



ESG

ESG REPORT 2025

Environmental, Social and Governance

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1. Executive Summary

Dear Stakeholders,



I am pleased to present Bayer Construct Zrt.'s 2025 Environmental, Social and Governance (ESG) Report, which reflects another year of progress in strengthening sustainability across our business and creating long-term value for our stakeholders. As the regulatory landscape evolves and expectations for responsible business practices continue to rise, we remain committed to embedding ESG principles into our corporate strategy, investment decisions, and day-to-day operations.

Over the past year, sustainability has become an increasingly integrated component of our governance framework and business planning processes. We have continued to enhance our ESG management systems, improve data quality and transparency, and further align our activities with internationally recognized reporting standards and best practices. This report has been prepared with reference to the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UN SDGs), and relevant industry-specific guidance, while also advancing our preparedness for reporting under the European Sustainability Reporting Standards (ESRS).

A significant milestone during 2025 was the further development of our materiality assessment process. Building on previous years' work, we have expanded our understanding of the environmental, social, and governance issues that are most relevant to both our business performance and our broader impact on society and the environment. This progression represents an important step toward full implementation of the double materiality approach and supports our long-term objective of achieving the highest standards of ESG reporting and transparency.

Throughout the year, we continued to engage with employees, customers, investors, suppliers, communities, and regulatory bodies to better understand their expectations and incorporate their perspectives into our sustainability strategy. These ongoing dialogues have reinforced the importance of responsible growth, environmental stewardship, innovation, and social responsibility as key drivers of our future success.

Environmental sustainability remains a central focus of our efforts. During 2025, we further advanced initiatives aimed at improving energy efficiency, reducing emissions, and increasing the share of renewable energy within our operations. Our geothermal energy program, launched in previous years, continued to evolve as we expanded technical assessments and development activities to explore its long-term potential. We believe that innovative energy solutions will play a critical role in strengthening energy security, reducing environmental impacts, and supporting the sustainable transformation of the construction sector.

At the same time, we remain committed to fostering a safe, inclusive, and supportive workplace. Investing in our people, promoting equal opportunities, and maintaining the highest standards of occupational health and safety are fundamental elements of our corporate culture. We recognize that sustainable success depends on attracting, developing, and retaining talented professionals who share our values and ambitions.

Looking ahead, we will continue to strengthen our ESG performance, enhance climate-related risk management, expand sustainability initiatives across our operations, and further align our reporting practices with emerging European requirements. We view sustainability not merely as a compliance obligation, but as a strategic opportunity to create resilience, drive innovation, and deliver lasting value.

Our ambition remains clear: to establish Bayer Construct as a leading sustainable construction and building technology company in Central Europe, recognized for excellence in environmental performance, social responsibility, and corporate governance.

On behalf of the entire management team, I would like to thank our stakeholders for their continued trust, partnership, and support. Together, we are building the foundations for a more sustainable future.

Sincerely,
Attila Balázs

2. Company Overview

2.1 Bayer Construct at a Glance

Company profile:

Founded in 2002, Bayer Construct Zrt. has evolved into one of Hungary's leading construction and building technology companies. Over more than two decades, the company has continuously expanded its capabilities, transforming from a specialized structural construction contractor into a diversified and vertically integrated business group with activities spanning the entire construction value chain.

The Group has established strong expertise in structural construction, civil engineering, and general construction, delivering residential, commercial, industrial, and infrastructure projects across Hungary.

Today, Bayer Construct operates through a broad ecosystem of complementary businesses that support the planning, development, execution, and operation of complex projects. The Group's activities include structural construction, civil engineering, general contracting, engineering services, building material production, mining and raw material extraction, steel manufacturing, real estate development, equipment leasing, and property-related services. This integrated business model enables greater control over quality, efficiency, supply chain management, and project delivery while enhancing resilience in a dynamic market environment.

A defining strength of the Bayer Group is its ability to combine expertise, production capacity, and operational resources within a single corporate structure. By leveraging in-house capabilities across multiple sectors, the Group is able to deliver comprehensive solutions, reduce dependency on external suppliers, and maintain high standards throughout the project lifecycle.

Construction remains the core activity of Bayer Construct, built on decades of experience in reinforced concrete structures, structural construction, civil engineering, and complex industrial developments. This expertise, combined with an extensive workforce, strong engineering capabilities, and a significant asset base, has positioned the Company as one of Hungary's leading structural construction contractors. Bayer Construct has played a key role in the realization of some of the country's most significant commercial, residential, industrial, and public infrastructure developments.

In recent years, the company has further strengthened its position through investments in industrial production capacities, innovative construction technologies, and sustainable energy solutions. These developments support Bayer Construct's long-term vision of becoming a regional leader in sustainable construction, advanced building technologies, and responsible business practices.

As we continue to grow, our focus remains on delivering high-quality projects, creating value for our stakeholders, and supporting the development of a more sustainable and resilient built environment.



Legal name
BAYER
CONSTRUCT



Nature of ownership
and legal form
LIMITED
COMPANY



Location of
its headquarters
SÓSKÚT,
HUNGARY



Countries of operation
HUNGARY
AND
ROMANIA

2025

IN NUMBERS

NEW PROJECTS
6 externally
commissioned
8 internal projects

REVENUE
225,000
million HUF

NUMBER OF EMPLOYEES
1794

PROJECT HIGHLIGHTS
Kincsem By Bayer
Zenit Corso
Hungaroring



2.2 Integrated Business Model

Bayer Construct's business model is built on the principle of vertical integration, enabling the Group to manage and optimize the entire construction value chain—from raw material extraction and manufacturing to design, construction, property development, and facility management. This integrated approach enhances operational efficiency, strengthens supply chain resilience, and supports the delivery of high-quality projects while creating long-term value for clients and stakeholders.

The Group participates in a diverse range of developments, including residential, commercial, industrial, and infrastructure projects. These projects are delivered both for external clients and through investments developed within the Bayer Group. By combining expertise across multiple business areas, we are able to provide comprehensive solutions tailored to the evolving needs of the market.

A key feature of our operating model is the close collaboration between our engineering, manufacturing, and construction teams. During the planning phase, architects and engineers work closely with internal production units to identify the most effective construction methods, materials, and technologies. This integrated planning process enables greater efficiency, consistency, and quality throughout the project lifecycle while supporting innovation and sustainable construction practices.

Our construction activities are supported by an extensive network of in-house capabilities, including mining operations, construction material production, steel processing, prefabrication technologies, and real estate development services. Through these operations, a significant share of the materials and components used in our projects can be sourced internally, reducing dependency on external supply chains and strengthening our ability to maintain project schedules and quality standards.

The Group's manufacturing activities include reinforced steel processing, concrete production, prefabricated building solutions, paving products, and other construction-related components. These capabilities provide flexibility in project execution while enabling greater control over resource management, product quality, and operational performance.

Responsible supply chain management remains an important element of our business model. While our vertically integrated structure reduces exposure to supply chain disruptions, we continue to collaborate with a network of trusted external partners and suppliers. New suppliers undergo a structured evaluation process before engagement, helping to ensure compliance with our standards for quality, reliability, business integrity, and responsible business conduct.

Beyond project delivery, Bayer Construct provides comprehensive lifecycle support through its property management and facility management services. This allows us to support customers not only during development and construction but also throughout the operational phase of assets, contributing to the long-term performance, safety, and value of the built environment.

By integrating expertise, manufacturing capacity, construction execution, and operational services within a single business ecosystem, Bayer Construct is well positioned to deliver sustainable growth, drive innovation, and create lasting value for clients, communities, and stakeholders.

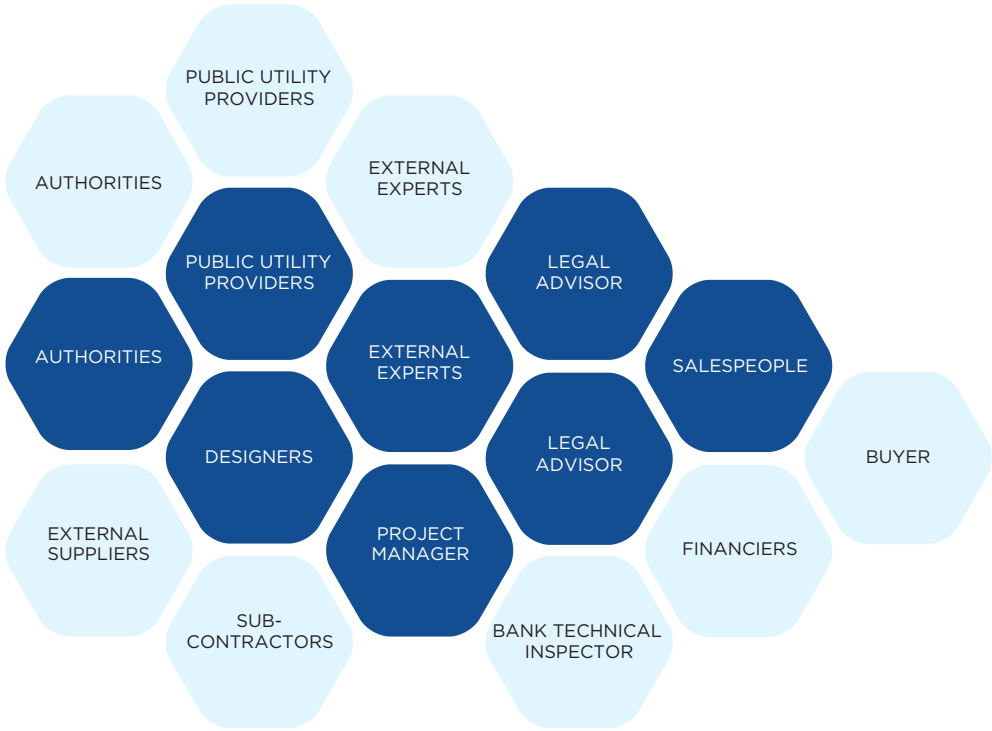
...

In some projects, the customer provides the concrete material; however, in the case of newly contracted works, we give the reinforced steel ourselves in all cases. Regarding external suppliers, we work with a tried and tested list of companies and audit each new potential partner before establishing a business relationship. Property sales are typically in turnkey condition, furnished according to the interior designs, so buyers can immediately enjoy the finished product, representing a benchmark in the real estate market. After the handover, our Facility Management branch can further assist with the operation, maintenance, and property maintenance.

Activities within the Bayer Group	Business Unit
General Construction	Bayer Construct Zrt. Core service
Planning and Design of buildings	Bayer Construct Zrt. Core service
Mining	Kvarchomok Kft., Lacházi Kavicsbánya Kft., Biharbánya Kft.
Construction Material Manufacturing	Bay Iron Kft./Bayer Construct Zrt.
Construction Product Manufacturing	Viastein Kft., Bay Iron Kft.
Property Development	Bayer Property Zrt.
Real Estate Services	BARNES Hungary Luxury Homes Kft.
Cranes/construction equipment/Lifting machine rental	Lifthold Kft.
Car fleet	Innoviarent Kft.
Workers Hostel	Eduva-Szék Kft.

