the financial position of natural gas-fired power plants significantly. Were this margin to drop significantly, it could have a negative effect on the business and profitability of the ALTEO Group.

There is currently no relevant or applicable financial statement related to the data on the significant amount of assets, liabilities and net revenues at material physical and transition risk.

Anticipated financial effects from potential climate-related opportunities

(E1-9_41-42) ALTEO Group's strategy is to develop, on an ongoing basis, renewable (solar, wind, hydro, biogas) energy production projects that contribute to climate change mitigation and adaptation. The market for this can offer numerous opportunities, meaning that expected cost savings cannot be clearly quantified.

(E1-9_43-44) The size of the potential market for low-carbon products and services or adaptation solutions to which the Company has access or could have access, offers numerous opportunities relative to the size of ALTEO Group. Taking this into account, the expected changes in net revenue cannot be clearly quantified.

[E Entity-specific EU 11] System efficiency

Apart from electricity from renewable sources still produced in the subsidized electricity system and the regulated prices of district heating, all our products are market-based and have to compete in a competitive market. As a key condition for this, the selected technologies should always be the most efficient ones available, and that is why we prefer cogeneration.

(MDR-P) (MDR-A) (MDR-T) In our Integrated Management Policy applicable to our energy business line, we have also set ourselves the goal of focusing on the continuous improvement of energy efficiency, the economical use of environmental resources, the protection of our environment and the conservation of the natural assets. Our policy regarding the Integrated Management System, which is also relevant to this topic, is described in sub-chapter [E1-2] *Policies related to climate change mitigation and adaptation*. We do not have any specific policy-related measures in place, but we do take preventive actions through preventive and diagnostic maintenance, as well as by investigating and addressing any malfunctions.

The basic operation, management, continuous development and efficiency of our systems are the responsibility of not only the operational management, but also that of the site managers. Developments that increase system efficiency are reflected in the annual quality, HSE (Health, Safety and Environmental Protection) and EnMS objectives. Apart from fulfilling our core objectives and contractual obligations, we currently have no further measurable goals in respect of this topic.

Efficiency is thus a key indicator for ALTEO Group's energy business line, as our priority objective is energy efficiency, both to manage primary energy sources carefully and to maintain the competitiveness of our products. The efficiency indicator allows us to compare the operating efficiency of our various power plants. However, it is important to note that the classical definition of efficiency cannot be uniformly applied to all our power plants. The efficiency of our power plants fueled by renewables (such as wind, solar, and hydro energy) was calculated based on self-consumption and electricity produced. This means that in these cases, the efficiency value is equal to the efficiency of the electrical transmission system. The efficiency metric is disclosed in line with the guidelines of the *Global Reporting Initiative G4 - Electric Utilities Sector Disclosures: EU 11 – Average generation efficiency of thermal plants by energy source and by regulatory regime*.

EFFICIENCY OF RENEWABLES-BASED POWER PLANTS OWNED BY ALTEO GROUP	Combined power-plant efficiency
Wind turbine	
Ács	98.8%
Jánossomorja	98.8%
Pápakovácsi	98.8%
Törökszentmiklós	99.4%
Bőny	98.2%
Bábolna	98.3%
Mov-R	97.5%
Hydropower	
Felsődobsza	98.5%
Gibárt	96.8%
Landfill gas	
Debrecen	35.5%
Biogas	
Nagykőrös	45.6%
Solar power plant	
Domaszék	99%
Monor	98.9%
Balatonberény	97.8%
Nagykőrös (solar power plant)	98.1%
Tereske	98.7%

The operation of energy production from non-renewable energy sources in ALTEO's power plant portfolio exclusively refers to cogeneration, which means that the related data also show the overall efficiency of the power plant in terms of efficiency.

EFFICIENCY OF NON-RENEWABLES-BASED POWER PLANTS OWNED BY ALTEO GROUP	Electricity cogeneration efficiency	Heat cogeneration efficiency	Total cogeneration efficiency	Efficiency of boiler heat generation
Győr 1	36.5%	23.3%	59.8%	77.1%
Győr 2	37.1% ⁶⁸	-	-	-
Sopron	41.5%	33.8%	75.3%	92.6%
Kazincbarcika	39%	44%	83%	92.6%
Ózd	42%	41%	83%	-
Tiszaújváros	37%	39%	76%	92%
Zugló (Füredi utca)	42.5%	40.5%	83%	-

[E Entity-specific EU 30] Availability

In addition to efficiency, availability is also an important topic for assessing the performance of ALTEO Group's energy business line. This expresses how much time the various power plants or electricity-generating equipment spend in operation without planned and unplanned downtime. These days, the issue of energy supply security is becoming increasingly important at both local and global level. We are committed to supplying energy to our customers from sustainable sources in an economical way, even in the face of globally rising energy prices. The quality of our services is shown by the high level of reliability and consistent high availability.

(MDR-P) ALTEO Group has formulated the Company's policies for energy production, operation and maintenance in the form of policies and procedures included in the Integrated Management System applicable to its energy business line. These procedures regulate in detail the operation, maintenance and troubleshooting policies that enable the Company to ensure maximum availability.⁶⁹Our policy regarding the Integrated Management System is described in sub-chapter [E1-2] Policies related to climate change mitigation and adaptation.

⁶⁸ The gas meter did not function properly in January and February, meaning that the data was calculated based on readings taken in December and March.

⁶⁹ Our policy regarding the Integrated Management System is described in sub-chapter [E1-2] Policies related to climate change mitigation and adaptation.

(MDR-A) (MDR-T) We do not have any specific policy-related measures in place, but we do take preventive actions through preventive and diagnostic maintenance, as well as by investigating and addressing any malfunctions. The staff of ALTEO Group’s energy business line are committed to continuously monitoring the sites, identifying factors affecting availability and keeping availability indicators at high levels on an ongoing basis. However, we have not set any measurable objectives beyond the fulfillment of the contractual terms.

We are proud that the power plants owned and operated by ALTEO Group continued to ensure high availability in 2025. The metric related to the topic is disclosed in line with the guidelines of the *Global Reporting Initiative G4 - Electric Utilities Sector Disclosures: EU 30 Average Plant Availability Factor by Energy Source and by regulatory regime*.

AVERAGE AVAILABILITY RATES OF POWER PLANTS IN ALTEO GROUP’S PORTFOLIO		2025
Average availability rate of all power plants		92%
Heating power plants (natural gas)		96%
Wind		94%
Hydropower		99%
Solar power plants		100%
Landfill gas		55%
Biogas		95%
Group-operated power plants		84%

AVERAGE AVAILABILITY RATES OF THE HEATING POWER PLANTS IN ALTEO’S PORTFOLIO		2025
Average availability rate of all power plants		91%
Heating power plants (natural gas)		96%
Group-operated power plants		85%

2.3 Pollution

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

(E2.IRO-1_01) (E2.IRO-1_03) With regard to the topic of pollution, ALTEO Group assessed air pollution as a material adverse impact at Group-level, while in the cases of water and soil pollution, it identified financial risks by focusing on its circular economy business line. The Group did not conduct a comprehensive site-by-site operational review for the double materiality assessment.

The strategic objectives of ALTEO Group include reducing our emissions of pollutants and greenhouse gases in order to actively contribute to the protection of the environment and a sustainable future. To achieve this, we are developing our technologies and processes on an ongoing basis taking account of opportunities.

In addition to greenhouse gases, other air pollutant emissions are also a key focus in the course of our energy activities, such as nitrogen oxides (NO_x), carbon monoxide (CO) and total organic compounds (TOC) components emitted by gas engines, as well as nitrogen oxide and carbon monoxide emissions from boilers. Moreover, solid materials, paraffin hydrocarbons, cobalt, nickel, etc., are identified as point sources at ALTEO Circular Kft., which are associated with specific waste treatment facilities or material handling operations.

FE-GROUP INVEST Zrt. and ALTEO Circular Kft. conduct their operations in compliance with strict environmental and waste management regulations and actively support innovations in waste management. However, due to unforeseen problems, they may encounter water or soil contamination in the course of their own operations or those of their partners. In addition to being a negative environmental impact, pollution also poses a significant financial risk to companies, as cleanup, remediation, and restoration costs may rise, while operations may be forced to shut down.⁷⁰

⁷⁰ The policies, measures, and objectives related to the material risks of the waste management business line are described in chapter [E5] *Resource use and circular economy*, with a focus on remediation, site restoration, and resource efficiency. However, we will publish the costs of remediation, restoration, recultivation and monitoring in accordance with disclosure requirement [E2-6] *Anticipated financial effects from pollution-related impacts, risks and opportunities*. In connection with this, ALTEO Group is exercising a deferral in the 2025 financial year.

Information regarding the double materiality assessment is presented in detail in sub-chapters [IRO-1] *Description of processes to identify and assess material impacts, risks and opportunities*, and [SBM-3] *Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.

[E2-1] Policies related to pollution

(MDR-P_01-06) (E2-1_01) (E2-1_03) Our Group is committed to social responsibility and strives to introduce sustainable and environment-friendly practices to prevent any potential harm. To this end, we consider it important to maintain our Integrated Management Systems, which are supported by the Integrated Management Policy of the energy business line and of ALTEO Circular Kft., as well as by the Environmental Management Policy of FE-GROUP INVEST Zrt. We have provided details on these in sub-chapter [E1-2] *Policies related to climate change mitigation and adaptation*. (MDR-P_07) ALTEO Group adheres to the requirements prescribed by law, operating permits, and environmental management systems with regard to mitigating the negative effects of air pollution, and preventing, managing, and monitoring potential incidents⁷¹. For this reason, in addition to the Management Policies, the Company does not have its own separate corporate policies regarding pollution.

[E2-2] Actions and resources related to pollution

(MDR-A_01-04) ALTEO Group operates within the legal framework set out and in compliance with permitted pollution limits. Awareness and monitoring of environmental impacts is crucial for us. In addition, we are prepared for emergencies and take timely damage control measures to minimize any negative effects.

Ongoing actions aimed at preventing or mitigating the negative effects of air pollution (technological advancements, strict waste management procedures) are our key measures, and include the following:

- The use of state-of-the-art technologies in the design and operation of power plants;
- Replacing old gas engines that have reached the end of their service life with refurbished equipment that meet stricter technological emission limits⁷²: In 2024, ALTEO Group adopted a decision to replace the old gas engine connected to the P1 point source at the Tiszaújváros Heating Power Plant. The project had been launched in 2024, but the new engine was already in operation in 2025.⁷³

Continuous monitoring and management of emissions from point sources, diffuse sources, and mobile sources during waste processing and material handling at ALTEO Circular Kft. To reduce diffuse emissions, that is, emissions dispersed over a wide area, ALTEO Circular Kft. uses, for example, closed systems, storage tools, and special equipment designed to prevent the dispersion of particles. In the case of mobile sources, that is, emissions resulting from on-site vehicle traffic, we optimize vehicle fuel consumption and traffic flow and monitor their emissions. The expected and actual results of these measures include compliance with emission limits, a reduction in NO_x, and the minimization of risks. (MDR-A_06) At the companies, these measures ensure basic operations in accordance with current external and internal compliance requirements; therefore, separate financial planning, that is, investment and operating costs, is not broken down at this level within the ALTEO Group.

Measures and emissions are monitored on a site-by-site basis. All our sites have the necessary environmental permits, which include detailed requirements for emissions, measurements and compliance with legal requirements. Accurate emission measurement, annual data reporting and communication with the authorities fall under the responsibility of the HSE (Health, Safety and Environmental Protection) function within ALTEO Group's energy business line. The operation of continuous emission measurement systems with high availability and compliance with the relevant emission limits, for which power plant managers are responsible, thus play a crucial role. We monitor and ensure appropriate operational practices through HSE inspections, internal and external audits and regulatory audits.

At ALTEO Circular Kft., the monitoring of emission limits for point sources is monitored in accordance with the components and frequency specified in the permit. Compliance with emission limits is verified through annual or five-yearly emission measurements conducted by an accredited testing organization, and the certification report is submitted to the competent environmental authority.

(E2-2_02) With regard to measures related to the downstream value chain, R2v3 certification is relevant (a standard developed for the responsible management and recycling of electronic waste, which is described in more detail in sub-chapter [E5-1] *Policies related to resource use and circular economy*), and ALTEO Circular Kft. imposes strict compliance requirements on suppliers involved in the processing of electronic waste. Accordingly, the company works exclusively with partners that can demonstrate their compliance with environmental and legal regulations, with authenticated documents and audited procedures. They must then demonstrate the transparency of their operations

⁷¹ Regulatory requirements and management policies address potential negative impacts on people and the environment comprehensively. This is ensured by regular risk identification, measurements, and audits, as well as pre-established processes and systems designed to address potential incidents.

⁷² The technological emission limit for refurbished gas engines in the case of the NO_x component is 95 mg/m³, which is much stricter than the one for existing/old equipment, where the limit value is 190 mg/Nm³.