In a nutshell, we consider the following groups as our key stakeholders:

Participants in the real estate development process – mostly within the group:



2.3 Overview of the Company's ESG Strategy

Bayer Construct's ESG strategy provides the framework through which we identify, manage, and address the environmental, social, and governance topics most relevant to our business and stakeholders. It supports our ambition to deliver sustainable growth while contributing to the transition towards a more resilient and low-carbon economy.

Our strategic approach is guided by internationally recognized sustainability frameworks, including the United Nations Sustainable Development Goals (UN SDGs), emerging European sustainability regulations, and industry best practices. These principles help us align our business objectives with broader societal and environmental priorities.

The ESG strategy is embedded within our corporate governance structure and supports decision-making across all areas of the business. By focusing on responsible resource management, climate resilience, employee development, occupational health and safety, ethical business conduct, and sustainable innovation, we seek to create long-term value for shareholders, customers, employees, and communities alike.

As our sustainability journey continues to evolve, we remain committed to strengthening our ESG performance, improving transparency, and integrating sustainability considerations throughout our operations and value chain.

Mission Statement

Our mission and task are to create outstanding quality, lasting and future-proofed assets that meet the highest standards on the market. With our developments and products, we aim to serve the everyday needs of our customers and consider usability, aesthetics, and environmental sustainability as the key priorities.



7

AFFORDABLE
AND CLEAN
ENERGY

8

DECENT
WORK AND
ECONOMIC
GROWTH

9

INDUSTRY,
INNOVATION AND
INFRASTRUCTURE

11

SUSTAINABLE
CITIES AND
COMMUNITIES

12

RESPONSIBLE
CONSUMPTION
AND
PRODUCTION

13

CLIMATE
ACTION

15

LIFE
ON
LAND

16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS

SUSTAINABLE
DEVELOPMENT
GOALS

Linked to our mission statement, we wish to achieve the following goals with reference to the UN Sustainable Development Goals:

OUR GOALS

Develop environmentally conscious behavior among all employees of the company
8 | 12

Prevent environmental pollution resulting from construction and reduce environmental impacts (pollution of public spaces, air pollution, construction noise level) to a minimum
11 | 12

Replace hazardous materials with more natural alternatives
11 | 12

Environmentally conscious management of waste through the selective collection
11 | 12 | 15

Increase the proportion of recyclable waste
11 | 12 | 15

Strive for the economical use of resources and reduce energy consumption as far as possible
7 | 9 | 12 | 13

Continuously monitor the environmental performance and health and safety performance of our subcontractors
8

Gradually develop our environmental performance by setting improvement goals
8 | 9 | 12

Continuously monitor and reduce workplace hazards and risks to prevent incidents
8

2.4 Our ESG Priorities

To translate our ESG strategy into everyday practice, Bayer Construct focuses on four strategic sustainability priorities that guide our operations, investments, and continuous improvement efforts.



ENVIRONMENTAL STEWARDSHIP

Reducing environmental impacts and promoting the responsible use of natural resources.

- Resource efficiency and energy conservation
- Environmental impact reduction
- Sustainable waste management
- Increased recycling and circularity
- Substitution of hazardous materials
- Continuous improvement of environmental performance

Related UN SDGs:



PEOPLE & SAFETY

Creating a safe, healthy, and inclusive workplace while supporting the development of our people.

- Strengthening environmental awareness among employees
- Promoting a strong safety culture
- Preventing workplace injuries and occupational health risks
- Continuous employee development and engagement

Related UN SDGs:



RESPONSIBLE CONSTRUCTION & OPERATIONS

Delivering projects responsibly through high operational standards, supply chain management, and continuous performance improvement.

- Responsible subcontractor management
- Supplier evaluation and compliance
- Responsible project execution
- Continuous operational improvement
- High standards of quality and safety throughout the project lifecycle

Related UN SDGs:



SUSTAINABLE GROWTH & INNOVATION

Driving long-term value through innovation, sustainable technologies, and responsible business practices.

- Sustainable construction solutions
- Innovation and digitalisation
- Climate resilience
- ESG integration into decision-making
- Long-term value creation

Related UN SDGs:





3. Approach to Reporting on our Performance

3.1 Materiality Assessment:

Identification of the Company's Most Significant ESG Risks and Opportunities

The Materiality Assessment is a key part of our ESG report, analyzing the most significant ESG risks and opportunities for Bayer Construct Zrt. This assessment considers the principles of the United Nations Sustainable Development Goals (UN SDGs) and their relevance to our business, stakeholders, and long-term sustainability objectives.

We identify and prioritize ESG topics that are important to our stakeholders and have a significant impact on our business. We align these priorities with the UN SDGs to ensure that our strategy contributes to broader sustainability goals while supporting long-term value creation.

Our Materiality Assessment process involves engagement with key stakeholders, including employees, customers, suppliers, local communities, investors, and regulatory bodies. This section presents the results of our Materiality Assessment, which was initially conducted in 2023 and further developed in subsequent years. The assessment highlights the ESG risks and opportunities that are most relevant to our business and stakeholders. Addressing these issues is essential to our sustainable growth and supports our ambition to be a leading ESG-focused construction and building technologies company in Central Europe.



As a company operating in the construction industry, we face a wide range of environmental, social, and governance challenges. Our materiality analysis focuses on those topics that are most significant from both an impact and a financial perspective, reflecting the principles of double materiality under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The SDGs continue to provide a useful framework for identifying and assessing material sustainability topics.

The materiality assessment process is managed by an internal team with the support of external experts, ensuring a structured and comprehensive evaluation of the ESG risks and opportunities relevant to Bayer Construct Zrt.

How did we define our priority topics

- » We considered our existing sustainability objectives and goals set out in Chapter 2.3.
 - » We set up an internal ESG focus group with representatives from different departments to provide information for the development of this report.
 - » We considered internationally recognized sustainability reporting frameworks, including ESRS, GRI, the United Nations Sustainable Development Goals (UN SDGs), and green building certification schemes such as LEED and BREEAM.
 - » We considered sector-specific guidance on ESG risks.
 - » Although we did not undertake a separate engagement exercise for this report, we considered the feedback we regularly receive from the stakeholders we work with.

Key ESG risks and Opportunities in the construction sector

This report provided an opportunity to review how we handle ESG-related risks. We thought about instances where our activities could seriously impact our stakeholders and the environment and, in return, cause financial and reputational risks to Bayer Construct Zrt. Based on the guidelines provided by the International Finance Corporation (IFC), we classified the following topics as critical material ESG topics in our materiality mapping:

- » Environmental: Pollution Prevention and Resource Efficiency
- » Occupational Health and Safety
- » Labor
- » Community Health, Safety, and Security



This ESG report emphasizes critical and strategic priorities in line with our materiality mapping. These are issues that we care about the most and have a direct influence on. We track our performance more closely on essential matters and have the most rigorous organizational practices in place. Concerning strategic issues, we identified several commitments to improve our ESG performance.

Material ESG topics		
Critical	Strategic	Other priorities
Compliance and integrity	Climate Change & GHG Emissions	Community Impact
Pollution Prevention and Incident Control	Energy Management	Biodiversity
Sourcing Materials	Material Efficiency	Diversity and Inclusion
Occupational Health and Safety	Innovation & Digitalisation	
Product Quality & Customer Safety	Water Efficiency	
Human Rights and Labour Conditions	Employee Training	
Labor relations / Management (employee satisfaction)		
Waste Management		
Enablers: risk management, responsible governance, ESG reporting, transparency, stakeholder communication, and engagement		

3.2 Performance Metrics: Detailed Reporting on Key ESG Indicators, With Reference to GRI, UN SDGs

At Bayer Construct Zrt, a robust understanding of our Environmental, Social, and Governance (ESG) performance is essential to our commitment to sustainability and responsible business practices. In the formulation of our ESG report, we have turned to industry-leading frameworks such as the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UN SDGs), and the Sustainability Accounting Standards Board (SASB). These standards offer a comprehensive, globally recognized approach for reporting on economic, environmental, and social impacts. GRI provides a universal standard that enables stakeholders to compare our performance against industry peers. The UN SDGs guide us in aligning our goals with global priorities, while SASB offers sector-specific standards that help us focus on financially material ESG issues. The integration of these standards into our ESG report was crucial during the beginning of our journey on ESG reporting.

It ensures transparency, comparability, and accountability in our ESG practices, offering our stakeholders a detailed, clear, and reliable picture of our ESG performance. Moreover, it ensures that our ESG strategy is holistic, encompassing all relevant factors that might affect our business and stakeholders. As we are working on improving our data collection procedures and data quality to meet the requirements of future reporting regulations and standards, we acknowledge that there might be gaps in our quantitative and qualitative data. We are committed to transparency and believe acknowledging these gaps and shortcomings is vital to our ESG journey. By openly reporting negative or incomplete data, we are demonstrating our commitment to transparency and identifying areas for improvement, which will help us to enhance our ESG performance and reporting practices in the future.

Our ultimate goal is to establish a framework for ESG reporting that meets and exceeds industry best practices and can achieve a high ESG rating score. We are working on developing our ESG strategies, refining our practices, and improving our performance as we continue on this path. The following sections will provide a detailed and in-depth view of our ESG performance during the fiscal year 2025. This will give our stakeholders a comprehensive understanding of our current position, our commitment to sustainability, and our plans for the future as we strive to become the best ESG-rated construction and building technologies company in Central Europe.



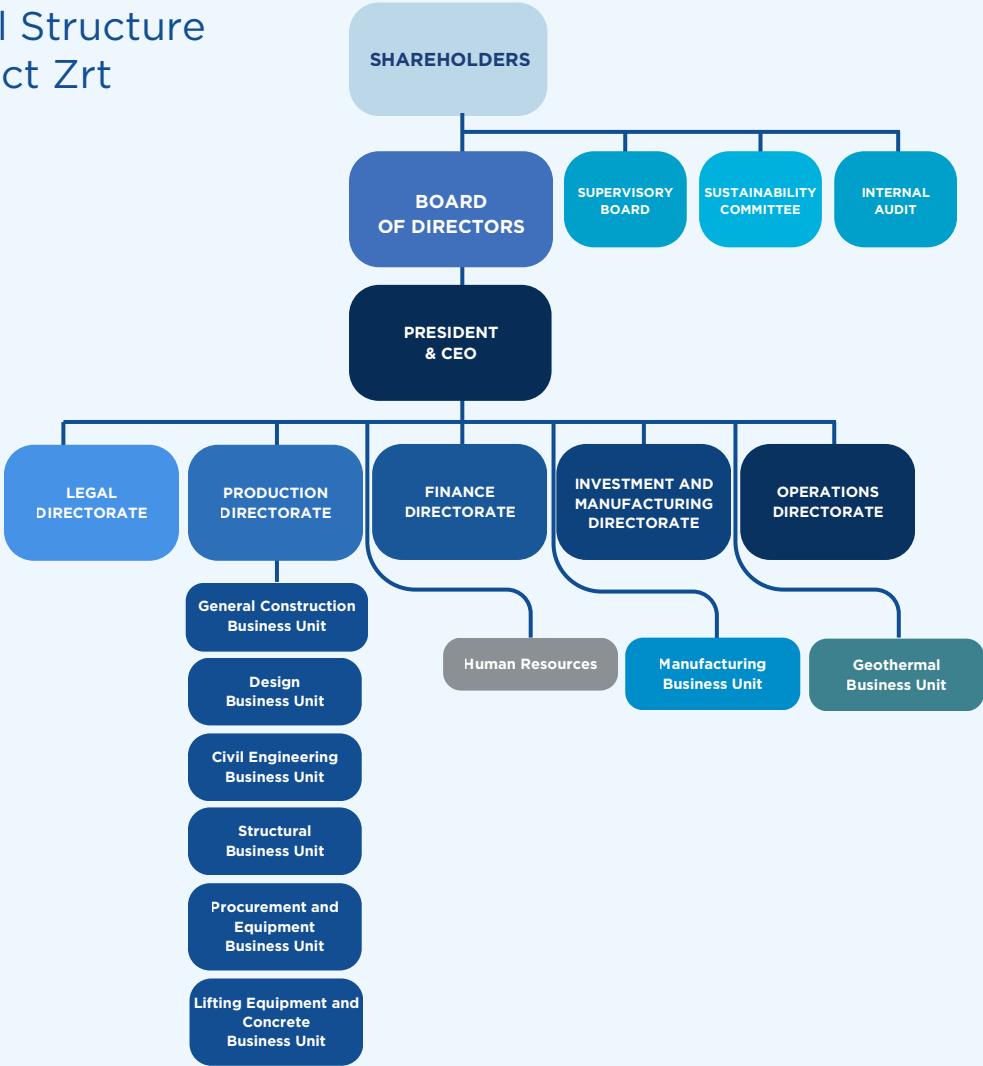
4. Governance

In alignment with the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UN SDGs), and the Sustainability Accounting Standards Board (SASB) guidelines, Bayer Construct Zrt maintains a steadfast commitment to robust governance. These internationally recognized frameworks provide principles and standards that guide our governance infrastructure, promoting effective decision-making, risk management, and accountability across all operational domains. This section presents a detailed examination of our governance structure, offering insights into how we implement these standards in our corporate governance.

4.1. Structure of the Organization’s Governance

Bayer Construct Zrt has designed a governance structure that supports responsible and effective decision-making. These standards guide the development of governance roles and the organization’s leadership structure. We offer a comprehensive review of our governance structure, detailing the interconnections between different governing bodies within the organization, their roles, responsibilities, and how these are communicated to our internal and external stakeholders. At Bayer Construct Zrt, our governance structure is clear, transparent, and documented in our corporate governance charter. This charter outlines roles, responsibilities, and decision-making processes at every level of the organization, fostering accountability and efficiency.

Organizational Structure Bayer Construct Zrt



Bayer Construct Zrt. has a corporate governance structure consisting of a Board of Directors and a Supervisory Board. The Board of Directors is responsible for the strategic direction and overall management of the company, while the Supervisory Board oversees the activities of the Board of Directors and monitors the company's operations in accordance with applicable legal requirements.

The President & CEO is responsible for the day-to-day management and operational activities of the company, supported by the Legal, Production, Finance, Investment and Manufacturing, and Operations Directorates.

The Board of Directors makes decisions on fundamental business policies, corporate strategy, and long-term development objectives, while the Supervisory Board performs its oversight functions to promote transparency, accountability, and responsible corporate governance.

4.2. Competencies and Performance Evaluation of the Highest Governance Body

Our Board of Directors comprises individuals with diverse expertise and experience, ensuring a broad range of perspectives. Performance evaluations of the Board are conducted annually by an independent third party. These evaluations assess individual director performance, the effectiveness of the Board as a whole, and areas for improvement.

Board members are selected through/nominated by the shareholders. Our current board members bring their experience from various fields, including finance, legal areas, and technical expertise within the construction sector, such as engineering. Our Board of Directors and Business Unit Managers meet quarterly to discuss ongoing projects, business development, planning, and strategic decisions.

This structured approach ensures that the board remains in touch with the business's day-to-day operations and that strategic decisions are responsive to the problems and opportunities that staff experience while working on projects. We have nominated a sustainability officer with the responsibility to oversee the development of this report and, moving forward, inform the Board of Directors of ESG-related risks and opportunities.

4.3. Role of Stakeholders in Governance

Bayer Construct Zrt acknowledges the importance of stakeholder perspectives in shaping our governance, consistent with the principles of UN SDG 16 (Peace, Justice, and Strong Institutions). These standards and principles guide our stakeholder engagement activities, ensuring their voices inform decision-making and strategic planning. This commitment to stakeholder involvement underlines the inclusive nature of our governance model.

We value our stakeholders' input and actively engage with them. For example, we hold regular town hall meetings for employees and annual general meetings for shareholders, where they can voice their concerns and suggestions. We also have processes to consider stakeholder feedback in our decision-making processes.

4.4. Composition of the Highest Governance Body and its Committees

We ensure that our highest governance body and its subsidiary committees effectively steer our organization. We aim to ensure that the composition of our governance bodies reflects diversity and inclusivity.

Our Board of Directors is composed of a balanced mix of executive and nonexecutive directors to ensure independent oversight. The Board is supported by several committees, such as the Audit Committee, the Nomination Committee, and the Remuneration Committee, each of which has clearly defined roles and responsibilities.

4.5. Remuneration and Incentives

We recognize the importance of fair remuneration and incentives in motivating and rewarding our leadership. We believe in fair and competitive remuneration to attract and retain talent.

Our remuneration policy is linked to both individual performance and the company's overall performance, aligning the interests of our employees with those of the company. Our executive remuneration includes a long-term incentive plan to foster sustainable decision-making.

4.6 Supply Chain Management

We need to ensure that everyone who is part of our supply chain shares our values and objective to achieve high quality. The organization maintains various partners in geodesy, structural construction, rebar installation, formwork, and masonry work. For example, the establishment of the ISB is aiding the unification over sustainability targets along the supply chain.

The company's procurement process is regulated to ensure that we only select suppliers who can provide products and services that align with Bayer's requirements on quality, timely delivery, health, and safety at work and avoid adverse environmental impacts. Potential partners are evaluated continuously and carried out through a shared online database. In the 2025 reporting year, roughly 85% of our suppliers were given an "Excellent" rating based on our criteria.

Case Study

Governance

Strengthening Corporate Governance through the Establishment of the Audit Division

As part of its commitment to strengthening corporate governance and enhancing organizational excellence, Bayer Construct Zrt. established a dedicated Audit Division within the Operational Directorate in 2024.

The creation of the Audit Division represents a significant milestone in the Company's governance framework. The Division is responsible for supporting the regulated, transparent, and compliant operation of the organization while promoting continuous improvement across all business processes.

Its primary mission is to ensure that corporate processes operate in a structured and controlled manner, while systematically identifying and mitigating operational risks. Beyond assurance activities, the Division also plays an active role in increasing organizational maturity by reviewing internal processes, supporting standardization, and encouraging a culture of continuous improvement.

The Audit Division contributes to maintaining a high level of employee competence by monitoring compliance with internal procedures and identifying areas where additional training or process development may be required. It also supports compliance and informed management decision-making. By delivering reliable information and promoting accountability throughout the organization, the Audit Division strengthens Bayer Construct Zrt.'s governance system and reinforces the Company's long-term commitment to operational excellence, transparency, and sustainable business performance.

The establishment of the Audit Division demonstrates Bayer Construct Zrt.'s proactive approach to responsible corporate governance and its dedication to building a resilient organization capable of meeting evolving stakeholder expectations.



5. Environmental Responsibility

As a responsible entity within the construction industry, Bayer Construct Zrt is highly aware of its potential environmental impact. Recognizing this, we have framed our ecological strategies and initiatives within the broader context of United Nations Sustainable Development Goals (UNSDGs).

Our commitment to environmental stewardship is central to our business ethos. It is realized through targeted efforts in energy consumption and efficiency, greenhouse gas emissions reduction, water management, waste management, biodiversity preservation, climate change mitigation and compliance with environmental laws and regulations.

5.1. Energy Consumption and Efficiency

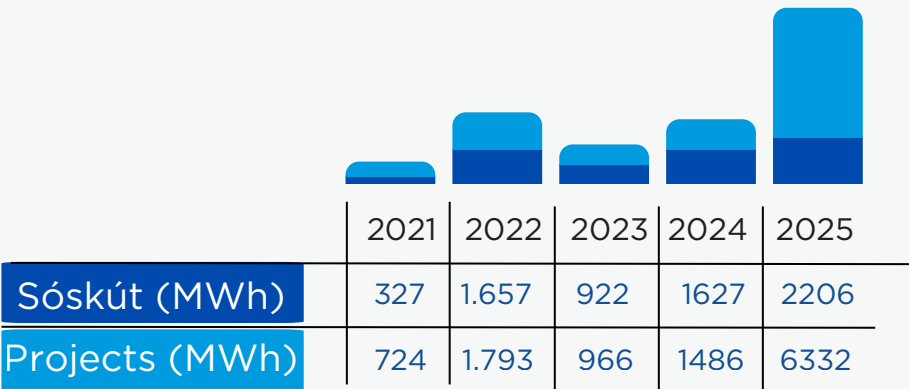
We recognize our responsibility for managing our energy consumption and working towards increased efficiency. This section outlines our approach to energy use, the measures we have taken to improve efficiency, and the impact of these initiatives. Our commitment to UN SDG 7 (Affordable and Clean Energy) drives these actions.

We continuously monitor our energy consumption through regular data collection and analysis, enabling us to identify opportunities to improve energy efficiency across our operations. For instance, we have replaced conventional lighting systems in our office buildings and construction sites with LED lighting, which has resulted in significant energy savings. One of our recent achievements in reducing our emissions was phasing out gas. Our new Headquarter building replaced our old offices, a modern, energy-efficient facility with a BB energy rating. The growth in our construction activities and the new HQ housing more staff resulted in increased energy intensity. We continue to focus on improving energy efficiency through the implementation of energy-saving measures and the modernization of our facilities and equipment.

What do we do to reduce our consumption?

- » Improve our processes: we regularly re-evaluate our workflows and integrate automation and technology upgrades wherever possible to reduce the time and energy required
- » Geothermal solution: at the Zugló ZVK project we have invested in energy efficiency from a renewable source.
- » We choose the best equipment: we do extensive research and collaboration with manufacturers who supply our equipment; we want to work with modern and energy-efficient equipment. Regarding older equipment, our first port of call is refurbishment and repair.
- » Change user behaviors: we train our staff to use equipment properly and understand where their work fits into the process.

Energy Consumption by Source



/Sós-kút electricity consumption includes everything that is not a project; it relates to production, on-site work, and the consumption of the offices. 2020 and 2021 data does not include the consumption of rented offices where staff worked before moving to the current HQ./

5.2. Greenhouse Gas Emissions

Our company is committed to reducing greenhouse gas emissions through investments in sustainable technologies and lower-emission transportation solutions. Wherever feasible, we use plug-in hybrid vehicles (PHEVs) for company transport. By regularly charging these vehicles, we reduce fuel consumption and the greenhouse gas emissions associated with transportation. In 2025, we further expanded our fleet by purchasing additional plug-in hybrid vehicles, increasing the share of lower-emission vehicles in our operations and reinforcing our commitment to sustainability.