⁷³ (E2-2_02) In all cases, the compliance of emissions from new equipment must be verified during test run. In addition to the test run emission measurement, the emissions of gas engines and boilers are checked every year by an accredited calibration body in accordance with the legal requirements and the permits.

and their compliance with environmental regulations through a system based on an online interview. If a predefined requirement is not met, the possibility of concluding a contract is immediately excluded.

[E2-3] Targets related to pollution

(MDR-T_01) (E2-3_01) (E2-3_09) ALTEO Group is committed to complying with legal regulations and having environmental management systems in place, paying particular attention to the pollution. Our Group strives to reduce pollution and protect air quality in line with the UN Sustainable Development Goals. (MDR-T_16-18) Accordingly, the Group’s objectives are to comply with the specified pollution limits, which we monitor at predetermined intervals. Limit values were successfully complied with again in 2025.

(MDR-T_01-04) (MDR-T_06-07) (MDR-T_09) (MDR-T_13) (MDR-T_16-19) (E2-3_09) The Company is not currently setting any new, additional quantified emission reduction targets, as the current structure of the portfolio, the available technological options, and the limitations of economically feasible implementation do not allow for the establishment of an additional verifiable target. However, the Company continues to operate its emissions management system, and regularly reviews opportunities for further reductions.

[E2-4] Air pollution

(E2-4_08) We monitor air pollution based on ALTEO Group’s point sources. There are no point sources identified by the authorities at the sites of FE-GROUP INVEST Zrt. and ALTEO Circular Kft. in relation to the technology, and no air pollutants are emitted.

(E2-4_01-02)

VOLUME OF AIR POLLUTION FOR ALTEO GROUP’S ENERGY BUSINESS LINE (kg)	2024	2025
CO	231,280	224,031
NO _x	582,407	543,481
TOC	44,681	57,702
SO _x	1	0
PM	0	0

(E2-4_09-10) The annual amount of emitted air pollutants is determined through calculation based on concentrations measured in flue gas during sampling, the volume flow rate of the flue gas and equipment annual service hours. For the calculations, ALTEO Group prepared the analysis based on the regular measurement documents set out by Decrees No. 110/2013. (XII. 4.) and 53/2017. (X.18.) of the Minister of Agriculture and Decree No. 6/2011. (I. 14.) of the Minister of Rural Development.

2.4 Water and marine resources

[IRO-1] Description of the processes to identify and assess material water-related impacts, risks and opportunities

(E3.IRO-1_01) The energy business line of ALTEO Group has identified the negative impacts of water withdrawal in the case of water resources in the framework of a double materiality assessment. We conducted a comprehensive operational review of the sites within the energy business line in 2023 as part of our water-focused risk analysis.

ALTEO Group’s power plants in the energy business line use a significant amount of water, so monitoring water consumption is a priority for the Company, taking into account the impact of climate change and production activities on water resources. Large-volume industrial water withdrawal and discharge can affect the local hydrological cycle.

Information regarding the double materiality assessment is presented in detail in sub-chapters [IRO-1] *Description of processes to identify and assess material impacts, risks and opportunities*, and [SBM-3] *Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.

[E3-1] Policies related to water and marine resources

(MDR-P_01-06) (E3-1_01-05) In the energy business line, the topic of water withdrawal, that is our interactions with water, our water use in our operations, sustainable water procurement and our expectations for the quality of water and wastewater used and discharged are regulated by our Integrated Management Systems and the relevant permits for the consumption points concerned. A more detailed description of these policies and systems can be found in sub-chapter [E1-2] *Policies related to climate change mitigation and adaptation*. (MDR-P_07) (E3-1_07) (E3-2_03) ALTEO Group does not have any sites located in areas subject to significant water stress; therefore, no specific policies or measures have been developed.

However, ALTEO Group’s energy business line completed a water-focused risk assessment in 2023, which examined the risks associated with flooding, available water quantity, changes in water quality, the status of ecosystem services, changes in extreme rainfall days, expected changes in rainfall, changes in the length of dry periods, climatic water balance and groundwater levels for all energy sites of the Company.

Preparatory measures were identified for sites where this is necessary. We are committed to complying with legal regulations and having environmental management systems in place, paying particular attention to the protection of water resources and the minimization of environmental pollution.

[E3-2] Actions and resources related to water

(MDR-A_01-05) In accordance with the Integrated Management Policies of its energy business line and the UN Sustainable Development Goals, ALTEO Group strives to reduce water consumption and protect water resources; thus these policies provide the basis for implementing appropriate measures during operations. (MDR-A_06) These measures allow basic operations in accordance with current external and internal compliance requirements; therefore, separate financial planning, that is, investment and operating costs, is not broken down at this level within ALTEO Group.

Industrial water consumption in our energy business line is significant: replenishing the water circulating in the district heating systems at our heating power plants and supplying the water to meet the heating requirements of the Heineken plant in Sopron are the top priorities:

- The amount of supplementary water greatly depends on the state of repair an urban district heating system is in. ALTEO Group's energy business line has no direct insight, nor any opportunity for intervention in that regard. In order to comply with contractual terms, i.e. to deliver district heating services, we always have to adapt to actual demand.

In previous periods, we achieved a reduction in water consumption at Heineken as a result of a targeted investment; no further related developments have been implemented since. We also consider it particularly important to use recycled water to reduce fresh water consumption, and to monitor the volume and quality of wastewater.

- We use water recycling in Sopron, whereby we purify and desalinate condensate water from other industrial companies and recycle it;
- At those sites where we have a legal obligation to do so, the volume and quality of the discharged wastewater (pH, conductivity, temperature) are continuously monitored according to our self-monitoring plan, and the most important water chemistry properties (chemical and biological oxygen demand, pH, conductivity, total phosphorus, nitrogen and total dissolved solids) are measured quarterly through accredited laboratory testing. Wastewater generated is always discharged into the municipal sewer network at the sites.

[E3-3] Targets related to water and marine resources

(MDR-T_14) (MDR-T_16-19) The primary approach of the ALTEO Group is to reduce water withdrawal and protect water resources.

The water-related objective of ALTEO Group was to carry out a water-related risk analysis, which has been completed for the energy business line for 2024; however, no new objectives were set beyond this. Water was also considered an environmental element and a material topic in the development of the Group's Biodiversity Strategy for 2025.

[E3-4] Water withdrawal

(E3-4_01) In the course of its operations, the Group typically uses water for social and technological purposes; due to the nature of its processes, this water is not incorporated into products, and there is no significant evaporation or other losses that would result in material net water consumption. Although site-level measurement data are available for water withdrawal, but not for wastewater discharge, it can be assumed, based on the nature of the operating processes, that the two values are of the same order of magnitude, since:

- water is used primarily for hygiene and general operational purposes;
- there is no water retention or infiltration in the processes that would result in the loss of a significant portion of the water;
- there is no cooling or evaporation technology that would result in significant consumption.

Therefore, in accordance with the ESRS E3 definition, water consumption (the difference between water withdrawal and discharge) is expected to be minimal, and will not result in a significant net water loss in the Company's operations.

For the sake of clarity, we will explore the possibility of introducing meters or other data collection solutions in the future; however, in this Sustainability Report, we are only publishing the water withdrawal figures for ALTEO Group's energy business line.

(E3-4_06) The power plants in ALTEO Group's energy business line portfolio primarily use mains water for industrial purposes. Subsurface water consumption occurs only in Győr and Sopron. The activities include water-intensive production methods (hydropower plants). The associated water withdrawal is presented below. With regard to the material impacts related to water, the fact that the portfolio includes hydropower plants is non-negligible contextual information. Power production by hydropower plants may be at risk due to the loss or depletion of water resources. (E3-4_07) All of the data displayed is measured data. Water withdrawal by power plants owned by the Group totaled 881,448,119 m³ in 2025.

(E3-4_11)

WATER WITHDRAWAL ⁷⁴ (MEASURED QUANTITIES) (m ³) – ENERGY BUSINESS LINE	2024	2025
Total water withdrawal (m³)	1,121,835,445	883,146,943
Group-owned power plants	1,119,756,810	881,448,119
Mains (drinking) water	90,480	78,882
Industrial water	436	714
Subsurface water	20,644	32,090
Power plants (hydropower plants)	1,119,645,250	881,337,670
Group-operated power plants	2,077,735	1,697,587
Mains (drinking) water	321	766
Industrial water	1,235,992	908,284
Desalinated water	841,422	788,537
Sites	1,800	1,237
Registered office (office)	742	1,075
Maintenance workshops	158	162

(E3-4_04) (E3-4_02) The volume of water recycled and reused by ALTEO Group’s energy business line was 18,634 m³. Recycled water technology is only used at our Sopron power plant. The change in the amount of water stored is not a material water-related impact for ALTEO Group. In addition to these, we do not operate in areas exposed to water-related risks.

(E3-4_03)

WATER RECYCLED AND REUSED (MEASURED QUANTITIES) (m ³) ⁷⁵	2024	2025
Sopron	23,729	18,634

2.5 Biodiversity and ecosystems

[E4-1] Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The protection of biodiversity and ecosystems is a key element of the strategy of ALTEO Group’s energy business line, since our energy production services are essentially closely linked to climate change and the change in environmental factors. Our energy production activities are highly dependent on natural resources.

(E4-1_01-06) Our Group actively worked on a comprehensive strategy that focuses on the long-term sustainability of biodiversity and ecosystems. This strategy was finalized in the 2025 financial year. Although a detailed resilience analysis and transition plan have not yet been developed, we have already identified the risks and opportunities that could affect biodiversity and ecosystems as a result of our activities. Based on these analyses, we will be refining our strategy to be in line with local, national and global public policy objectives. Protecting biodiversity and ecosystems is of strategic importance for us, as it helps us to reduce our exposure to various environmental risks and to contribute to achieving the global sustainability goals.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

(E4.SMB-3_01-06) Of all the power plants owned or operated by ALTEO Group’s energy business line, only the Gibárt Hydropower Plant is located in a Natura 2000 Special Area of Conservation and Special Protection Area classified under the Birds Directive, which is also considered an ecological corridor.⁷⁶ None of our other sites are located in or directly border protected areas or areas of high biodiversity value. We ensure that the operation of the Gibárt Hydropower Plant does not have a significant impact on the conservation status of species and habitats in the area by complying with the requirements and conservation measures set out in the power plant permit. In ALTEO’s circular economy business line, we do not have any facilities or operating sites located in areas sensitive in terms of biodiversity. Furthermore,

⁷⁴ In the report for the previous year, the Group presented water-related data points as water consumption; however, during the review, the definition was clarified, and the data measured by ALTEO Group now refer to water withdrawal. In addition, based on the review of the classification of Tisza-WTP Kft., the company is no longer included in the metric. As a result, the figures for 2024 had to be recalculated and restated; the hydropower plant is not included in the figures for recycled and reused water. The water treatment plant does not appear in the 2025 table.

⁷⁵ Based on the review of the classification of Tisza-WTP Kft., the company is no longer included in the metric. The water treatment plant does not appear in the 2025 table.

⁷⁶ More information on the Gibárt Hydropower Plant is available on [our website](#).

our double materiality assessment did not identify any material negative impacts related to land degradation, desertification, or soil cover; to the best of our knowledge, our activities do not affect endangered species.

[IRO-1] Description of the processes to identify and assess material pollution-related impacts, risks, dependencies and opportunities related to biodiversity and ecosystems

(E4.IRO-1_01-04) (E4.IRO-1_06-08) We have identified environmental impacts, risks, and our dependencies on ecological services both across the entire value chain and within our own operations as part of our double materiality assessment. (E4.IRO-1_14-16) As described in the previous sub-chapter, the Gibárt Hydropower Plant, which is operated by ALTEO Group's energy business line, is located in an area sensitive in terms of biodiversity, with respect to which we have not identified any mitigation measures that need to be implemented.

We are aware that our activities can have a significant impact on the environment, so our aim is to minimize these impacts while promoting the transition to green energy. In terms of impacts, the following have been found to be significant: climate change, factors directly causing biodiversity loss, the impacts on the state of species, and certain factors affecting ecosystem services. Our energy business line also contributes to changes in land use and the disruption of the environment and wildlife through the construction and operation of renewable energy facilities. Similar problems arise in our natural gas infrastructure during transmission and operation with regard to pollutant emissions.

Due to our dependence on ecosystem services, any reduction or fluctuation in the availability of resources may pose a financial risk (in terms of revenue, profit, and maintenance costs) to our production units.

Information regarding the double materiality assessment is presented in detail in sub-chapters *[IRO-1] Description of processes to identify and assess material impacts, risks and opportunities*, and *[SBM-3] Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.

[E4-2] Policies related to biodiversity and ecosystems

(E4-2_17-20) Biodiversity is of paramount importance to us.

Our biodiversity conservation and restoration goals and related commitments are an integral part of our ESG policy and are implemented in line with the biodiversity strategy we published in 2025. The main objective of our strategy is to identify and address the impacts on biodiversity that arise from our activities and that threaten biodiversity. The strategy does not only cover the impact areas of the Company's sites and power plants, but also natural resources located outside the impact areas that are affected by ALTEO's operations.