Our Environmental Management System operates in accordance with the requirements of the MSZ EN ISO 14001 standard, supporting our efforts to reduce emissions and promote sustainable operations.

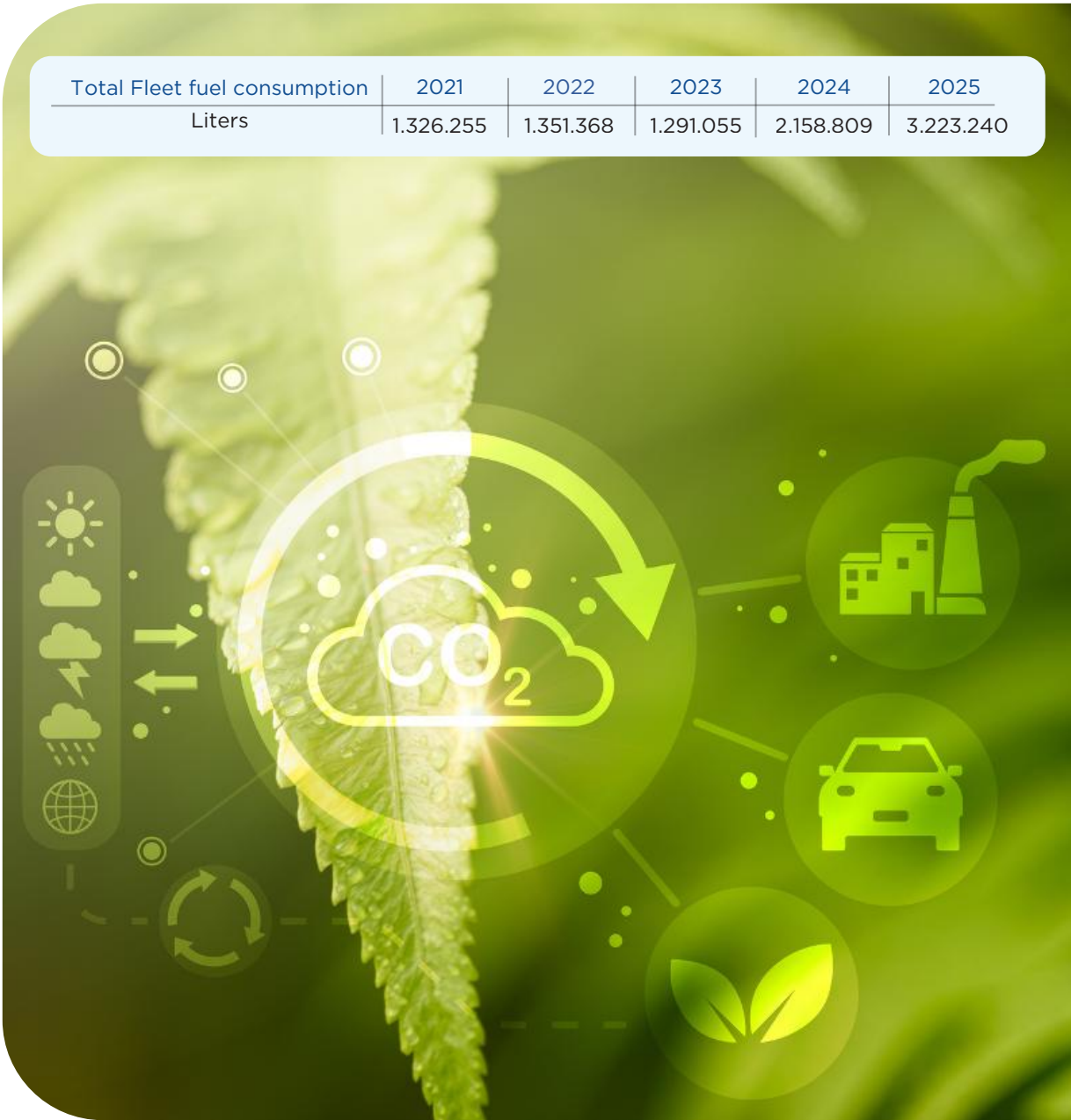
Transition towards Lower-Carbon Operations

Reducing greenhouse gas emissions is a key objective of Bayer Construct's environmental strategy. To achieve this, we continuously seek opportunities to improve energy efficiency, increase the use of renewable energy sources, and minimise the environmental impact of our operations and construction activities.

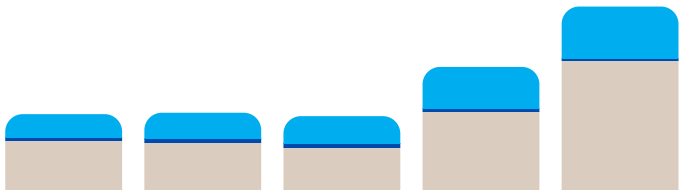
Our approach extends beyond the energy performance of our facilities to include the environmental impacts of construction processes, transportation, and the entire supply chain. We apply modern, energy-efficient technologies and equipment and, where technically and economically feasible, increase the use of lower-emission vehicles.

The transportation of construction materials and products represents a significant source of greenhouse gas emissions within the construction industry. Therefore, we continuously optimise our logistics processes, reduce transportation distances wherever possible, and prioritise local and regional suppliers. In addition, our prefabrication technologies contribute to more efficient production processes, optimised material utilisation, reduced waste generation, and lower environmental impacts during on-site construction activities, supporting a more sustainable approach to construction.

We also continuously monitor the fuel consumption of our vehicle fleet and construction machinery to support data-driven operational improvements. Annual fuel consumption is primarily influenced by the scale of construction activities, the number of active projects, and the utilisation of construction equipment. Despite the growth of our operations, Bayer Construct remains committed to improving fleet efficiency and gradually increasing the proportion of lower-emission vehicles.



Fuel Consumption
by Source
Liters of Fuel



	2021	2022	2023	2024	2025
Construction Machinery	865 585	825 901	736 979	1 381 003	2 270 367
Management	48 860	63 809	67 243	38 842	37 179
Employees	411 810	461 658	486 833	738 964	915 694
Total	1 326 255	1 351 368	1 291 055	2 158 809	3 223 240

Number of Vehicles
by Type
Number of vehicles

	2021	2022	2023	2024	2025
Construction Machinery	130	122	123	148	143
Management car	25	26	30	30	31
Employee car	253	261	317	460	856

How do we reduce transport-related emissions?

- Optimised transport planning**
coordinating deliveries and optimising transport routes to reduce unnecessary vehicle movements.
- Efficient use of return journeys**
wherever possible, vehicles returning from project sites transport materials and equipment that are no longer needed back to our facilities, reducing the need for additional trips.
- Preference for local sourcing**
wherever practical, we procure materials from the nearest suitable supplier or production facility.
- Lower-emission fleet**
when developing our fleet, we give preference to plug-in hybrid and other lower-emission vehicles.
- Regular maintenance and servicing**
regular maintenance of our vehicles and construction equipment improves fuel efficiency and helps reduce emissions.
- Reducing equipment idling**
we encourage the avoidance of unnecessary engine idling to minimise fuel consumption and emissions.
- Regular charging of plug-in hybrid vehicles**
we provide charging facilities and encourage the regular charging of plug-in hybrid vehicles to maximise the use of electric driving.
- Digital collaboration**
wherever possible, we replace business travel with online meetings and digital collaboration tools.
- Hybrid working**
where feasible, we enable our office-based employees to work remotely, reducing commuting-related emissions.

5.3. Water Management

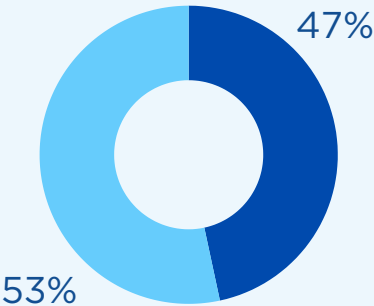
This segment provides insights into our water consumption, and our efforts to minimize water waste, supporting UN SDG 6 (Clean Water and Sanitation). Our facilities are equipped with sensor-operated water taps, which only dispense water when in use, helping to reduce unnecessary water consumption. Stormwater is managed through an on-site infiltration system. The system includes an oil separator, which is regularly inspected and cleaned annually to help protect groundwater and reduce environmental risks.

During the Kincsem project, we introduced a water recycling system for concrete mixer wash water. The system separates sand and other solid particles from the wash water, allowing the treated water to be reused. This helps reduce freshwater consumption and wastewater generation. Water consumption and associated costs arise from both our construction projects and our Sósút headquarters and production activities. We continuously monitor our water consumption and seek opportunities to further improve water efficiency across our operations.

Water consumption

From projects & Sósút operations	2021	2022	2023	2024	2025
m3	1.258	7.277	8.880	23.792	36.591

*2020 and 2021 data does not include the consumption of rented offices where staff worked before moving to the current HQ.
/Sósút costs include everything that is not a project; it can be related to production, on-site work, and the consumption of the offices./



Ratio of Water&Waste Water Costs in 2025

Water consumption costs

Water consumption costs	2021	2022	2023	2024	2025
Total	4 532 794 HUF	12 645 220 HUF	20 998 868 HUF	21 623 316 HUF	28 266 115 HUF
Projects	2 888 036 HUF	10 221 360 HUF	8 567 106 HUF	10 035 251 HUF	13 182 530 HUF
Sósút	1 644 758 HUF	2 423 860 HUF	12 431 762 HUF	11 588 065 HUF	15 083 585 HUF

Case Study

Environment

Creating Greener and More Resilient School Environments in Zugló

In 2024–2025, Bayer Construct delivered a comprehensive schoolyard redevelopment programme in Budapest's Zugló district, transforming the outdoor spaces of more than ten educational institutions. The project was designed to create safe, sustainable and climate-resilient environments that support children's wellbeing while enhancing the ecological value of urban public spaces.

A key environmental objective of the programme was to increase green infrastructure within densely built urban areas. More than 3,000 m² of new green space was created through landscaping, topsoil replacement, tree and shrub planting, and grass establishment. These improvements contribute to local biodiversity, help mitigate the urban heat island effect, and improve rainwater infiltration and overall environmental quality.

To enhance climate resilience and outdoor comfort, approximately 390 m² of shade sails were installed, reducing heat exposure during the summer months and creating more comfortable outdoor learning and recreational spaces.

The redevelopment also included the construction of modern sports and recreational facilities, featuring more than 7,300 m² of sports surfacing, 3,665 m² of artificial turf, new playground equipment, sports installations and community amenities. By integrating green infrastructure with high-quality recreational spaces, the project supports healthier lifestyles while creating more sustainable and liveable school environments.

Project highlights

- More than 3,000 m² of newly created green areas
- 390 m² of climate-adaptive shade structures
- 7,300 m² of sports surfacing
- 3,665 m² of artificial turf
- 18 new playground elements
- 36 new sports facilities

This project demonstrates Bayer Construct's commitment to integrating environmental sustainability into urban development by delivering infrastructure that enhances biodiversity, supports climate adaptation and creates lasting value for local communities.