(MDR-P_07) At the same time, we do not currently have a separate biodiversity conservation policy that specifically focuses on the impacts of our operational sites on biodiversity-sensitive areas. Furthermore, we have not established any policies or practices aimed at promoting sustainable land use and agriculture, the responsible use and protection of marine and ocean resources, or the prevention of deforestation, as our operations do not involve these areas.

[E4-3] Actions and resources related to biodiversity and ecosystems

(E4.MDR-A_01-05) ALTEO Group's priority is to further strengthen and expand its sustainability measures in the future. To this end, in 2025 we developed a biodiversity strategy for our energy business line, in which we set specific goals and commitments aimed at conserving and restoring biodiversity. We place great emphasis on ensuring that our production processes respect biodiversity and adhere to the principles of sustainability. We continue to look for new opportunities to further reduce environmental loads, whether it's the impact of power plants on habitat conditions, the impact of wind farms on birds and bats, or ethical ways of sourcing raw materials. We are also constantly developing and refining our technology to enable us and our partners to produce more efficiently and in more environmentally-friendly fashion. Our aim is to ensure that all our activities serve long-term sustainability, allowing us to contribute to the preservation of natural resources.

(E4-3_02) (E4-3_08-09) The European Union's Biodiversity Strategy states that all the world's ecosystems must be restored, made resilient and protected by 2050. With this in mind, ALTEO has translated the objectives of its Biodiversity Strategy until 2040 applicable to its energy business line, into concrete actions. We have not currently identified any biodiversity offsets in this regard:

Implementation of the biodiversity strategy - measures



*ecosystem services: services provided by nature to humans

(MDR-A_06) Our Group has not yet allocated any capital or operating expenses for the implementation of the action plan; however, we have set aside HUF 100 million for pilot projects aimed at supporting biodiversity conservation through 2025. Such projects included the following in 2025:

- grassing carried out at solar parks;
- survey and planning for refuge strip mowing in solar parks (implementation to follow in 2026);
- site survey in connection with greening of sites;
- Sediment thickness in the River Hernád (cross-sectional assessment and ground-penetrating radar), exploratory phytoplankton and phytobenthos studies, and fish fauna surveys.
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[E4-4] Targets related to biodiversity and ecosystems

(MDR-T_17-19) (E4-4_01) (E4-4_05) (E4-4_06) In developing our biodiversity strategy, we also defined the objectives underpinning our biodiversity-related measures, based on the European Union's biodiversity strategy and our material impacts and risks. Our Sustainability and HSE teams, as well as external experts, were involved in the development process. When setting our targets, we did not use ecological thresholds; instead, we based our decisions on industry benchmarks and activity-specific information.

(E4-4_09) The strategy outlines its main directions along four pillars, in the short-term (2024–2025), medium-term (2026–2030), and long-term (2030–2040), which are detailed in sub-chapter [E4-3] *Actions and resources related to biodiversity and ecosystems*:

- The implementation of measures that are not directly related to the Company's operations, but promote public benefit, and improve the state of biodiversity and ecosystem services. (compensation)
- Improving the condition of natural resources, habitats, and ecosystem services affected by ALTEO's operations but located outside the Company's immediate impact area. (compensation)
- Improving biodiversity within the power plants' impact areas and in areas critical to their operations; mitigating risks and impacts; and reducing operational impacts through nature-based solutions. (minimization)
- The ecological maintenance of sites, the enhancement of biodiversity, and the management of environmental and climate challenges through nature-based solutions. (avoidance)

(MDR-T_16) No reference points have been established as yet to measure our progress.

[E4-5] Impact metrics related to biodiversity and ecosystems change

(E4-5_01-02) (E4-5_04) ALTEO Group does not directly contribute to the factors causing impacts related to changes in freshwater use and/or changes in marine use. Of the operating sites we own and operate, only the Gibárt Hydropower Plant is located in a Natura 2000 Special

Area of Conservation and Special Protection Area classified under the Birds Directive, covering an area of approximately 3.9 hectares. The Group has not yet collected other relevant metrics regarding the material impacts of the 2025 financial year. In accordance with our biodiversity strategy, we plan to conduct comprehensive assessments of the operations at our impact areas and sites, with the aim of identifying our impacts on land-use changes, as well as on ecosystem services, habitats, and species, so that we can report on these in our Sustainability Report in the future.

2.6 Resource use and circular economy

[E5 IRO-1] Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

(E5.IRO-1_01) As part of its double materiality assessment, ALTEO Group assessed and identified its impacts, risks, and opportunities related to resource use and the circular economy.

Through the use of natural gas, we are contributing to the depletion of this resource, which exposes our Group to macroeconomic risks. However, through our energy-efficient use of primary energy, we strive to minimize our energy consumption as much as possible.

By strengthening our circular economy business line in the area of resource outflow, we are also increasing our positive impact, as more products made from secondary raw materials are returned to the market as a result of our activities. With the acquisition of ALTEO Circular Kft., the Group's role in the transition to a circular economy has grown, bringing with it both positive impacts and business opportunities.

In the course of its operations, ALTEO Group generates both hazardous and non-hazardous waste, which our Group has identified as a negative impact. The efficient operation of the waste management business line can significantly reduce the amount of waste sent to landfills; however, the managing of batteries and waste containing PCBs can also have negative impacts.

As a result of the acquisition of ALTEO Circular Kft., the Group is obligated to carry out remediation work in the industrial area in Salgótarján. The affected area will become usable again after recultivation, having been restored to its original condition prior to contamination; however, this also entails a significant financial risk for ALTEO Group.

Information regarding the double materiality assessment is presented in detail in sub-chapters *[IRO-1] Description of processes to identify and assess material impacts, risks and opportunities*, and *[SBM-3] Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.

[E5-1] [E5-2] [E5-3] Policies, actions, resources and targets related to resource use and circular economy

(MDR-P_07) (MDR-A_13) (MDR-T_14) We have not yet finalized the waste management and circular economy strategy required by the ESRS reporting standards, nor the related policies, targets, actions and resources. Nevertheless, the development of these areas is a priority for the Company, and we are committed to developing the appropriate strategy and targets in the near future, as well as to incorporating our commitments in this regard into a policy. As we have outlined it in our sustainability goals, one of our key objectives is to maximize waste recycling and to avoid landfilling. We agree to develop a waste management and circular economy strategy and related policies in line with the development of the business.

Until specific policies and their related targets, actions, and resources are developed, ALTEO Group will continue to conduct its activities in compliance with the law, and its activities will continue to be governed by the Integrated Management Systems and their associated policies. In addition, our ESG Policy outlines our comprehensive approach to minimizing waste streams and strengthening our circular economy business.⁷⁷ ALTEO Circular Kft. is the only company in Hungary and the region to hold the international R2v3 (Responsible Recycling Standard) certification, which recognizes responsible and safe electronic waste management, and also governs its processes.

With regard to current general operational measures, ALTEO Circular Kft. and FE-GROUP INVEST Zrt. are committed to ensuring that their operations do not only comply with the law, but also set an example for their partners in taking responsibility for environmental issues and minimizing their impact on the environment. To this end, they employ technological solutions and business practices that allow them to recycle as much of the waste generated during production as possible, while also seeking alternatives to landfilling for non-recyclable materials.

In order to promote circular economy, FE-GROUP INVEST Zrt. obtained an end-of-waste status certificate in 2025 for aluminum scrap (bales and blocks of aluminum beverage cans, as well as aluminum granules) and copper scrap (copper granules). Through this certification, these material streams lose their waste status and are registered, sold, and used as certified secondary raw materials of consistent quality.

⁷⁷ We have published detailed information about our Integrated Management Systems and policies in section *[E1-2] Policies related to climate change mitigation and adaptation*.

Other key measures in our core operations include energy efficiency, recycling, and the reduction and appropriate management of waste generated. In the case of ALTEO Circular Kft., there have been instances where, upon acquiring new sites, the company was required to carry out remediation work in the form of decontamination, for which it had accumulated provisions. One such example is the industrial site in Salgótarján, where soil replacement will continue until February 2026; our goal up until that date was to remove all contaminated soil generated during this process as waste and to complete the remediation. The final documentation regarding the restoration of the site was submitted in 2026, while the report was drafted. Regulatory approval is currently underway as of early 2026.

[E5-4] Resource inflows

(E5-4_01) For ALTEO Group, key resource inflows primarily consist of the raw materials needed for the production of electricity and heat, such as natural gas, which is essential for the operation of the gas-fired power plants. Renewable energy sources, such as solar and wind power, and biomass, also play an increasingly important role, contributing to sustainable and low-carbon energy production. In addition, the energy business line also uses other energy carriers and auxiliary materials in the course of its operations. In the circular economy business line, high energy consumption during waste management and processing is also essential. The inflow of real estate, facilities, and equipment is not considered significant.

(E5-4_02) (E5-4_06)

ALTEO GROUP'S PRIMARY ENERGY CONSUMPTION (t)	2025
Total	275,917
Energy business line	275,575
Natural gas	258,027
Inert gas	1,788
Methane	7,870
Hydrogen	877
Coolant	0
Landfill gas	1,667
Biogas	5,145
Petrol	127
Diesel	72
Circular economy business line (FE-GROUP INVEST Zrt. and ALTEO Circular Kft.)	342
Natural gas	10
LPG	59
Petrol	36
Diesel	237

[E5-5] Resource outflows

VOLUME OF WASTE GENERATED BY ALTEO GROUP ACTIVITIES (t) BY BUSINESS LINE	2024	2025
Total	2,444	5,873
Energy business line	2,437	2,464
Circular economy business line (FE-GROUP INVEST Zrt. and ALTEO Circular Kft.)	7	3,409

Across the entire Group, 2,592 tons (44%) of non-recycled waste and 389 tons of hazardous waste were generated in 2025. With regard to hazardous waste, the amount to be disposed of was 332 tons, while the total amount diverted from disposal was 57 tons. We disposed of 2,261 tons of non-hazardous waste and diverted 3,001 tons from disposal.

Waste management in ALTEO Group's energy business line

(E5-5_01) (E5-5_13) Our Company's key products are electricity and heat energy, which we produce by operating renewable and fossil fuel power plants. The energy activities of ALTEO Group typically generate various types of non-hazardous industrial and municipal solid waste, municipal wastewater, waste from construction and demolition works, and hazardous waste. The company is committed to minimizing its environmental impact, and as such reducing waste is a priority.

(E5-5_17) We strictly comply with legislation on the handling and storage of waste on our sites. All waste is stored in separate collection points according to type and characteristics. We keep track of the quantities of waste generated, collected and disposed of, and regularly monitor the data thereon. We keep detailed records of the waste we dispose of, including delivery notes for hazardous waste and invoices

for non-hazardous waste. (E5-5_12-14) Oil and liquid fuel waste is the largest waste stream, but there are also significant amounts of absorbents, spill control agents and filters. Waste containing batteries, accumulators and PCBs is minimal or non-existent. The quantities of hazardous and non-hazardous waste are recorded in the official waste declarations on the basis of the delivery notes.

(E5-5_07-09) (E5-5_15)

HAZARDOUS WASTE GENERATED BY THE ENERGY OPERATIONS OF ALTEO NYRT. (t)	2024	2025
Reuse	11	9
Recycling	46	46
Incineration	24	24
Landfilling	11	11
Other	8	8
NON-HAZARDOUS WASTE GENERATED BY THE ENERGY OPERATIONS OF ALTEO NYRT. (t)	2024	2025
Reuse	-	-
Recycling	-	106
Incineration	1	2
Landfilling	2,336	2,257
Other	-	2

In 2025, most of the hazardous waste generated by the operations of ALTEO Group were re-used, while the next most used treatment method was incineration. We aim to increase the recycling rate of operational waste to over 50% by 2030. Most hazardous waste is disposed of through trade, collection and pre-treatment. (E5-5_10-11) In 2025, the quantity of non-recycled waste was 2,303 tons (93%) of the total waste generated by ALTEO Group’s energy business line.

Waste management activities at FE-GROUP INVEST Zrt. and ALTEO Circular Kft.

(E5-5_01) The waste management activities of ALTEO Circular Kft. and FE-GROUP INVEST Zrt. have a number of impacts. Activities promoting circular economy include the collection and processing of electronic waste, as well as the appropriate pre-treatment of packaging waste (paper, plastic, wood, metal, glass). Furthermore, the collection and environmentally friendly pre-treatment of hazardous wastes also has a positive impact on the environment. FE-GROUP INVEST Zrt. and ALTEO Circular Kft. promote the collection and preparation for recycling of as much waste as possible, while taking into account and striving to minimize any negative impacts. Those effects are directly related to the waste managed or generated by the Company during its operations.

(E5-5_12-14) With regard to waste generated by the companies: waste generated primarily as a direct result of the company’s own operations (e.g. office operations, administration, on-site activities). In addition, the volume of secondary waste generated from waste pretreatment activities (sorting, shredding, etc.) at FE-GROUP INVEST Zrt. remained nearly unchanged in 2025 compared to the previous year, indicating a stable level of processing capacity. The change in the volume of the various waste management categories is attributable to the waste generated by ALTEO Circular Kft.

(E5-5_07-09) (E5-5_15)

HAZARDOUS WASTE GENERATED IN THE ACTIVITIES OF FE-GROUP INVEST ZRT. AND ALTEO CIRCULAR KFT. (t)	2024	2025
Reuse	0	0
Recycling	0	3
Incineration	0	289
Landfilling	0	0
Other	0	0
NON-HAZARDOUS WASTE GENERATED IN THE ACTIVITIES OF FE-GROUP INVEST ZRT. AND ALTEO CIRCULAR KFT. (t)	2024	2025
Reuse	0	2,864
Recycling	7	31
Incineration	0	115
Landfilling	0	108
Other	0	0

(E5-5_10-11) In 2025, the non-recycled waste was 289 tons (9%) of the total waste generated by ALTEO Group’s circular economy business line.

3. SOCIETY

3.1 Own workforce

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

(S1.SBM-3_01) In our disclosure under ESRS 2, we included all members of our own workforce on whom the company may have a material impact. (S1.SBM-3_02) In addition to its own employees, ALTEO Group’s workforce also includes workers who are employed as non-employee workers. The Group’s job roles include office staff, maintenance workers, mechanics, and waste management workers. Detailed information regarding the employees of ALTEO Group can be found in sub-chapters [S1-6] *Characteristics of ALTEO Group employees* and [S1-7] *Characteristics of non-employee workers within the undertaking’s own workforce*.

(S1.SBM-3_11) During the double materiality assessment process, we took into account employees exposed to specific workplace risks, including groups within our own workforce employed as non-employee workers. This group includes, for example, workers who handle hazardous and non-hazardous waste, as well as workers working in power plants and industrial areas. (S1.SBM-3_03) With regard to our own workforce, we identified a potential negative impact in 2025 related to possible work-related illnesses and accidents; however, this is not widespread or systemic, but rather associated with potential incidents. The positive impacts identified to date include secure employment, health and safety, and training and skills development. Our Company supports its employees through a variety of initiatives and internal policies, and is committed to creating a safe and fair work environment.

(S1.SBM-3_03) ALTEO Group pays particular attention to providing a fair and safe workplace for all its employees throughout Hungary. ALTEO Group’s energy business line actively promotes a “Safety First” culture while adhering to the strictest health and safety standards. Another positive aspect is that our Group offers various career development opportunities to employees, depending on their position.

(S1.SBM-3_07-10) In the course of our double materiality assessment, we did not identify any significant risk of forced labor, compulsory labor, or child labor within our own workforce, as we currently operate only in Hungary, where national and international labor laws prohibit these forms of employment.

(S1.SBM-3_05) Further information can be found in section [SBM-3] *Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*. For a detailed description of the materiality assessment, see sub-chapter [IRO-1] *Description of processes to identify and assess material impacts, risks and opportunities*.

[S1-1] Policies related to own workforce

Material sustainability topics	Related policies, regulations	Scope (MDR-P_02)
Secure employment Health and safety Training and skills development	ESG Policy	ALTEO Group’s energy business line
	Code of Ethics	ALTEO Group
	Ethical requirements	FE-GROUP INVEST Zrt. and ALTEO Circular Kft.
	Occupational health and safety management system (OHSMS):	ALTEO Group (except: FE-GROUP INVEST Zrt.)
	HR Policy	ALTEO Group’s energy business line
	Performance Assessment and Feedback System Policy	ALTEO Group
	Annual performance management process, and the related Performance Assessment Bonus Scheme and Short-Term Incentive Scheme policies	ALTEO Group’s energy business line
	Wage and Benefits Policy	ALTEO Group (except: FE-GROUP INVEST Zrt.)
	Corporate social responsibility strategy	ALTEO Group’s energy business line

(S1-1_01) We are committed to comprehensively addressing the material impacts, risks and opportunities concerning employees. The Group has an ISO 45001 Occupational Health and Safety Management System (OHSMS) in place covering employees (excluding FE-GROUP INVEST Zrt.), and also a Code of Ethics. (S1-1_03-04) (S1-1_11) The prohibition of discrimination and the promotion of diversity are among the main values of ALTEO Group. ALTEO Group’s internal policies prescribe respect for the human rights of its own workforce, cooperation with its workforce, and measures to ensure and enable the correction of human rights impacts. (S1-1_07) In addition to statutory requirements, these internal policies are also in line with external guidelines, such as the BSE Corporate Governance Recommendations, the International Human Rights Code, the European Convention on Human Rights, the OECD Guidelines for Multinational Enterprises and the UN Global Compact. (S1-1_08) Our policies, however, do not address issues related to human trafficking, forced labor, and child labor, nor do they mention the hiring of own employees who are at risk of vulnerability (S1-1_12). This is because these factors do not pose a significant risk in the Company’s current area of operations.

ESG Policy

In the energy business line, our ESG Policy summarizes our sustainability commitments, which, like our ESG Strategy, is aligned with the United Nations Sustainable Development Goals. The policy encompasses our core social positions and key social values, including a commitment to continuous development and learning, as well as to ensuring a safe working environment, and is available to all stakeholders on the Group's [website](#).

Code of Ethics

(MDR-P_01-06) We have a Code of Ethics in place, which defines the key ethical principles and guidelines applicable at ALTEO Group, compliance with laws, and ethical business operation. Our employees, suppliers, subcontractors, contracted, sponsored and supported partners and other stakeholders are also expected to act in accordance with the Code of Ethics in the course of their activities. The implementation of the guidelines is monitored by ALTEO Group's Ethics, Compliance and Control organization, which regularly reports its observations to the dedicated Supervisory Board. The Director of Ethics, Compliance and Control is responsible for ensuring compliance with the guidelines set out in the Code. It submits its proposals for amending the Code to the Compliance Committee and the CEO for approval. The expectations and interests of internal and external stakeholders are taken into account in the development of the Code of Ethics. The latest version of the Code of Ethics is available on the Intranet and the [Company website](#).

(MDR-P_01-06) (S1-1_10) In their respective Codes of Ethics, FE-GROUP INVEST Zrt. and ALTEO Circular Kft. also define the rules of conduct and ethical standards to be followed by all employees, and also the principles necessary for ensuring equal opportunity. The Code of Ethics contributes to creating a healthy work environment and the respect for the human dignity of employees, and sets forth ethical standards regarding our customers. The heads of ALTEO Circular Kft. and FE-GROUP INVEST Zrt. are responsible for amending the Code; while approval of the changes falls within the competence of the person exercising the employer's rights and ALTEO's Director of Ethics, Compliance and Control. All employees can access the Codes of Ethics in the electronic repository; they are also available on company websites.

Occupational accident prevention and management system

(MDR-P_01-06) (S1-1_09) Our Group has made the health and safety of employees a priority area, and has its own initiatives and objectives in place in addition to legal compliance. The ISO 45001 Occupational Health and Safety Management System (OHSMS) applies to everyone working in ALTEO Group's energy business line, including external contractors working on the sites (423 people in total).

ALTEO Circular Kft. has its own Integrated Management Manual, which incorporates the requirements of the ISO 45001:2018 standard (occupational health and safety). The system also covers all employees working at ALTEO Circular Kft.'s own sites (224 people in total). To ensure the appropriate use of personal protective equipment, ALTEO Circular Kft. also has a document governing the rules for the provision of personal protective equipment.

Health, Safety and Environmental Protection (HSE)

(MDR-P_01-06) (S1-1_09) We manage health and safety activities in coordination with the Integrated Management System for the energy business line (for more information on the system, see sub-chapter [E1-2] *Policies related to climate change mitigation and adaptation*) and in alignment with sustainability. The energy business line considers HSE requirements to be its corporate policy, and the purpose of the requirements is to determine the material and personal HSE conditions of work, prepare a risk assessment, determine the necessary personal protective equipment, prepare and enforce a health and safety plan. We aim to handle HSE-related tasks in a single, systemic approach, to minimize risks, and to implement cost-effective measures, while complying with current laws. These regulations apply to all work carried out by ALTEO Group's energy business line, with the exception of greenfield work, where the contractor is responsible for authorizing the work once the work site is handed over to it. In order to comply with the regulations, a valid and effective contract, a Supervisor Certificate and the completion of the E-learning material prepared by ALTEO Nyrt. are required. We also have an Occupational Health and Safety Committee set up, which participates in occupational health and safety activities at ALTEO Group's energy business line, and is involved in the preparation of decisions that may affect the health and safety of employees. This also ensures that employees are involved in the development of the corporate HSE strategy.

The HSE organization is responsible for compliance with the regulations. The standards applied include the 14001:2015 Environment Management System, and the ISO 45001:2018 Occupational health and safety management system. We organize several management walk-throughs and HSE inspections, and also two internal audits each year. Compliance with policies is also reviewed in external audits and regulatory inspections.

After all HSE trainings, participants are required to complete a knowledge assessment test; and prior to the annually recurring trainings, the curriculum is updated and supplemented in line with internal and legislative changes. HSE training is available for all employees; while non-ALTEO Group employees are provided with contractor supervisor HSE training.

HR Policy

(MDR-P_01-06) Topics related to the HR policy provide an idea of the state of the Group's internal communication, the appropriate way of sharing information, and the emphasis we place on raising awareness and operating in a transparent and regulated manner.

The HR Policy applies to ALTEO Group's energy business line, and is one of the management documents available to employees. The HR department is responsible for ensuring compliance with it. The Performance Assessment Bonus Scheme (PBS) and the Short-Term Incentive Scheme serve as the foundation for the performance assessment system. The objectives, principles, and processes related to remuneration are set out in the PBS and the Short-Term Incentive Scheme Policy.

A separate set of rules of procedure has been established to govern training and organizational development activities, with the aim of planning and implementing the Group-wide Annual Training Plan and defining the framework for organizational development processes.

Regulated operation supports employees in continuous growth and long-term competence development.

(MDR-P_01-04) The separate HR Policy at ALTEO Circular Kft. ensures lawful and fair employment conditions for all its employees, as well as transparent and ethical human resources practices. The purpose of the policy is to promote a safe work environment, to ensure the protection of employee rights, and to foster mutual respect and cooperation within the organization. The policy is issued by the person exercising employer's rights.

Annual performance management process, and the related Performance Assessment Bonus Scheme and Short-Term Incentive Scheme policies

(MDR-P_01-06) One of the aims of the adopted policy is to establish a system that is in line with ALTEO Group's business and HR strategy, to support the Company's performance and enhance shareholder value. This is offered to employees through the Performance Assessment Bonus Scheme, the Employee Share Ownership Program and the Short-Term Incentive Scheme, taking into account the Group's interests and corporate values. Further details on the incentive system are provided in sub-chapter [GOV-3] *Integration of sustainability-related performance in incentive schemes*.

(MDR-P_01-04) ALTEO Circular Kft. has its own Wage and Benefits Policy, which aims to ensure fair and competitive compensation for employees, and to define their benefits package. This policy applies to all employees of ALTEO Circular Kft. The person exercising the employer's rights is responsible for issuing the policy. The policy is drafted in accordance with the applicable laws and regulations, and is reviewed annually. In the event of changes, employees are always notified in due time.

Corporate social responsibility strategy

(MDR-P_01-06) ALTEO Group's energy business line also has a CSR (Corporate Social Responsibility) strategy, the key priorities of which were defined in collaboration with our stakeholders, employees, partners, and customers. More information on the strategy is available on [our website](#).

To develop our CSR strategy, we identified six key aspects that are included among the EU and UN Sustainable Development Goals. These include Sustainability, ESG considerations, Environmental protection, Renewable energy, Employee health and safety, and Employee engagement and initiatives. Our CSR strategy aims to encourage community involvement, raise environmental awareness and promote social well-being.

Communication and method of implementation of the guidelines

(MDR-P_01-06) (S1-1_05) The staff of ALTEO Group's energy business line are regularly informed through internal communication channels. (S1-1_14) The various open door policies, staff meetings and forums, site visits, internal mailing system, Intranet and online ALTEO Academy ensure a free flow of information. We take particular care to ensure that information reaches employees in a timely and appropriate form, so that they are informed of all changes in the Company's operations.

(S1-1_14) Furthermore, our Intranet platform provides excellent opportunities for effective communication with our colleagues, and it facilitates our administrative processes: in addition to keeping our staff informed of major events at and outside the Company, it also allows for the management of HR documentation, and assists our colleagues in the field in monitoring statuses. In ALTEO's energy business line, all policies, including the HR Policy, are also available on the internal drive, ensuring that all stakeholders have access to the necessary documents.

ALTEO Circular Kft. operates its own distribution system, where the ISO coordinator ensures that the policies are uploaded to the correct location. This ensures that stakeholders have access to the current policies, including the Integrated Management Policy.