5.4. Waste Management

Supporting UN SDG 12 (Responsible Consumption and Production), Bayer Construct Zrt has established a comprehensive waste management strategy.

This section covers our waste generation, our waste reduction and recycling strategies, and the effectiveness of these measures. Bayer Construct Zrt follows a comprehensive waste management strategy that emphasizes the “Reduce, Reuse, Recycle” principles.

We have a dedicated team that segregates waste at source, ensuring recyclable materials are properly processed. In our construction projects, we aim to reuse materials and minimize waste sent to landfills. Construction involves the use and reuse of a significant amount of raw materials. Most of the waste we produce is from excavation and site preparation works. Depending on the reporting year, soil and excavation materials to lay the foundation for buildings and their associated infrastructure comprise 40-80% of our total waste.

Reducing excavation waste is not possible. However, all non-hazardous soil and stones are recycled. Other significant waste streams include mixed construction and demolition waste and concrete. Based on the measurement results, waste can be reused on-site as construction material where possible or disposed of at designated disposal sites.

Waste management is either performed by Bayer Construct Zrt. or an external company with the necessary permits. This solution allows the replacement of market products with natural resources as suitable construction materials (recycled materials), thus strengthening the implementation of a circular economy. A licensed specialist company carries out the transportation and treatment of waste generated on-site. If possible, the waste is handed over to a waste recycling company. The smallest distance between the site and the waste treatment location is a priority during the service provider selection process. Besides construction, some waste generation results from maintenance works (e.g. servicing machinery). We have introduced the environmentally conscious reuse of industrial cleaning cloths and wipes through the MEWA system, thus minimising hazardous waste generated during maintenance. In 2025, over 99% of the reported waste was diverted from disposal. Most waste sent to landfill consists of general mixed waste, including commercial, municipal and mixed packaging waste. Our on-site waste recovery activities involve breaking and sorting waste and performing accredited contamination control. We also recycle municipal waste at our office building in Sósút.

We aim to reduce the use of hazardous materials as much as possible and have strict procedures for working with dangerous materials, including waste. As part of this commitment, we replaced the previously used hazardous form-release oil in the production of our precast concrete elements with a biodegradable form-release oil, reducing the environmental impact of our manufacturing processes.



Waste Generation and Management 2022-2025	2022	2023	2024	2025
Total waste (metric tonnes)	324 062	650 044	309 973	422 032
Diverted from disposal in metric tonnes	323 922	649 891	309 820	420 534
Sent to landfill (metric tonnes)	140	153	153	1498

*The reported waste quantities exclude general mixed waste.

5.5 Sourcing and Material Efficiency

Regarding sourcing raw materials, our design philosophy uses high-quality, locally sourced products. We are in a great position as we can supply our construction sites with building materials from the group's factories and plants, including prefabricated reinforced concrete elements, aerated concrete masonry elements, paving stones from the group's plant in Biharkeresztes, or reinforcing steel mesh, reinforcing steel reinforcement, joinery products, locksmith elements from our plants in Sósokút.

70-80% of the raw materials used for the buildings we construct come from the factories belonging to the company group. In turn, it means that we can tightly control quality, shipping schedules and reduce the emissions related to transportation.

Wherever possible, we choose construction materials that are either naturally degradable, the product of a plant using recycled materials, or that can be reused after their life cycle without generating waste and are recycled as raw materials. Most of our in-situ construction materials are mineral-based products made from silica, gravel, or sand, which are inert and can potentially be reused or recycled.

When constructing a new building on the site of an existing building, the concrete and brick waste from demolished buildings are accounted for in the design, sorted after crushing on-site, and designed into a road base or as backfill under structural concrete, reducing both waste generation and the carbon dioxide emissions to air from the waste transport. We trace our building materials throughout their life cycle. Thanks to a strict quality control system, all the building materials we provide from our factories have an "identification letter" that records the exact manufacturing conditions and produced ingredients.

That process step means that nearly 90% of the building materials used are recyclable in the event of future demolition. We take particular care to ensure that the materials used in construction are designed into the buildings as far as necessary, thereby minimizing waste generation during construction wherever possible.

Plastics are present in all industries, while in the construction industry, they often come in the form of packaging or plastic insulation foam. For the packaging of our products, we use recycled plastic and reusable pallets.



Case Study

Prefabricated Bathroom Technology

Building more efficiently through industrialised construction

Bayer Construct's prefabricated bathroom technology demonstrates how industrialised construction can improve material efficiency and reduce environmental impacts. Manufacturing complete bathroom units in a controlled factory environment enables precise material utilisation, minimises production waste and ensures consistently high quality.

Compared to traditional on-site construction, prefabrication reduces the amount of waste generated on construction sites, shortens installation time and improves logistics by delivering fully finished modules ready for installation. This approach also contributes to a cleaner and safer working environment while supporting more efficient use of resources throughout the construction process.



5.6. Modern Technologies

Our company's philosophy is that continuous investment in technology is one of the key drivers of sustainable growth. Through the integration of digital solutions, advanced manufacturing technologies and innovative construction methods, Bayer Group continuously improves productivity, quality and resource efficiency while reducing environmental impacts throughout the construction process.

Building Information Modelling (BIM) has become an integral part of our engineering and construction activities. By creating intelligent digital models throughout an asset's lifecycle, BIM improves coordination between project participants, increases design accuracy and helps minimise rework, material consumption and construction waste. This digital approach is complemented by Bayer Group's extensive prefabrication capabilities, enabling more precise manufacturing, higher product quality and more efficient on-site installation.

As part of our commitment to innovation, we continue to expand the use of digital project management and quality control solutions, improving traceability, documentation and collaboration across design, production and construction teams. These technologies support better decision-making, increase transparency and contribute to higher quality standards throughout project delivery.

Bayer Group was also among the pioneers in Hungary and Central Europe in introducing automatically welded reinforcing steel mesh for structural construction. By replacing traditional hand-assembled reinforcement in wall structures, this technology significantly increases construction productivity while reducing labour requirements and improving installation consistency.

We continuously evaluate and implement innovative construction technologies that enhance both operational efficiency and sustainability. Automated machine control systems used on earthmoving equipment improve excavation accuracy and reduce unnecessary material movement, while drone-based surveying enables faster, safer and more precise site monitoring. Together with our ongoing investments in digitalisation and modern construction technologies, these solutions help reduce waste, optimise resource utilisation and support safer, more sustainable construction practices.

5.7. Impact on Biodiversity

Following UN SDG 15 (Life on Land), we recognize our role in biodiversity protection. This subsection provides a brief overview of our impact on biodiversity, the measures we have taken to minimize this impact, and our efforts to integrate biodiversity considerations into our business operations.

Whenever we undertake a new construction project, we conduct a comprehensive Environmental Impact Assessment (EIA) to ensure minimal disruption to local ecosystems. We also engage local environmental consultants to advise on safeguarding biodiversity.

We own all the buildings and operating sites in industrial parks, which typically do not directly border protected areas. Industrial sites are also separated from residential areas and agricultural land by wooded and shrub-covered buffer zones, which help reduce noise and dust pollution.



5.8 Compliance with Environmental Laws and Regulations

Bayer Construct Zrt is committed to ensuring compliance with all relevant environmental laws and regulations. This section details our internal controls, auditing processes, and the steps we take to ensure that our operations remain within the boundaries of environmental legislation. This commitment aligns with UN SDG 16 (Peace, Justice, and Strong Institutions).

Bayer Construct Zrt maintains a robust compliance system to ensure we adhere to all relevant environmental laws and regulations. This involves regular training for our employees, periodic internal audits, and engagement with legal experts to stay updated with any regulation changes.

Bayer Construct Zrt maintains a certified Integrated Management System (IMS) to ensure compliance with applicable environmental legislation and regulatory requirements. The IMS is certified in accordance with ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety Management), providing a structured framework for managing quality, environmental and occupational health and safety aspects across the organisation.

The Integrated Management System is governed by the Integrated Management Manual and supported by documented procedures that define responsibilities, operational controls and compliance requirements throughout the organisation.

Environmental compliance is maintained through the continuous monitoring of applicable legal and regulatory requirements. Legislative changes are regularly reviewed and incorporated into internal procedures where necessary, ensuring that our management system remains aligned with current legal obligations and recognised international standards.

The Integrated Management System is reviewed annually alongside key performance indicators (KPIs) and management objectives to evaluate its effectiveness and identify opportunities for continual improvement.

The annual Management Review is coordinated by the responsible management representatives, ensuring that the management system continues to support the Company's strategic objectives and compliance obligations.

Employee competence and environmental awareness are maintained through regular training programmes, ensuring that employees understand their environmental responsibilities and the requirements of the Integrated Management System.

A risk-based approach forms the basis of our environmental management activities. Environmental aspects, impacts, risks and opportunities are systematically identified and evaluated, enabling the implementation of preventive measures and the establishment of measurable environmental objectives.

Compliance is verified through regular internal audits, certification audits and the implementation of corrective actions where improvement opportunities are identified. Environmental requirements are integrated into project planning, procurement, production and construction activities through documented operational procedures covering waste management, hazardous substance management, environmental emergency preparedness and supplier requirements.

Through its certified Integrated Management System, proactive compliance management and commitment to continual improvement, Bayer Construct not only fulfils its legal obligations but also strengthens responsible environmental governance and supports the long-term sustainability of its operations.

5.9 Pollution Prevention

Pollution prevention is one of the critical considerations for responsible construction. We have strict processes in place to ensure that chemicals, contaminated waste, and surface run-off are contained within the site and treated appropriately to prevent the pollution of water, air, and soil resources. Furthermore, reducing air emissions and noise impact from construction works is essential to be a good neighbor to local communities.

Procedures regarding pollution prevention are defined in our Environmental Procedure, which forms part of our certified Integrated Management System and is regularly reviewed and updated. The procedure establishes the framework for assessing environmental risks and opportunities, managing hazardous substances and waste, and implementing preventive and emergency response measures to minimise environmental impacts.

The register of environmental factors and environmental aspects covers all construction activities and extends to our subcontractors' work.

We place particular emphasis on protecting soil and surface water during construction activities. Wherever practicable, existing vegetation is preserved to reduce dust generation and help protect the soil surface. Temporary transport routes are established using reusable temporary road elements where required, minimising soil disturbance and facilitating the restoration of the site following project completion.

In all cases, we will ensure that contamination from the project does not enter nearby waters. We generally use tanks for water intake and waste treatment and filter systems for wastewater treatment, applying project-specific technical solutions where appropriate.

Environmental requirements are integrated into our operational procedures and supported by regular employee training, ensuring that pollution prevention measures are consistently implemented throughout project execution.

During the reporting year, Bayer Construct Zrt. incurred no environmental fines and was not involved in any legal proceedings related to environmental non-compliance.