(S1-1_06) (S1-1_13) If there is a suspicion of non-compliant activity or abuse (incident), it can be reported through the whistleblowing channel which has been active since 2016. This service is also available to employees and business partners, through an online reporting system, via email or by telephone, if there is a suspicion of abuse that breaches the Code of Ethics. The implementation of and compliance with these guidelines is monitored by our Compliance Department, and incidents are reported to the Compliance Committee and the Supervisory Board. ALTEO Group's Director of Ethics, Compliance and Control is responsible for the whole process.

[S1-2] Processes for engaging with own employees and employee representatives about impacts

(S1-2_01)

ALTEO Group's energy business line places significant emphasis on close cooperation with its employees (including those employed as non-employees) and their representatives, particularly with regard to improving workplace health and safety. We receive feedback from our staff through the Sustainability and HSE Culture surveys conducted every two years, and that also plays a key role in the development processes. The results are collected on a standardized interface and are evaluated subsequently. These surveys are administered in a completely anonymous manner and, as ALTEO Group operates in Hungary, there are no language or geographical barriers. Other tools for creating a safe working environment include both near-miss accident reporting schemes and regular safety trainings. Our Intranet platform provides an efficient communication channel and helps employees receive regular, up-to-date information on changes and developments within the Company.

ALTEO Circular Kft.'s OHSMS system ensures cooperation with employees (including those employed as non-employees). The management involves employees in hazard identification, risk management, and the setting of targets; ensures their representation in occupational health and safety matters; and encourages the reporting of incidents to facilitate preventive measures.

At FE-GROUP Zrt., we hold staff meetings twice a year, attended by our white-collar and blue-collar employees, as well as those employed as non-employees.

[\(S1-2_02-06\)](#) The Works Council provided formal representation for employees in our energy business line; however, this form of representation could not be maintained in the 2025 financial year, because the Works Council's mandate had expired and, due to the failure to nominate candidates, a new Works Council could not be formed. In the fall of 2025, the Company once again provided an opportunity for candidate nominations and voting. The process was successfully concluded at the time, and the new Works Council members were elected in December 2025.

Twice a year, our Group organizes meetings between Executive Board members and local employees at central and non-Budapest locations, where topics are discussed in a Q&A format. The HR Department is responsible for managing and organizing the meetings, while ensuring stakeholder engagement, while the Deputy CEO is responsible for integrating feedback into the Company's overall strategy. Our employees also have the opportunity to complete a satisfaction survey every two years, which provides us with direct written feedback on a number of topics. The HR Department is responsible for conducting the survey and summarizing the results; actual action plans can be developed and changes can be implemented based on the feedback. [\(S1-2_06\)](#) If an employee's employment is terminated, the HR Department contacts the given employee to conduct an exit interview, during which the relevant employee can provide feedback and share their opinions. Participation is always voluntary. The details of the interview are then forwarded to the stakeholder's direct supervisor. [\(S1-2_05\)](#) Apart from these measures or collaborations, ALTEO Group has no formal agreement with any employee representation body.

[\(S1-2_03\)](#) Employees are involved at various stages of the decision-making process. The management meetings, held twice a year, and the satisfaction surveys, conducted every two years, are primarily linked to the strategic and annual planning phases, while exit interviews help to review the measures. These forms of involvement ensure that employee feedback is taken into account in a systematic and structured manner when developing action plans, improving processes, and managing risks.

ALTEO Group has not yet established processes for engaging with employees to manage the impacts of the transition to greener and climate-neutral operations. However, in the future it will seek to expand employee initiatives in this area as well. To support our employees' career development and enhance their professional knowledge, we work with them to set individual development goals every year, and organize individual trainings or group workshops to help them to develop their careers and improve their professional skills. The communications of our Group also emphasize the importance of reducing carbon emissions, encouraging employees to take the appropriate preventive actions.

[\(S1-2_07\)](#) With gender equality and the importance of social justice in mind, ALTEO Group also has a Female Managers' Club initiative in place that provides a platform for female managers to share their experience with others and support each other.

[S1-3] Processes to remediate negative impacts and channels for own employees to raise concerns

[\(S1-3_01\)](#) ALTEO Group aims to identify and analyze the causes of all arising problems as efficiently as possible, and then to find solutions to prevent their future occurrence. [\(S1-3_02\)](#) [\(S1-3_05-06\)](#) To this end, the Group employs various procedures to ensure corrective actions, including the operation of a whistleblowing system that allows for the reporting of suspected violations of the Code of Ethics or instances of misconduct, and guarantees the protection of whistleblowers. This system has been operational since 2016, and is accessible by all employees and business partners. Suspicions of ethical misconduct can be reported online, via email or by phone.

[\(S1-3_02\)](#) [\(S1-3_05-06\)](#) ALTEO Nyrt., FE-GROUP INVEST Zrt. and ALTEO Circular Kft. operate an ethics violation reporting and whistleblowing system designed to receive and investigate reports. By operating this system, ALTEO Group ensures compliance with the law, and the implementation of ethical corporate governance, and informs potential whistleblowers about the system and its capabilities. In 2025, we received 3 reports of suspected ethics misconduct and 2 reports of suspected abuse: investigations were opened in all cases and corrective actions were taken. [\(S1-3_07\)](#) Our Group investigates all reports in line with our internal rules of procedure. We keep records of the channels through which reports are received; however, we do not currently conduct detailed analyses or track performance metrics regarding the effectiveness of these channels.

We have also implemented a compliance-related adjustment to the performance assessment systems of ALTEO Nyrt. and ARTEMIS Technologies Zrt. to ensure compliance with ethical and compliance requirements. [\(S1-3_08\)](#) The objective of our Speak Up! program is to

encourage our employees to ask questions, share feedback, or raise concerns without fear of any negative consequences. We also monitor awareness of the program and confidence in it through regular back-testing: in the annual compliance risk survey, an upward trend has been observed since its introduction, even among respondents who gave the lowest and highest ratings. Based on the survey results, we determine the focus areas for Compliance Coffee sessions, with particular attention to the topics that received the lowest ratings. (S1-3_09) We feel it to be of the utmost importance that whistleblowers are not retaliated or discriminated against, even if no unlawful conduct or infringement is identified after their whistleblowing.

[S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

(MDR-A_01-05) We provide specific answers to all formal or informal inquiries that concern our employees (also including non-employees), and these answers are tailored to the nature of the issue. After analyzing a detected anomaly, process-level or systemic changes are introduced and positive change can always be measured. (S1-4_02) In 2025, no material impacts were identified that would require action to ensure or enable appropriate adjustments.

(MDR-A_06) At our Group, measures relating to our own workforce ensure basic operations in accordance with current external and internal compliance requirements; therefore, separate financial planning, that is, investment and operating costs, is not broken down at this level within ALTEO Group.

Secure employment, occupational health and safety

We will continue to focus on continuously enhancing our environmental and safety performance to ensure the basic conditions for sustainable operation. Our fundamental goal is to prevent work accidents and provide preventive occupational health services. Special attention is paid to the health and safety of all those working at our sites, and everyone is expected to adhere to our common principles. (S1-4_04) We monitor all our processes and listen to employee feedback using the “Plan, Do, Check, Act” (PDCA) cycle. In addition, we strive to maintain a balanced workflow, so depending on the job type, we also offer the possibility to work from home. We pay particular attention to the quality standards of our office buildings, which was also an important factor when we selected our new office building.

(S1-4_05) In respect of the Occupational Accident Prevention and Management System, and the ISO 45001-compliant Occupational Health and Safety Management System (OHSMS), as part of our e-learning program launched on our Intranet in 2021, we train subcontractors working at our sites in key health and safety issues in Hungarian and English. (S1-4_03) In addition, for sites and projects, as a prerequisite of the work permit the HSE supervisor examination has to be passed.

Measures for managing material impacts, risks, and opportunities related to secure employment and occupational health and safety are primarily formalized within the energy business line. The general principles established at the Group-level apply to the Group’s circular economy business; beyond that, no specific measures have been defined at this time.

ALTEO Group primarily seeks to ensure secure employment by creating a safe working environment; our Company does not have any additional policies or measures specifically aimed at ensuring secure employment. At the same time, the Group fully complies with applicable labor and occupational safety laws and regulations and operates in accordance with mandatory standards, which provide the essential framework for maintaining secure employment.

Risk management and accident prevention in ALTEO Group’s energy business line

(MDR-A_01-05) ALTEO Group’s energy business line aims to identify risks accurately and minimize them so that the likelihood and severity of accidents can be reduced. (S1-4_01, S1-4_05) To this end, we have put in place a number of measures as per our Occupational Health and Safety Policy; training and information provided to managers ensures compliance with the instruction that they must immediately stop work if they detect a dangerous situation. In addition, hazardous situations or unsafe events and conditions are reported by employees of the energy business line as near-miss accidents and, if necessary, they also notify their direct superiors.

The safety and wellbeing of our employees is of paramount importance to us. (S1-4_04) We constantly monitor accident and fatality statistics, which remain close to zero at all our sites. We place strong emphasis on training our staff in both mandatory and skill-building topics. We also pay particular attention to the quality of the office environment, which is reflected in the design of our social spaces.

(S1-4_08) ALTEO Group’s management is committed to minimizing the number of work accidents, and thus, in addition to keeping the number of serious/fatal work accidents at zero, this is also one of the objectives of the management. The opinion of our employees is also important for the Group, and we conduct a Sustainability and HSE Culture Assessment every 2 years in our energy business line, involving our staff in the development process. This ensures the effectiveness of our measures and the improvement of our tools, processes and requirements. The introduction of this mechanism for FE-GROUP INVEST Zrt. and ALTEO Circular Kft. is currently being planned.

Training and skills development

ALTEO Group’s core corporate value is excellence and continuous improvement and learning based thereon. As well as sustaining economic success, harnessing intellectual potential, expertise, knowledge, determination and loyalty are key to our mindset. Thanks to our diversified portfolio, market size, swift responsiveness and excellent team of professionals, we have been successful despite the crises of recent years.

Building on this preparedness and knowledge base, we offer our staff continuous development opportunities. To keep up with the ever-changing market environment, we need an agile and well-trained team. Employee training and development is based on the annual training plan. This is developed in line with legal regulations and our internal policies (and we provide mandatory training for all jobs – e.g. fire safety, first aid, HSE training). Another important aspect in developing the training plan is the need for training to support the implementation of the annual and long-term strategy: staff performance is used to determine the areas where they need support to advance their careers. The preparation of the annual training plan starts each year with the involvement of managers. In addition, an important part of the planning cycle for the upcoming financial year is the annual consultation between managers regarding training and development plans for their staff. Taking these into account, a team training plan is drawn up, with a strong focus on the development needs of individuals, as well as annual mandatory training. Our employees can complete their internal, mandatory training on our Intranet platform and our onboarding-related training is also available on this platform.

In addition to the training plan, we also offer the following training opportunities to our employees:

- Our internal knowledge-sharing platforms, ALTEO Academy and ALTEO Momentum Leadership Program (launched in 2025), continue to be very popular with our employees, and this year we again offered the ALTEO Fit program, which is specifically aimed at promoting healthy lifestyles and mental wellbeing. In 2025, we not only organized presentations and lectures, but also various activities, such as individual and group step-counting and cycling mileage competitions.
- As part of our organizational development initiative launched in 2025, senior executives at ALTEO Nyrt. were able to participate in a multi-session leadership training program.
- Our Sustainability Ambassador program continued in 2025, with three new colleagues joining the initiative. The program aims to support our employees in achieving their sustainability goals and advancing their professional development, as well as to promote a stronger focus on sustainability throughout the entire Group.
- We also worked to raise awareness about healthy lifestyles and environmental protection through our workshops on fermenting, energy balls or bee-friendly seed paper.
- We are proud that our Company is creating opportunities for future generations. In 2025, through our dual training program, we supported the development of young talents and helped them launch their professional careers, and by supporting MAPA's "Adopt a School" program, we held career guidance sessions for primary school students in Tiszaújváros.

Measures for managing material impacts, risks, and opportunities related to training and skills development primarily have established processes in the energy business line. The general principles established at Group level apply to the circular economy business line, with the gradual implementation of full integration serving which is our future goal.

[S1-5] Targets related to managing material negative impacts, facilitating positive impacts, and managing material risks and opportunities

(S1.MDR-T_01-13) (S1-5_04) The majority of our employees perform physical work involving high safety risks, which is why protecting the employee health and safety is a priority for ALTEO Group. As part of the Safety First approach, our goal is to prevent work accidents and provide preventive health services. We set annual targets and programs, based on risk assessments, experience and analysis of work-related accidents, and monitor these through the IMS. Results are monitored during walkthroughs and inspections. We organize several walkthroughs per year at each site, which include multiple walkthroughs by senior management, one inspection involving the HSE area and two internal audits. As part of our Integrated Management Policy (IMS), minimizing work accidents and preventing fires and environmental pollution are key objectives in the energy business line and at ALTEO Circular Kft. Health and safety is managed as part of the IMS under the direction of the Director of Sustainability and HSE, and the Site Manager at each site is responsible for ensuring that working conditions are appropriate for health and safety. **(S1-5_01)** Risk assessment and exposure assessment are carried out with the involvement of occupational safety and health specialists. All employees undergo an annual medical examination, and employees in ALTEO Group's energy business line are also covered by UNION PrivateMed Next health insurance.

(S1.MDR-T_01-13) Our key related targets are to maintain the lost time injuries per one million hours worked (LTIF) at zero and to achieve 0 LTIF for non-employees by 2025. Occupational health and safety is also a central theme in the development of our ESG strategy from 2025, and the following objectives were defined therein. We use the requirements of the ISO 45001:2018 standard to set targets and we use the "Plan, Do, Check, Act" (PDCA) cycle to ensure continuous development; however, there is currently no formalized process in place for monitoring and evaluating performance.

(S1-5_02) (MDR-T_16-17) To track performance against targets, the quality of the health service is continuously monitored, taking feedback from our staff into account. We monitor our results through regular walk-throughs and inspections. Compliance with procedures and policies is also reviewed by external audits and regulatory inspections.

(S1-5_03) To identify lessons learned and improvements from performance against the targets, we prepare a report at the end of each year as part of the performance assessment process, identifying areas to improve, and then develop actions through an action planning process, which are put into practice during the year.

[\[MDR-T 14\]](#) In respect of employees, beyond the topics of health and safety, no other measurable targets have been set concerning material risks, opportunities or impacts; however, our ESG strategy addresses these topics through the implementation of an employee well-being program, and by attracting and retaining a skilled workforce, and providing ongoing training for our colleagues.

[S1-6] Characteristics of ALTEO Group employees

[\(S1-6_16\)](#) In order to comply with the ESRS reporting standard, the data tables present ALTEO Group with a view to social sustainability. Instead of using the term “site” under the ESRS standard, for the sake of clarity, we present the Group by “operating sites”, which shows the Group broken down into ALTEO, FE-GROUP INVEST Zrt. and ALTEO Circular Kft. “ALTEO” is the part of ALTEO Group that includes all of ALTEO Group, excluding FE-GROUP INVEST Zrt. and ALTEO Circular Kft. The distinction was necessary because the activities and operations of the three operational units are separate. This breakdown ensures that the data points in the report meet the requirements of the standard and provide a realistic picture of the Company’s actual operation and performance.

At the end of 2025, the Group had 285 female and 978 male staff members, i.e. a total of 1263 employees. 23% of our employees are women.

[\(S1-6_04\)](#) The number of employees is only shown for Hungary, as the Group’s activities are currently limited to Hungary. All the operation sites are located in Hungary. [\(S1-6_17\)](#) The total number of employees at year-end is identical with the figure presented in the Annual Report.

[\(S1-6_01-02\)](#)

NUMBER OF EMPLOYEES ⁷⁸	2024	2025
Total [persons]	513	1,263
ALTEO	409	423
FE-GROUP INVEST Zrt.	104	133
ALTEO Circular Kft. ⁷⁹	n/a	707
Men	393	978
ALTEO	314	321
FE-GROUP INVEST Zrt.	79	95
ALTEO Circular Kft.	n/a	562
Women	120	285
ALTEO	95	102
FE-GROUP INVEST Zrt.	25	38
ALTEO Circular Kft.	n/a	145

[\(S1-6_07\)](#) In 2025, ALTEO Group did not employ any temporary staff (such as casual workers or secondment) or employees subject to an on-call obligation.

[\(S1-6_19\)](#)

NUMBER OF FULL-TIME EMPLOYEES BY OPERATING SITE	2024	2025
Total [persons]	502	1,234
ALTEO	399	407
FE-GROUP	103	132
ALTEO Circular Kft.	n/a	695
Men	389	965
ALTEO	311	317
FE-GROUP INVEST Zrt.	78	94
ALTEO Circular Kft.	n/a	554
Women	113	269
ALTEO	88	90
FE-GROUP INVEST Zrt.	25	38
ALTEO Circular Kft.	n/a	141

⁷⁸ The number of employees and the number of permanent employees by contract type [\(S1-6 50b\)](#) are the same, thus we have included only one table.

⁷⁹ The values shown for ALTEO Circular Kft. under the S metrics also include data for Peregium Green Zrt. and ÉLTEX SR. HULLADÉKKEZELŐ ÉS FUVARÓZÓ Kft.

(S1-6_07) (S1-6_20)

NUMBER OF PART-TIME EMPLOYEES BY OPERATING SITE	2024	2025
Total [persons]	11	29
ALTEO	10	16
FE-GROUP INVEST Zrt.	1	1
ALTEO Circular Kft.	n/a	12
Men	4	13
ALTEO	3	4
FE-GROUP INVEST Zrt.	1	1
ALTEO Circular Kft.	n/a	8
Women	7	16
ALTEO	7	12
FE-GROUP INVEST Zrt.	0	0
ALTEO Circular Kft.	n/a	4

(S1-6_11-12)

STAFF TURNOVER	2024	2025
Total number of employees [person]	513	1,263
ALTEO	409	423
FE-GROUP INVEST Zrt.	104	133
ALTEO Circular Kft.	n/a	707
Total number of exiting employees	96	261
ALTEO	39	49
FE-GROUP INVEST Zrt.	57	95
ALTEO Circular Kft.	n/a	117
Total turnover (%)	19%	21%
ALTEO	10%	12%
FE-GROUP INVEST Zrt.	55%	71% ⁸⁰
ALTEO Circular Kft.	n/a	17%

(S1-6_13-16) For the calculation of staff turnover, we used the total number of employees leaving as a percentage of the total number of employees. The data has been compiled using our internal human resources database and is presented as at the end of the year. The figures presented are the headcount figures as at the end of the reporting period.

[S1-7] Characteristics of non-employee workers within the undertaking's own workforce

(S1-7_01-03) (S1-7_07-09) In 2025, ALTEO Group employed 100 people under a service agreement and through temporary staffing agencies. The two people at ALTEO Nyrt. were responsible for lifting equipment administration and technical support related to renewable energy production technologies and energy storage. The 60 non-employee workers at FE-GROUP INVEST Zrt. are the temporary blue-collar workforce hired to carry out the operational activity. 38 temporary workers were employed at ALTEO Circular Kft. (S1-7_01-03)

Number of non-employee workers	2024	2025
Total [persons]	112	100
ALTEO	2	2
FE-GROUP INVEST Zrt.	110	60
ALTEO Circular Kft.	n/a	38

⁸⁰ In the case of FE-GROUP INVEST Zrt., there has been an increase in the turnover rate: In 2025, there was not any single specific cause, but an increase in the workforce naturally goes hand in hand with a rise in the turnover rate.

(S1-7_06-09) The data has been compiled using our internal human resources database and is presented as at the end of the year. The figures presented are the headcount figures as at the end of the reporting period. There is no significant seasonality in the data.

[S1-11] Social protection

Employees of our Group can also benefit from a range of benefits affording them social protection, and all employees are entitled to these benefits, irrespective of their type of employment. The breakdown by countries is not relevant, as all our sites operate in Hungary.

BENEFITS RELATED TO SOCIAL PROTECTION AGAINST LOSS OF INCOME AND THE DETAILS THEREOF	
Loss of income due to illness	(S1-11_01) When an employee is on sick leave, the employer pays the sick benefit for the first 15 days of illness, and this sick benefit equals to 70% of the employee's salary. Employees who are incapable of working for a period longer than the 15 days, are entitled to sick pay provided by the State. This amount is a pre-defined percentage of the employee's wages, financed by the social security system.
Loss of income due to unemployment	(S1-11_02) Employees who become unemployed receive a job-seeker's benefit which is 60% of their previous earnings, up to a maximum of 100% of the minimum wage. The benefit is available for a maximum of 90 days.
In case of loss of income due to work-related injury and work-related disability	(S1-11_03) In the event of a workplace accident or occupational illness, the employee is entitled to accident pay of 100% of their wages. If the injury or disability is permanent, a rehabilitation allowance may be payable, the amount of which varies depending on the remaining capacity for work.
In case of loss of income due to parental leave	(S1-11_04) <ul style="list-style-type: none"> Baby-care allowance (CSED): It is payable for 168 days after the birth of the child, and the amount is equal to 100% of the beneficiary's daily wages. Effective July 1, 2025, the baby-care allowance (CSED) is exempt from personal income tax, meaning that the benefit amount is paid in accordance with the recipient's previous gross earnings. Child-care benefit (GYED): It is payable until the child is 2 years old, and the amount is equal to 70% of the mother's salary, capped at 70% of twice the minimum wage. Child-care allowance (GYES): It is payable an entitlement by right, after the expiry of the right to receive GYED, until the child is 3 years old, and it is a fixed-amount benefit.
In case of loss of income due to retirement	(S1-11_05) Employees receive an old-age pension under the social security scheme, and in certain cases may also receive pension supplements, such as a widow's/widower's pension or early retirement benefit.

[S1-13] Training and skills development metrics

Excellence and continuous development are core values of ALTEO Group. Our success is ensured by our dedicated, highly trained team and our flexible approach. We provide our employees with opportunities for professional development, training, and wellness programs to keep pace with the changing market environment. More detailed information about the training programs available at our Company can be found in sub-chapter [S1-3] *Processes to remediate negative impacts and channels for own employees to raise concerns*.

In 2025, the average number of training hours per person was close to 49 hours.

(S1-13_01-04)

NUMBER OF EMPLOYEES PARTICIPATING IN REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	2025
Employees participating in regular performance and career development reviews (total)	423
ALTEO	423
FE-GROUP INVEST Zrt.	0
ALTEO Circular Kft.	0
Ratio of men (%)	33%
ALTEO	100%
FE-GROUP INVEST Zrt.	0%
ALTEO Circular Kft.	0%
Ratio of women (%)	36%
ALTEO	100%
FE-GROUP INVEST Zrt.	0%
ALTEO Circular Kft.	0%

AVERAGE HOURS OF TRAINING PER EMPLOYEE	2025
Total	48.84
ALTEO	41.62
FE-GROUP INVEST Zrt.	3.28
ALTEO Circular Kft.	61.73
Men	49.64
ALTEO	44.80
FE-GROUP INVEST Zrt.	3.64
ALTEO Circular Kft.	60.18
Women	46.10
ALTEO	31.63
FE-GROUP INVEST Zrt.	2.37
ALTEO Circular Kft.	67.74

[S1-14] Health and safety metrics

At ALTEO Group, we pay great attention to the importance of safe work and health protection. We also apply the “Safety First” principle in our energy business line. Our results reflect our long-standing commitment and development: We had no serious work-related accidents in 2025 either. This is particularly noteworthy as our staff are engaged in physical work that can pose a high safety risk.

(S1-14_02-03) (S1-14_08-09) The effectiveness of ALTEO Group’s occupational safety and health preventive measures, as well as the preparedness and attention of our staff, is demonstrated by the fact that in 2025 there were no fatal work accidents involving either ALTEO Group employees or staff working at our sites or on our behalf.

In the year of the report, 51% (647 people) of all ALTEO Group employees (1,263 people) were covered by a health and safety management system. The Occupational Health and Safety Management System (OHSMS) in place at ALTEO Group’s energy business line covers all ALTEO Nyrt. employees, including own employees (423 people in total) and external contractors working at sites.

There is currently no health and safety management system available for FE-GROUP INVEST Zrt. As a result, none of the Company’s 133 employees benefit from such a system.

ALTEO Circular Kft. operates its own occupational health and safety management system in accordance with the ISO 45001:2018 standard within its Integrated Management System (IMS) to ensure that its activities consistently meet the ever-changing requirements and expectations regarding occupational health and safety, quality, environmental pollution and environmental impact, and energy management. The company is committed to preventing injuries and health hazards, and within the IMS, it sets goals and targets, and it regularly reviews if and how those goals and targets are achieved.

(S1-14_01)

NUMBER OF OWN EMPLOYEES COVERED BY A HEALTH AND SAFETY MANAGEMENT SYSTEM	2024	2025
Total [persons]	513	647
ALTEO	409	423
FE-GROUP INVEST Zrt.	0	0
ALTEO Circular Kft.	n/a	224
Ratio (%)	80%	51%
ALTEO	100%	100%
FE-GROUP INVEST Zrt.	0%	0%
ALTEO Circular Kft.	n/a	32%

The number of ALTEO’s non-employee workers was 2 in the year of the report, both of them were covered by the health and safety management system, thus their ratio is 100%. In the case of FE-GROUP INVEST Zrt., the number of workers employed as non-employees was 60, with none covered by such a system. In the case of ALTEO Circular Kft., none of the 38 workers employed as non-employees are covered by OHSMS.

In the year of the report, 2% (100 persons) of all of non-employee workers at ALTEO Group were covered by a health and safety management system.