6. Social Responsibility

Bayer Construct Zrt firmly believes that our social obligations are integral to our corporate identity, extending far beyond the boundaries of our immediate business operations. As such, our social responsibility initiatives are designed and implemented with due regard to the guiding principles of the United Nations Sustainable Development Goals (UN SDGs). This chapter will delve into the various aspects of our social responsibility, with a specific focus on employee health and safety, diversity and inclusion, training and education, labor practices and human rights, community impacts, and customer health and safety.

6.1. Employee Health and Safety

This section explores our rigorous health and safety protocols, preventative measures, and strategic responses to health and safety challenges. Our efforts reinforce our commitment to UN SDG 8 (Decent Work and Economic Growth).

Bayer Construct Zrt has implemented a comprehensive Occupational Health and Safety Management System certified in accordance with ISO 45001, ensuring a systematic approach to protecting employees, subcontractors and visitors throughout all stages of our operations.

The system includes regular workplace risk assessments, health and safety audits, incident investigations, health surveillance and preventive actions. Safety training is mandatory for all employees and contractors before commencing work and is complemented by regular refresher training and site-specific safety briefings.

Risk assessments are reviewed regularly and whenever significant changes occur in work processes, technologies or working conditions. The assessment process identifies hazards, evaluates risks and determines appropriate preventive measures in accordance with the hierarchy of risk control.



Our company follows the following hierarchy when mitigating risks:

- » elimination of the risk,
- » substitution by less hazardous processes, substances, and equipment,
- » technical solutions and organizational measures,
- » signs/warnings and/or administrative regulations, training,
- » use of personal protective equipment

The risk assessment also covers subcontractors who work with us on-site and visitors.

Bayer Construct applies the hierarchy of risk control by giving priority to eliminating hazards wherever possible, substituting hazardous materials or processes with safer alternatives, implementing engineering and organisational controls, providing clear instructions and training, and using personal protective equipment as the final level of protection.

A strong safety culture is supported through employee involvement and personal responsibility. Under the "Safety First" principle, every employee and contractor has both the right and the obligation to stop work if an imminent danger to health or safety is identified.

Health and safety requirements are also communicated to subcontractors, who are expected to comply with the Company's occupational health and safety standards while working on Bayer Construct projects.

Preventing accidents

Our Work Safety Procedure sets out responsibilities on an organizational level and for individual projects. These procedures cover all health and safety aspects, from having up-to-date emergency procedures and conducting drills to project-level considerations such as inspecting machinery, providing appropriate protective equipment to staff, and recording incidents or near misses.

In 2025, Bayer Construct introduced the SCC** (Safety Certificate Contractors) management system in accordance with the VAZ 2021A standard. The implementation of SCC** further strengthens the Company's approach to occupational health and safety by promoting systematic risk management, accident prevention, continuous improvement and the consistent application of health and safety requirements across all projects.

A project-by-project contingency plan for emergencies is displayed in a visible place at all our construction sites, and our fire safety policy covers the measures to be taken in the event of a fire.

All our employees receive appropriate safety equipment tailored to their activities and attend mandatory health checks annually to identify any condition that might make them unfit to perform their roles. In 2025, 100% of our employees, including newly recruited staff, received safety training led by our internal HS officers and an external specialist company at the start of each project. Having a good understanding of the machines, substances, and processes they work with ensures that they perform their tasks safely and can recognize potential environmental hazards.

Responsible personnel inspect construction sites regularly for compliance with health and safety procedures. We plan to increase the number of these checks further to reduce near misses and actual accidents. In addition, employees are also obliged to report immediately to the relevant manager any environmental, health and safety, potential or actual hazards that they become aware of. Managers investigate and assess the hazard immediately and take appropriate measures to control or eliminate the risk. After the hazard has been eliminated, the responsible manager must report to the CEO on the emergency and its resolution.



Health and Safety Statistics	2021	2022	2023	2024	2025	Goal
Accidents Total	4	6	3	7	5	0
Accidents resulting in more than three days of absence (number of cases)	3	2	3	3	5	0

6.2. Diversity and Inclusion

Bayer Construct Zrt is steadfast in its dedication to fostering a diverse and inclusive workplace. This subsection illustrates our commitment to equal opportunity, our initiatives to support diversity and inclusion, and the tangible benefits of such a diverse workforce. Our endeavors in this domain testify to our support for UN SDG 5 (Gender Equality) and UN SDG 10 (Reduced Inequalities).

As part of our commitment to equal opportunities, employment decisions are based on professional qualifications, competence and business needs, without discrimination based on gender, nationality, ethnicity, religion, age, disability or other protected characteristics.

At the end of 2025, Bayer Construct employed 1,794 people, including 226 women and 1,568 men. During the year, the Company continued to expand its workforce while maintaining a balanced age profile.

In the predominantly male construction industry, diversity and inclusion remain important priorities. Bayer Construct is committed to increasing equal opportunities and creating an inclusive working environment where all employees have access to the same employment conditions, training and career development opportunities. The Company's workforce also includes qualified international employees, supporting project delivery while enriching the diversity of the organisation.

Workforce by gender	2021	2022	2023	2024	2025
Female	68	74	125	158	226
Male	537	463	599	874	1568
Total	605	537	724	1032	1794
Female %	11	14	17	15	12,60



Age distribution in 2025	Female	Male
under 30	57	304
30 - 50	142	887
over 50	27	377
Total	226	1568

Our greatest challenge continues to be retaining staff in an industry facing labour shortages. While turnover among construction workers remains characteristic of the sector, Bayer Construct continues to focus on employee retention by providing competitive working conditions, professional development opportunities and a supportive working environment. We have also experienced several re-entries, with former employees returning to the Company after gaining experience elsewhere.

Our CEO, Attila Balázs, believes that in addition to wages, providing a good work environment is the key to retaining talent and dedicated staff. We hope to reduce employee turnover in the coming years through our policies and actions below.

Bayer Construct Zrt. is committed to providing equal employment opportunities and maintaining a workplace built on respect, collaboration and mutual trust. Recruitment, employment and career development decisions are based on professional qualifications, competence and business needs, while ensuring equal treatment and non-discrimination for all employees.

As part of addressing labour shortages in the construction industry, Bayer Construct employs an international workforce alongside Hungarian employees. The Company is committed to providing equal working conditions, appropriate integration support and fair treatment for all employees, regardless of their nationality or background.

Open communication and mutual respect are fundamental elements of Bayer Construct's corporate culture. Employees are encouraged to approach their managers or the Human Resources department directly with questions, suggestions or concerns. Despite the Company's significant growth in recent years, Bayer Construct remains committed to preserving the open, approachable and family-oriented culture that has characterised the Company since its foundation. Management continues to promote transparent dialogue and values employee feedback at all levels of the organisation.

Bayer Construct places great emphasis on employee well-being and community building. The Company regularly supports sports and recreational activities and encourages employees to participate in running events and other community programmes as members of the Bayer Construct team. These initiatives strengthen team spirit, promote a healthy lifestyle and contribute to maintaining a positive, collaborative corporate culture.



Staff Turnover	2021	2022	2023	2024	2025
Total turnover rate %	43	45	35	24,28	35,67
Exit turnover % - white-collar workers	6,28	10,45	7	11,04	10,35
Exit turnover % - blue-collar workers	36,69	33,96	27,67	25,38	49,39
Entry turnover % - white-collar workers	15,04	6,34	17,35	6,14	31,29
Entry turnover % - blue-collar workers	18,35	17,16	48,30	27,03	84,23

calculated as number of exits or entries / average employee numbers * 100

6.3. Training and Education

Continuous professional development is a fundamental prerequisite for Bayer Construct Zrt.'s safe, high-quality and sustainable operations. The Company places great emphasis on the continuous development of its employees' professional competencies, ensuring that they possess the knowledge and skills required to perform their roles effectively and to meet evolving business and regulatory requirements. We have a robust Learning & Development program. A standout example is our "Future Leaders" initiative, which provides promising employees with mentorship and training to prepare them for leadership roles. We also offer tuition reimbursement for employees seeking further education related to their roles. As part of the annual management review, we prepare the training schedule for that year that considers staff development goals, legal requirements, and work-related training needs. Most of our training courses relate to developing core competencies - for instance, occupational safety and fire safety education, integrated management system education, and informing staff about legal and administrative updates. Employees receive training on environmental protection in order to understand the impact that their work has on the environment. We also provide opportunities for attending conferences and exhibitions to keep up to date with the latest developments in the construction sector. Our managers and engineers regularly visit construction sites abroad to study and learn from examples that work elsewhere. Regarding independent learning, our company has access to the online library of the National Standards Body of Hungary, where employees can access the latest standards at any time to do their work with up-to-date information.

Our goal is to ensure that for all jobs, we:

- » determine the eligibility criteria and training needs and provide the relevant training,
- » evaluate the effectiveness of the training and the measures taken,
- » maintain appropriate education, training, skills, and practice records.



Case Study

Training and Education

Dedicated Training Coordinator Supporting Strategic Competence Development

For Bayer Construct Zrt, the continuous professional development of its employees is a fundamental prerequisite for safe, high-quality, and sustainable operations. To support this objective, the company established the position of Training Coordinator in 2025, responsible for the comprehensive planning, coordination, administration, and monitoring of all corporate training activities.

Previously, training-related responsibilities were distributed across several organizational units, making it more difficult to ensure consistent planning and effective tracking of training activities. The introduction of this dedicated role has created a more transparent and streamlined training process, standardized administrative practices, and enabled training needs to be aligned more closely with the company's strategic objectives and the competency requirements of individual roles.

Through centralized coordination, the company has been able to efficiently organize both legally required mandatory training and professional development programmes aimed at strengthening employees' competencies. The training portfolio includes occupational health and safety, fire safety, machinery operation, welding technology, nuclear safety, engineering design, and digital skills development, ensuring that employees possess up-to-date knowledge to perform their responsibilities effectively.

The company has continued to provide the necessary resources for both mandatory and competence development training, thereby supporting employees' continuous professional growth while contributing to the organization's long-term operational effectiveness.

The benefits of the new organizational model became evident within its first year of implementation. The traceability and documentation of training activities improved significantly, training delivery became more consistent, and employees demonstrated greater awareness of safe working practices, quality management requirements, and environmental protection standards. Organizational experience also showed that training documentation became more accurate, uncertainties arising from inconsistent interpretation were reduced, and individual accountability was strengthened.

The establishment of the Training Coordinator position represents more than the creation of a new role; it has laid the foundation for a structured, transparent, and sustainable knowledge management system. This initiative supports regulatory compliance, reduces operational risks, and ensures that Bayer Construct Zrt.'s employees perform their duties with a shared understanding and up-to-date professional expertise. Looking ahead, the company will continue to enhance its training system through the regular review of training curricula and the introduction of short, targeted refresher courses to effectively address evolving regulatory requirements and professional standards.



6.4. Labor Practices and Human Rights

Respect for Human Rights is a core principle that we all stand by. Thanks to long-standing EU and national legislation, breaches are rare in our geographic area of operation. However, we acknowledge that the construction industry is considered a higher-risk sector in this aspect, and our company is a positive example of providing equal opportunities to our employees.

Ethical behavior is a cornerstone of the company's leadership, and we reject all forms of corruption. Our company culture and the management's open-door policy foster organizational transparency. We have not recorded unethical behavior incidents in the reporting year.