NUMBER OF WORKERS EMPLOYED AS NON-EMPLOYEES COVERED BY A HEALTH AND SAFETY MANAGEMENT SYSTEM	2024	2025
Total [persons]	2	2
ALTEO	2	2
FE-GROUP INVEST Zrt.	0	0
ALTEO Circular Kft.	n/a	0
Ratio (%)	2%	2%
ALTEO	100%	100%
FE-GROUP INVEST Zrt.	0%	0%
ALTEO Circular Kft.	n/a	0%

In 2025, the number of recordable work-related accidents at ALTEO was two, eight at FE-GROUP INVEST Zrt., and seven at ALTEO Circular Kft. for workers employed as non-employees. For non-employees, there was only one recordable work-related accident, which occurred during work carried out at ALTEO Circular Kft. Based on the total number of hours worked by employees, this ratio was 10.64, while for workers employed as non-employees, the ratio was 6.4.

As before, ALTEO Group continues to be committed to the safety of its employees.

(S1-14_04-05)

NUMBER OF RECORDABLE WORK-RELATED ACCIDENTS	2024 (adjusted figures)	2025
Total number of accidents	8	17
ALTEO	0	2
FE-GROUP INVEST Zrt.	8	8
ALTEO Circular Kft.	n/a	7
Total hours worked [hours]	850,249	1,597,680
ALTEO	682,574	730,770
FE-GROUP INVEST Zrt.	167,676	204,718
ALTEO Circular Kft.	n/a	662,192
Ratio⁸¹	9.41	10.64
ALTEO	0	2.74
FE-GROUP INVEST Zrt.	47.71	39.08
ALTEO Circular Kft.	n/a	10.57

At ALTEO Group, we regularly review the risks of occupational diseases and take measures to mitigate these where necessary. All employees have an annual health check. The quality of service is constantly monitored and feedback from our staff is taken into account. The results are positive: no occupational illnesses have been reported in recent years, which shows the effectiveness and efficiency of the measures.

(S1-14_06)

The number of recordable work-related illnesses among ALTEO Group employees was 0.

At our Group, the total number of days our employees lost due to work-related illnesses or injuries resulting from work-related accidents and death resulting from illnesses was 909 days.

The number of fatalities due to work-related injuries and illnesses among own workforce was 0.

The number of fatalities due to work-related injuries and illnesses of other workers at Company sites was 0.

(S1-14_07)

TOTAL NUMBER OF DAYS LOST AMONG EMPLOYEES	2024	2025
Total number of days lost [days]	549	909
ALTEO	0	242
FE-GROUP INVEST Zrt.	549	531
ALTEO Circular Kft.	n/a	136

[S1-17] Incidents, complaints and severe human rights impacts

(S1-17_03) As in previous years, there were no reports of events at ALTEO Group that would qualify as discrimination. (S1-17_01-02) (S1-17_08-10) The number of complaints filed, cases of discrimination, and serious human rights incidents involving the Group's own workforce was 0, and thus, during the reporting period, there were no serious human rights incidents involving the Group's workforce that would have violated the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

(S1-17_05) (S1-17_11) In light of this, there were no fines, penalties or compensation obligations imposed.

⁸¹ We have made a correction in the calculation of the rate of work-related accidents to be recorded, which was also published in 2024, in our report for 2024, i.e. compared to the previous year, the rate now represents the number of cases projected per million hours worked, in accordance with the ESRS expectations. In 2024, we did not project the rate per million hours worked. The total figures published in the 2024 report were: 0.0001%, 0% for ALTEO, and 0.00048% for FE-GROUP INVEST Zrt.

(S1-17_01-02)

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS	2024	2025
Number of complaints submitted	0	0
ALTEO	0	0
FE-GROUP INVEST Zrt.	0	0
ALTEO Circular Kft.	n/a	0

(S1-17_07) The number of incidents, complaints and severe human rights incidents are recorded and managed by the Ethics, Compliance and Control organization. The related data report has been produced on the basis of the internal database. The complaints reporting system of FE-GROUP INVEST Zrt. and ALTEO Circular Kft. is also operated by the Ethics, Compliance and Control organization of ALTEO Nyrt.

4. CORPORATE GOVERNANCE

4.1 Business conduct

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

ALTEO Group’s management and supervisory bodies ensure that business conduct complies with legal regulations and ethical standards. Management oversees operations and the implementation of the strategy, while the Supervisory and Audit Committees conduct independent audits. The Chief Executive Officer and the members of the Executive Board receive regular further training to keep up to date with business ethics, legal requirements and company directives. Given their qualifications and professional experience, the members of ALTEO Group’s administrative, management and supervisory bodies possess additional expertise in business conduct, which is described in detail in *Appendix 1* of this report.

Detailed information on the disclosure requirement can be found in the subsection [GOV-1] The role of the administrative, management and supervisory bodies

[IRO-1] Presentation of processes to identify and assess material impacts, risks and opportunities

ALTEO Group identified and assessed the material impacts, risks, and opportunities related to corporate governance through a double materiality assessment. The impacts of the Group identified as material apply to the incidents, as potential negative impacts. Other opportunities related to corporate culture and supplier relationships were also identified, which may arise through ALTEO Group’s fair operation. The arising risks are related to the potential inadequate enforcement of corporate values and the insufficient investigation of reports. Detailed information relating to the identification of material topics is presented in sub-chapters [IRO-1] *Description of processes to identify and assess material impacts, risks and opportunities*, and [SBM-3] *Material impacts, risks and opportunities, and their interaction with strategy and business model(s)*.

[G1-1] Policies related to corporate culture and business conduct

Material sustainability topics	Related policies, regulations	Scope (MDR-P_02)
Corporate culture	ESG Policy	ALTEO Group’s energy business line
Protection of whistleblowers	Code of Ethics	ALTEO Group
Management of relationships with suppliers, including payment practices	Ethical requirements	FE-GROUP INVEST Zrt. and ALTEO Circular Kft.
Corruption and bribery – Prevention and detection, including training	Integrated Management policy	ALTEO Group’s energy business line
Corruption and bribery – Incidents	Integrated Management Manual	ALTEO Group (except: FE-GROUP INVEST Zrt.)
	Sustainable procurement policy	ALTEO Group’s energy business line

ESG Policy

In the energy business line, our ESG Policy summarizes our sustainability commitments, which, like our ESG Strategy, is aligned with the United Nations Sustainable Development Goals. The policy defines the fundamental principles of corporate governance, including a commitment to ensuring a high level of transparency and quality, a focus on building long-term partnerships, and the prevention and management of misconduct. The policy is available to all stakeholders on the Group’s [website](#).

Code of Ethics

(G1-1_01) The foundation of ALTEO Group’s corporate culture is the Code of Ethics, which is described in detail in chapter [S1-1] *Policies related to own workforce*. The management conducts regular discussions on the aspects of corporate culture, with particular attention to ethical standards, the quality of the working environment, employee rights and sustainability. These issues are regularly communicated to internal and external partners to ensure that these issues become an integral part of the corporate culture. As far as ethics and compliance are concerned, the management monitors the Company’s operations, in particular as it relates to the Code of Ethics, data protection, information security and workplace safety, and intervenes as necessary. (G1-1_08) In addition, the management organizes regular trainings and workshops for employees for personal and professional development. Specific incentive measures by the Company to encourage and promote a corporate culture include flexible working hours, the possibility of working from home, an annual training plan and various training opportunities, a humane approach to dismissals, support for former employees, investigation of Code of Ethics incidents and taking necessary action, and the introduction of a whistleblowing line to report misconduct and abuse. (G1-1_02) Through our Whistleblowing Hotline, established in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law, both internal and external stakeholders of our Group may submit reports regarding suspected non-compliance or misconduct. (G1-1_05) Whistleblowers acting in good faith may not be subject to any retaliation or disadvantage, even if their report is ultimately found to be unfounded. Further information on how the Whistleblowing Hotline works can be found in sub-chapter G1–3.

(G1-1_02) (G1-1_08) Our Group uses its Compliance Management System (CMS), already in place, to report unlawful conduct and to identify concerns about conduct that is contrary to the Code of Ethics or internal rules. We have also introduced a Compliance adjustment in the

performance assessment system of ALTEO Group's energy business line to ensure that ethical standards are met. Our Group has anti-corruption policies in place in line with the United Nations Convention against Corruption.

(G1-1_11) Within ALTEO Group's energy business line, the area most vulnerable to corruption, and therefore receiving special attention, is the recruitment of new employees, as conflicts of interest can increase the risk of corruption within the Company. To remedy this, all new employees are required to sign a conflict of interest declaration as part of the onboarding process, in accordance with our internal rules. The declarations are reviewed and, if necessary, the employee is consulted on the elimination of the conflict of interest or the conditions for authorization. Within ALTEO's circular economy business line, white-collar employees are considered to be the group most vulnerable to corruption, and therefore this area receives special attention.

(G1-1_10) Materials on ethics and business conduct are included in our annual training program in order to ensure that employees are familiar with the Code of Ethics. All employees of ALTEO Group are required to pass a bi-annual mandatory online training and exam, and we have mandatory online ethics trainings and exams for all new hires. The curriculum of the latter covers the chapters of the Code of Ethics step by step in the form of a presentation, and employees take an exam on the Code of Ethics. However, it is each and every employee is personally responsible for knowing and applying the Code of Ethics that governs the business conduct of ALTEO Group.

Integrated Management Policy and System

The quality of our services is of utmost importance, and we strive to deliver beyond the expectations of our clients. In addition to our primary business interests, we pay great attention to ensuring a healthy and safe working environment while minimizing the environmental impact of our activities. We are committed to adhering to the principles of precaution, responsible thinking, and prevention, and firmly believe in the importance of social responsibility, thus contributing to sustainable development.

ALTEO Circular Kft. has its own Integrated Management Manual, which incorporates the requirements of the ISO 9001:2015 (quality management), ISO 14001:2015 (environmental management), ISO 45001:2018 (occupational health and safety), and ISO 50001:2019 (energy management) standards. The purpose of the manual is to provide a unified framework for the Company's operations, facilitating the coordination of processes, the efficient use of resources, and the mitigation of risks. An integrated approach makes it possible to exploit the synergies between quality, environmental protection, energy efficiency, and employee safety. The system also covers all employees working at sites used by ALTEO Circular Kft.

Sustainable procurement policy

The Sustainable Procurement Policy of ALTEO Group's energy business line defines the environmental, social and economic criteria that the Company applies in its procurements. The policy aims to promote sustainability, uphold fair labor practices and ensure ethical behavior and transparency in the supply chain. The document applies to the entire supplier network of ALTEO Group's energy business line, including subcontractors and related partners. In this context, the Sustainable Procurement Policy is supervised and implemented by ALTEO Group's Director of Procurement and Facilities Management. The management is responsible for the development and implementation of the policy, which includes the involvement of stakeholders, including suppliers, employees and customers, and taking their needs into account. Regular training and development ensure that everyone is aware of the importance of sustainability. We require our suppliers to comply with the guidelines of the Code of Ethics, ensure a safe and healthy working environment, promote diversity and inclusion, and minimize their environmental impact.

ALTEO Group is highly committed to sustainability, continuously striving for innovation and the use of best practices. To this end, the Company regularly reviews its policy to ensure that it always reflects the latest regulations and stakeholder expectations.

At the moment, ALTEO Circular Kft. imposes strict compliance requirements only on suppliers involved in the processing of electronic waste. Accordingly, the company works exclusively with partners that can demonstrate their compliance with environmental and legal regulations, with authenticated documents and audited procedures. They must then demonstrate the transparency of their operations and their compliance with environmental regulations through a system based on an online interview. If a predefined requirement is not met, the possibility of concluding a contract is immediately excluded.

[G1-2] Management of relationships with suppliers

(G1-2_01) ALTEO Group does not currently have a documented governance document or policy on the prevention of late payments, nor does it have a specific timeline for developing such documents, however, this process is a fundamental and important part of our daily practice.

(G1-2_02) ALTEO Group's energy business line only works with suppliers who comply with the applicable legal and ethical standards for business. Accordingly, our suppliers are informed of our expectations, including our Sustainable Procurement Policy and the occupational safety obligations of contractors. The suppliers above a certain value threshold are subject to further compliance checks. When entering into a relationship with suppliers, our Group seeks to involve a wide range of local entrepreneurs (those registered in the region) and businesses while keeping cost-effectiveness in mind, thereby helping to spread the economic benefits of its operations in its immediate environment.

With regard to its circular economy business line, ALTEO currently does not have established processes in place for managing relationships with suppliers.

(G1-2_03) When conducting due diligence for business partners, the Group seeks to act with the utmost care, and to verify the reliability of the given businesses, that they actually pursue their activities at their registered office or business sites, have a sufficient number of qualified employees and references, and are capable of performing the services and activities undertaken. In addition, we expect our suppliers, subcontractors, and other partners to be aware of and adhere to our Code of Ethics, and to conduct their operations in accordance with our principles of sustainability and responsible business conduct, as further ensured by our Sustainable Procurement Policy.

[G1-3] Prevention and detection of corruption and bribery

Risk management

(G1-3_01) To prepare the Compliance Risk Map, and to eliminate the possibility of corruption, fraud and abuse, ALTEO Group has completed a Compliance RISK questionnaire, and has analyzed the findings of the same in November of each year since 2015. The questionnaire shows the extent managers are aware of the risks in the areas under review compared with the identified and actual risks of the Group. This ensures regulatory compliance and reduces risks arising from the value chain. In 2025, we conducted a risk analysis of eight business areas (Corporate Governance, HR, Finance-Accounting, Publicity/Disclosure of information, Procurement, Legal, IT, and M&A).

The questionnaire covers topics concerning the following eight main business areas:

BUSINESS AREA	TOPICS
1 CORPORATE GOVERNANCE	The questions on corporate governance provide answers on how the Company’s management manages risks, what tools, internal rules and organizational structures are used to fight corruption, fraud and insider trading. How it protects business information and how much emphasis it attaches to maintaining the Company’s reputation in its marketing strategy and in its external and internal communications
2 HR POLICY	Topics related to HR policy provide an idea of the adequacy of the Company’s internal communication, the sharing of internal information, and the emphasis the Company places on raising awareness and operating in a transparent and regulated manner.
3 FINANCE – ACCOUNTING	It determines how the Company regulates the payment and reviewing of invoices, and the emphasis it places on ensuring that payments are always made in a controlled, approved and properly documented manner.
4 PUBLICITY / DISCLOSURE OF INFORMATION	As regards publicity, risks related to the regularity of cooperation with business partners, the publicity of the conditions imposed by the Company (service related expectations), the appropriateness of the selection process used for contracts, the definition of professional competence criteria, can be assessed.
5 PROCUREMENT	The risk map of the procurement area determines the transparency of the procurement processes, the regularity and controlled nature of the tendering process, and the appropriateness of the pre-qualification criteria used.
6 LEGAL	Ensuring compliance with insider trading rules and competition law regulations, as well as the adequacy of corporate governance documents.
7 IT	Ensuring that IT services and systems comply with relevant standards and legal regulations.
8 M&A	Monitoring compliance with internal policies.

(G1-3_01) In addition, our Group has an anti-corruption program in place to ensure fair, compliant and transparent business operation. For this reason, based on the Code of Ethics:

- the Company established strict rules on conflict of interest,
- it is prohibited to grant or receive undue benefits,
- small gifts and business invitations can be accepted only on certain conditions,
- activities and positions that are particularly vulnerable to potential bribery are closely monitored to prevent bribery,
- we conduct due diligence checks on our business partners,
- we expect our business partners to know, accept and comply with our Code of Ethics.
- we operate a whistleblowing hotline for reporting corruption and fraud, but reports can also be made via email or over the phone. We also provide whistleblowers with the possibility of anonymity,
- in all cases of suspected corruption or fraud, we conduct an investigation in accordance with our internal rules of procedures.

(G1-3_01) In order to prevent corruption, in the event of new contractual relationships, transactions or other forms of value transfer, affected employees must specifically declare that there is no business or personal involvement with respect to the transaction. When vetting business

partners, our Group strives to exercise the utmost care and ensure the reliability of these companies. We perform audit of business partners in accordance with the Compliance Policy and the Pre-qualification of Suppliers procedure.

Whistleblowing Hotline

The Group has been operating a whistleblowing hotline since 2016. Both employees and business partners can report suspected Code of Ethics violations in ALTEO Group's operations through an online reporting system, via email or by telephone. Reports are always investigated in accordance with our internal rules of procedure. Our Group places particular emphasis on ensuring that whistleblowers do not suffer any form of retaliation or discrimination, even if after a bona fide report no illegal or inappropriate practices are identified.

In accordance with ALTEO Group's Compliance Policy, the Ethics, Compliance and Control Department sends a confirmation to the whistleblower within seven days of receipt of a written report made in the internal whistleblowing system. In the confirmation, the Director of Ethics, Compliance and Control informs the whistleblower about the procedural and data processing rules under the Whistleblower Protection Act. The report must be investigated within thirty days, but this period may be extended in justified cases after informing the whistleblower. Even in such cases, the investigation cannot exceed three months. The Director of Ethics, Compliance and Control also informs the whistleblower, orally or in writing, of whether or not the report is being investigated, and the reasons for possible non-investigation, the outcome of the investigation and the action taken or planned to be taken. The person concerned by the report is informed in detail about the report and the processing of personal data at the start of the investigation.

(G1-3_05) To encourage employees at ALTEO Group to speak up, we launched the Speak Up! (the culture of speaking up and standing up) program in 2023. Speaking up is a workplace culture that encourages employees to feel free to ask questions, give feedback, express concerns about issues without fear of any negative consequences. We consulted with staff about what they would consider important to say and do on this issue. The program for the next 2-3 years has been set up accordingly.

We also ensure that actions violating our Code of Ethics are reported and appropriately investigated. The Compliance Management System (CMS – for more information visit the [website](#)) is designed to ensure compliance with laws, internal rules and the Group's Code of Ethics in respect of the entire Group. The CMS fundamentally provides a supportive, preventive and control function to prevent damage and abuse and minimize risk across the entire operation of the Company. The CMS covers four main areas at the Company: business ethics, security (data protection, information security, asset protection, human risk management), anti-corruption program (fraud and corruption free operation, business partner due diligence, conflict of interest), compliance risk management (legal and internal regulatory compliance, annual compliance risks).

(G1-3_02-03) We are committed to operating ethically and transparently, which is why the compliance system at ALTEO Group is of paramount importance in the life of the Company. The Ethics, Compliance and Control Organization reports directly to the CEO. It informs the Group's Compliance Committee and Supervisory Board about its activities and work plan, and any issues identified. **(G1-3_02-03)** ALTEO Group's Ethics, Compliance and Control organization investigates ethical issues brought to its attention, as well as reports received through the hotline, in an independent, unbiased, and impartial manner, with the aim of fully understanding and uncovering the facts, in full compliance with local and international laws and relevant regulations, while respecting the rights of all parties involved, investigates such matters, makes recommendations for necessary measures, and monitors their implementation. The appointed investigators and the members of the investigating committee are independent of the chain of command involved in the case. In 2025, a total of 5 reports were submitted at the ALTEO Group level.

Anti-corruption and anti-bribery training programs

(G1-3_06) (G1-3_08) Our Group is committed to preventing corruption and bribery. To this end, we ensure that all managers and employees are aware of and familiar with the Code of Ethics via e-learning and personal internal training, where they can also get answers to any questions they raise. The training takes place every 2 years or, for new entrants, with 2 weeks of the first day at work. At the end of the training, the participants complete a test on the knowledge they have acquired, and declare in writing that they have understood and will comply with the requirements of the Code of Ethics. In 2025, we held 2 Compliance Coffee sessions to address ethics issues, these could be attended both online and in person on a voluntary basis. Members of the Supervisory Board receive quarterly updates on matters related to the Ethics, Compliance and Control organization, ensuring that the board has up-to-date information on the prevention of corruption and bribery. However, members do not receive any specific training on corruption and bribery. **(G1-3_07)** All employees in the energy business line participate in the trainings; therefore, the proportion of areas within the business line most vulnerable to corruption that are covered by training programs is 100%. However, in respect of the circular economy business line, only white-collar employees receive training; at the same time, they are considered to be the most vulnerable to corruption, so coverage is also 100% in their case.

[G1-4] Incidents of corruption or bribery

(G1-4_01-02) In 2025, no reports of suspected corruption were submitted, and the number of convictions and fines for violations of anti-corruption and anti-bribery laws was 0.

[G1-6] Payment practices

(G1-6_01) In 2025, ALTEO Group’s energy business line paid supplier invoices within an average of 3 days after the payment due date, while FE-GROUP INVEST Zrt. and ALTEO Circular Kft. settled such invoices within an average of 3 and 5 days, respectively.

(G1-6_01)

AVERAGE TIME (DAYS AFTER THE DUE DATE) NEEDED FOR INVOICE SETTLEMENT, PER OPERATION SITE	2024	2025
ALTEO	4	3
FE-GROUP INVEST Zrt.	1	3
ALTEO Circular Kft.	n/a	5

(G1-6_05) When defining the payment due dates for the various supplier categories, we have not broken down the data into foreign and domestic suppliers, given that the volume of foreign invoices is negligible compared to the total number of invoices. For this reason, we have made the categorization according to standard payment due dates. On the basis of the above, “Contracted suppliers II” had the highest percentage of payments made by the due date (in their case a 60-day payment date), at 77.21%.

(G1-6_02-03)

Payment due dates for the various supplier categories				
Supplier category	2024	2025	Ratio of payments meeting the payment due date (2024)	Ratio of payments meeting the payment due date (2025)
Ad hoc suppliers	8 days	8 days	53,41%	44.56%
Framework agreement suppliers	15 days	15 days	74,14%	69.65%
Contracted suppliers I	30 days	30 days	85,24%	76.63%
Contracted suppliers II	60 days	60 days	93,26%	77.21%

(G1-6_05) The principle used to define supplier categories was the length of the standard payment date. The principle of the breakdown is ~1week, ~2weeks, ~1 month, ~2 months. This way, we identified the 4 groups shown in the table, which were named according to the nature of their contracts.

(G1-6_04) As in previous years, there were no legal proceedings concerning late payments at any of our sites in 2025.

1. APPENDIX

(G1.GOV-1_02) ALTEO Group's administrative, management and supervisory bodies possess extensive professional experience, in-depth industry knowledge, expertise and qualifications in business conduct, as well as high-level business and leadership competencies. These experiences and professional strengths are detailed below.

Supervisory Board

Dr. Ákos Székely

Chairman of the Supervisory Board

Dr. Ákos Székely, economist, Chief Financial Officer of MOL Group. He has held various financial management positions at MOL Group and several of its subsidiaries since 2013. He worked as a financial manager in various service and petrochemical areas, and later oversaw the financial and IT functions of INA Group. As of 2025, he has been responsible for MOL Group's entire finance division. He received his degree in economics and his PhD from the Corvinus University of Budapest.

Péter Kaderják

Member of the Supervisory Board

Péter Kaderják is an economist, who began his career in academia and went on to hold leadership positions in economic governance and the energy sector. He served as a ministerial senior official, oversaw the regulation of the Hungarian energy market, and headed an energy research center for many years. He later served as Secretary of State for Energy and Climate Policy. He has extensive experience in the fields of the green economy and energy, and is the author of numerous professional publications.

Márton Oláh

Member of the Supervisory Board

Márton Oláh has 25 years of experience in capital and banking markets. Throughout his career, he has held executive and board positions at leading financial institutions. He has played a key role in numerous strategic, corporate management, and integration processes. Throughout his career, he has served on several investment committees and boards of directors, giving him extensive financial and managerial experience.

Board of Directors

Attila László Chikán

Chief Executive Officer, Chairman of the Board of Directors

Attila László Chikán has served as CEO of ALTEO Nyrt. since its foundation, and has been Chairman of the Board of Directors since the spring of 2023. Under his leadership, the Company has become one of Hungary's leading energy players. He previously gained professional experience in the fields of finance and investment. He has a degree in economics and foreign trade. As a professional committed to sustainability, he serves on the boards of directors or supervisory boards of several Hungarian professional and civil society organizations, and is also active as a professional opinion leader.

Dr. György Bacsa

Deputy Chairman of the Board of Directors

Dr. György Bacsa has been a member of the Board of Directors since April 2023. He holds degrees in law and economics, and he studied at universities in Hungary and abroad. He has extensive experience in capital markets, transactions, and corporate management. Throughout his corporate career, he has been responsible for strategic, business development, legal, and corporate governance functions, and he serves on the boards of directors and supervisory boards of several domestic and international organizations. He is also a member of several professional and civil society organizations.

Ágnes Bencsik

Member of the Board of Directors

Ágnes Bencsik earned a degree in corporate finance from the Corvinus University of Budapest. She has more than 15 years of professional experience, primarily in the fields of mergers and acquisitions and corporate transactions, which she gained in various roles, mainly at large corporations. She currently serves as a consultant, supporting the development and strategic processes of multiple companies.

Álmos Mikešy

Member of the Board of Directors

Álmos Mikešy holds a degree in economics, and he studied at universities in Hungary and abroad. He has more than fifteen years of professional experience in the fields of venture capital, private equity, and mergers and acquisitions, and he has held management and

investment roles. Throughout his career, he has gained extensive business experience in roles at development banks, fund management firms, and corporate management, and has also served on the supervisory or board of directors of several financial institutions. He has been the Chairman-CEO of a Hungarian fund management firm since 2023.

*Budapest, 2026
On behalf of ALTEO Nyrt.:*

*Attila László Chikán
Chairman of the Board of Directors, CEO*

*Zoltán Bodnár
CFO*