We are responsible for our employees and committed to working only with partners and suppliers who treat their staff well, so we examine compliance with labor regulations when selecting and cooperating with partners. To the best of the BAYER Group's knowledge, there were no suspected cases of forced and/or child labor among the BAYER Group's partners during the period under review.

At the same time, we recognize that our operations will diversify with the organization's growth. It will be helpful to perform a more detailed assessment of potential human rights and ethical risks in our activities and formalize our approach to minimizing them. We would also like to extend our training program to include modules on recognizing signs of human rights and ethical business conduct violations. This approach is the best way to empower our employees to identify and report potential issues.

6.5. Community Impacts

Bayer Construct Zrt recognizes the importance of fostering positive relationships with local communities. This subsection provides insights into our community engagement initiatives, our strategies for contributing to community development, and the wider impact of our operations on the communities we serve. Our initiatives in this domain resonate with the spirit of UN SDG 11 (Sustainable Cities and Communities).

Our "Building Communities" program is a flagship initiative. We collaborate with local communities to identify their needs and contribute to projects such as building schools, improving infrastructure, and creating green spaces. We also offer apprenticeships and work placements to help local people develop skills and gain employment.

Bayer Construct's commitment to society is firmly rooted in sport, which the group has always supported to some extent since its foundation in 2002. Attila Balázs, the CEO of Bayer Construct, is the president and main sponsor of two successful hockey clubs, the Gyergyó Hockey Club and the Kárpáti Farkasok in Érd. Bayer Construct's sports sponsorship activities have taken on a more profound level in recent years, with the construction of the ice hockey hall in Érd, accompanied by the creation of a hockey club, mainly for developing junior players.

Our social commitment extends well beyond sports. Bayer Construct has also contributed to the economic and social development of Gyergyóremete, the hometown of our owner, Attila Balázs, through investments in the agricultural and food sectors. During the reporting period, a milk powder factory and a freeze-drying (lyophilisation) plant were successfully completed, creating new opportunities for regional economic development and employment. In addition to supporting job creation and regional development in Székelyföld, Bayer Construct remains equally committed to creating long-term, value-generating employment opportunities in Hungary, thereby contributing to a high standard of living and long-term security for its employees.



6.6 Considerate Construction

During construction, dust, light, and noise impact is inevitable. However, we emphasize minimizing disturbance to the communities around our projects by following national legislation and best practice.

Some simple but effective ways to minimize negative impact are enforcing working hours, setting up site boundaries, and keeping the work areas clean to prevent dust from spreading. Before the commencement of construction works, we also carry out condition surveys to assess, record and take photographs of the existing condition of the utilities and infrastructure. At the end of the project, we refer back to this documentation to ensure that we return the area in an equally good condition.

During construction, the public and communities can submit their concerns or claim damages in various forums. The submission is made by reporting to the construction or project manager on site or by sending a report to the contact address indicated on the company's website. If it is found that any party has suffered damage as a result of the works, we take measures to compensate for the damage.

In the reporting period, no noise impact objections were recorded.

We also recognize that new developments can pressure local resources and infrastructure. When we built our site in Sósút, we started discussions with the local government on improving the road network inside the industrial park to handle the increased traffic. We have incurred the cost of designing a roundabout junction directly to our headquarters at the front of the road and have actively been redesigning the municipal road that runs alongside our reinforcing steel processing plant. We are also a professional partner in preparing water utility development plans for the Sósút area, aimed at increasing capacity and making improvements needed shortly on both the drinking water and wastewater networks.

6.7. Customer Health and Safety

We take the health and safety of our customers very seriously. This section presents an overview of our measures to ensure the safety of our products and services, our response strategies for addressing safety concerns, and our overarching commitment to customer wellbeing. Our focus on customer health and safety aligns with the aspirations of UN SDG 3 (Good Health and Well-being).

Our "Safety by Design" approach ensures that safety is considered at every stage of the product development process. For instance, we use virtual reality technology to simulate end-user experiences and identify potential safety issues before construction begins. We also have a responsive customer feedback system to address safety concerns promptly.

Customers value long-term responsibility. In our case, the long-term operation of the properties we develop can also be taken Care of by a group member, so it is in our best interest to build high-quality buildings and minimize snagging issues.

Any recorded deviations and corrections indicate the task, the responsible person, and the deadline.

In 2025, Bayer Construct Zrt.'s total warranty costs amounted to HUF 306,439,457.

The company identifies its partners, including customers, in the Navision ERP system and BayerERP. Stakeholder needs and expectations are evaluated annually during management reviews. Employees report to management continuously on any exceptional stakeholder expectations and the action taken or planned to address them.

Based on our experience over the past years, our clients are satisfied with our quality and meeting deadlines. There have been no serious, negative comments on our company, and we respond promptly to problems raised at the construction cooperation meetings.

6.8 Supporting Education and Developing Future Construction Professionals

Investing in Future Talent

Developing the next generation of construction professionals is an integral part of Bayer Construct Group's long-term sustainability strategy. Beyond providing internship and graduate engineering programmes, the Group actively supports educational institutions that prepare future professionals for careers in the construction industry.

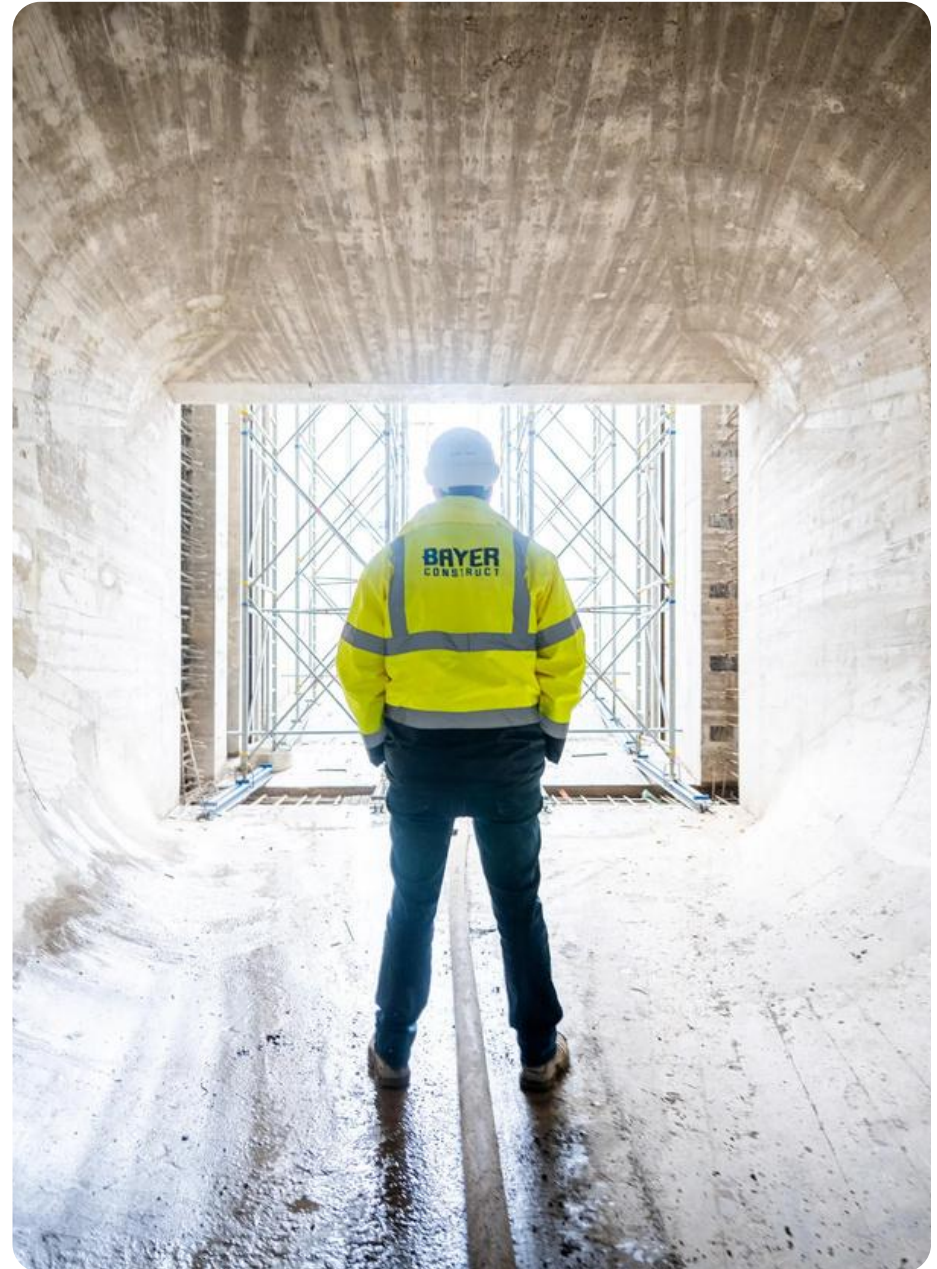
As part of this commitment, Bayer Construct completed the comprehensive renovation of another classroom at the BKSZC Schulek Frigyes Bilingual Technical School of Construction, one of Hungary's oldest and most respected vocational institutions, established in 1879. Following the successful renovation of the first classroom, the company delivered a second modern learning environment equipped to meet the needs of contemporary technical education.

The project included the complete refurbishment of the classroom, incorporating structural, electrical and interior improvements. Electrical systems were fully modernised, new power and low-voltage networks were installed, lighting systems were upgraded, walls and ceilings were renovated, parquet flooring was restored, and existing doors and windows were carefully refurbished to extend their service life.

Particular attention was paid to creating an ergonomic and durable learning environment. The classroom was furnished with modern educational furniture and equipped with high-performance computer workstations capable of supporting Building Information Modelling (BIM) software, together with a high-resolution projector to facilitate digital education.

This investment reflects Bayer Construct's belief that supporting technical education requires not only sharing professional knowledge but also creating learning environments that mirror modern industry standards. By providing students with access to up-to-date technologies and facilities, the company contributes to improving the quality of vocational education while strengthening the future talent pipeline of the Hungarian construction sector.

Through initiatives such as classroom modernisation, internship programmes and engineering career opportunities, Bayer Construct aims to provide young professionals with practical experience, continuous development opportunities and a strong foundation for successful careers in construction.



Case Study

Social

2025 Social Impact

Filipino Workforce Integration

International Workforce Integration: Employment of 182 Filipino Employees at Bayer Construct

Background and Objectives

One of the significant challenges facing the Hungarian construction and manufacturing sectors in recent years has been securing an adequate and reliable workforce. In order to maintain long-term operational capacity and address labour shortages, Bayer Construct initiated the preparation of an international recruitment programme in 2024.

The first steps were taken in May 2024, followed by the launch of the recruitment process for Filipino employees in autumn 2024. The first employees arrived and joined Bayer Construct's operations in January 2025.

The primary objective of the programme was to ensure the company's long-term workforce requirements in a responsible and legally compliant manner, while placing strong emphasis on providing appropriate employment conditions and support for newly arriving employees.

Responsible Recruitment and Employment

The employees arrived directly from the Philippines through local recruitment agency partners approved by the relevant local authorities and competent organisations.

At the beginning of their employment, the majority of employees joined the company in operational roles, including semi-skilled positions, cleaning services, security services and other support functions. As the programme developed, qualified skilled workers also joined the company, bringing professional qualifications and supporting specialised operational areas.

Ensuring equal treatment is a fundamental principle at Bayer Construct. Filipino employees are employed under the same Hungarian labour law regulations and remuneration principles as Hungarian employees. In addition to the benefits required by legislation, employees receive further support from the company, including accommodation and meal allowances.

Corporate Support Framework for Integration

To support the successful employment and integration of international employees, Bayer Construct established a dedicated internal coordination system. Five employees are involved in managing and supporting the related processes:

- Three administrative colleagues support related documentation, coordination and organisational tasks;
- Two colleagues working on-site provide daily operational communication and assistance to employees.

The company provides the necessary accommodation for employees in accordance with applicable legal requirements as part of the employment conditions.

Safe Working Environment and Training

Bayer Construct places strong emphasis on ensuring that all employees - regardless of nationality - perform their work according to the same occupational health and safety requirements and safety standards.

Filipino employees participate in the same occupational health and safety training programmes as other employees of the company. Before starting their work, they complete a two- to three-week onboarding and training period, during which they acquire the essential knowledge and practical skills required for their specific roles.

Results and Impact

In 2025, a total of 182 Filipino employees worked at Bayer Construct. The employees are predominantly male and contribute to the company's operations across Budapest-based projects as well as additional company locations.

Employees typically join the company under longer-term employment arrangements compliant with Hungarian regulations, providing stability and predictability for both employees and the company.

The programme has contributed to:

- Addressing workforce shortages and related operational challenges;
- Maintaining the company's production and project capacities;
- Creating a more international and diverse working environment;
- Further developing a diverse and inclusive employee community.

The international workforce programme represents an important element of Bayer Construct's commitment to responsible employment practices, equal opportunities and social sustainability.



7. Integration with UN Sustainable Development Goals (SDGs)

At Bayer Construct Zrt., we understand businesses' critical role in achieving the United Nations Sustainable Development Goals (SDGs). These 17 global goals act as a blueprint for a more sustainable future, addressing the world's most pressing challenges, such as poverty, inequality, and climate change. Our commitment to these goals is reflected in our strategic planning and daily operations as we strive to align our business activities with the broader global sustainability agenda.

SDG 7: Affordable and Clean Energy: As a construction and building technologies company, we significantly promote energy efficiency. Our design principles and construction methods focus on reducing energy consumption and promoting clean and renewable energy sources in our projects.

SDG 8: Decent Work and Economic Growth: We are committed to creating a safe, inclusive, and rewarding work environment for all our employees. We ensure fair labor practices and provide opportunities for continuous learning and development, contributing to economic growth and decent work.

SDG 9: Industry, Innovation, and Infrastructure: Through our innovative construction practices and technologies, we aim to build resilient infrastructure and foster innovation. Our research and development activities focus on creating sustainable solutions for the construction industry.

SDG 11: Sustainable Cities and Communities: Our projects prioritize sustainable urban development. We build environmentally friendly and energy-efficient buildings and infrastructure that create sustainable cities and communities.

SDG 12: Responsible Consumption and Production: We are committed to minimizing waste and promoting resource efficiency. Our waste management strategies aim at reducing, reusing, and recycling waste generated from our construction activities.

SDG 13: Climate Action: We recognize the construction sector's impact on greenhouse gas emissions and are committed to mitigating our carbon footprint. We strive to reduce our greenhouse gas emissions and adapt our operations to the realities of climate change.

Each of these alignments with the SDGs represents a commitment on our part not only to contribute positively to these global goals but also to hold ourselves accountable for our impact on the world. By integrating the SDGs into our strategic planning and operational decision-making, we ensure that our business growth does not come at our planet's or its people's expense. As we move forward, we will continue to explore new ways to deepen our alignment with the SDGs and further our contribution to a more sustainable future.





Stakeholder Engagement

At Bayer Construct Zrt., we believe that open communication and constructive dialogue with our stakeholders are essential to responsible business operations and long-term sustainable growth. Regular engagement enables us to better understand stakeholder expectations, continuously improve our performance and strengthen the trust that underpins our business relationships.

Employees: Our employees are integral to the company's growth and success. We maintain continuous communication through direct dialogue with managers, occupational health and safety consultations, training programmes and internal communication channels. Employee feedback supports the continuous improvement of workplace safety, professional development opportunities and working conditions.

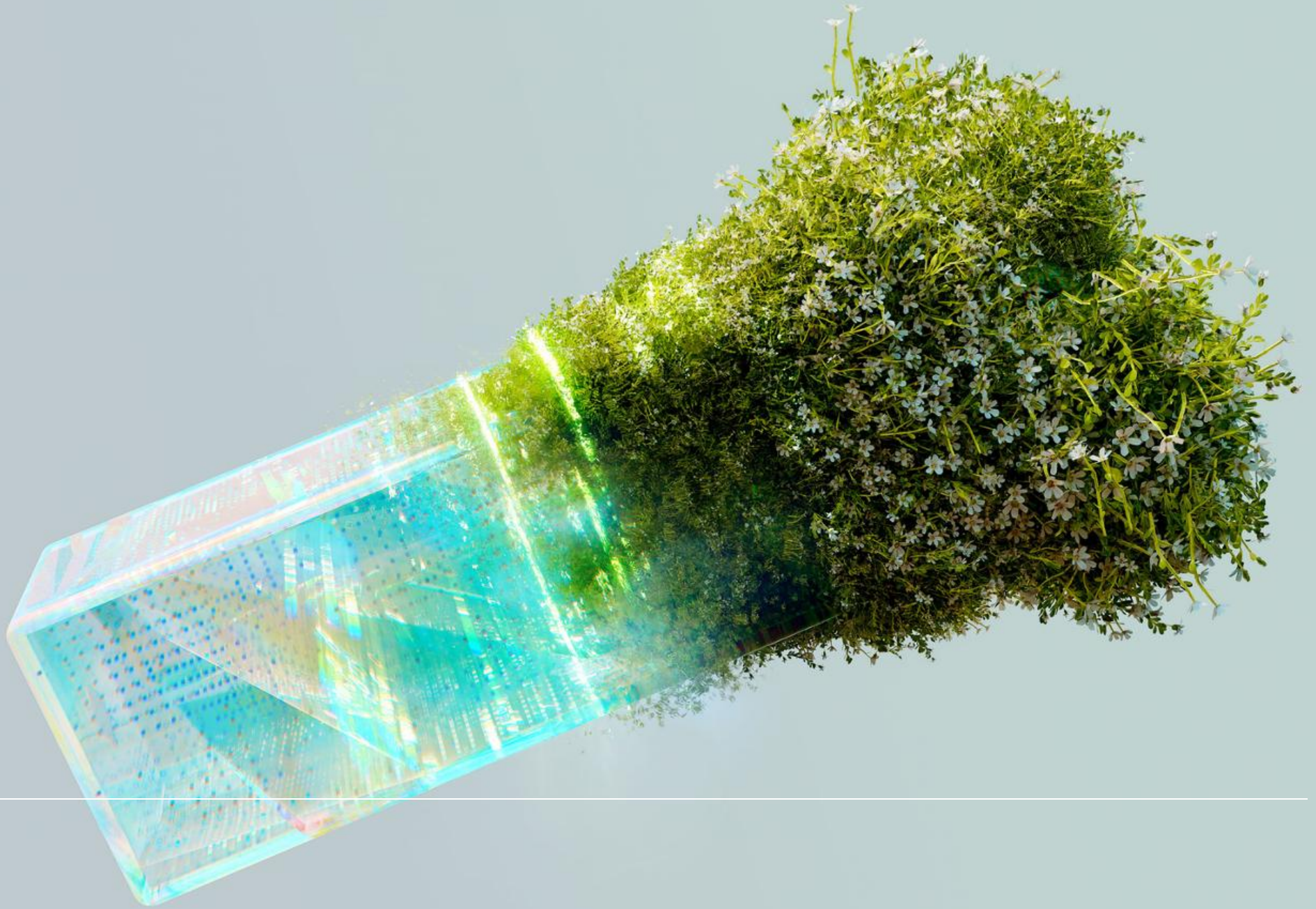
Business Partners and Suppliers: Bayer Construct values long-term cooperation with business partners and suppliers who share our commitment to quality, safety, ethical business conduct and regulatory compliance. During supplier selection and throughout cooperation, we consider professional competence, reliability, and compliance with applicable legal and labour requirements.

Local Communities: As a responsible construction company, we recognize that our projects may affect the communities in which we operate. We strive to minimise environmental impacts such as noise, dust and traffic disruption while maintaining open communication with local stakeholders. Beyond our construction activities, Bayer Construct contributes to community development through educational support, sports sponsorship and local infrastructure initiatives.

Authorities and Regulatory Bodies: Maintaining transparent and professional cooperation with public authorities is fundamental to our operations. We work closely with regulatory bodies to ensure compliance with applicable legislation, permit requirements and environmental, occupational health and safety regulations. We also participate in professional consultations where appropriate to support responsible industry development.

Owners and Investors: Our owners and investors expect responsible corporate governance, sustainable growth and effective risk management. Through transparent reporting and the continuous development of our ESG practices, Bayer Construct aims to create long-term value while supporting sustainable business performance.

Conclusion: Constructive stakeholder engagement remains an integral part of Bayer Construct's management approach. By maintaining open communication and responding to stakeholder expectations, we continuously improve our environmental, social and governance performance while supporting the Company's long-term strategic objectives and sustainable growth.



8. Future Outlook, Actions and Targets

Bayer Construct Zrt is dedicated to enhancing its Environmental, Social, and Governance (ESG) performance, recognizing its integral role in our overall business strategy and corporate responsibility. As we look to the future, our commitment is to continuous improvement, evolving our strategies and initiatives to meet emerging ESG expectations and challenges.

During 2025, Bayer Construct continued to strengthen its Environmental, Social and Governance (ESG) performance by implementing a number of practical initiatives across its operations. Significant progress was made in improving environmental management, occupational health and safety, employee development and community engagement.

Key achievements during the reporting year included the introduction of SCC** certification alongside the Company's existing integrated management systems, continued improvements in waste management and resource efficiency, the expansion of employee development programmes, and the successful integration of an international workforce. Bayer Construct also strengthened its contribution to local communities through educational investments, sports sponsorship and infrastructure development initiatives.

In parallel, the Company further developed its ESG reporting processes by improving internal data collection and strengthening cooperation across different business functions. These developments provide a stronger foundation for more comprehensive sustainability reporting and future ESG target setting.

Several of the objectives set out in previous ESG reports have been achieved or have shown significant progress. During the reporting period, Bayer Construct increased the number of women in leadership positions to four, further improved its waste management performance, and strengthened its Integrated Management System through the successful implementation of SCC** certification. At the same time, some long-term objectives, particularly the further reduction of greenhouse gas emissions and the continuous improvement of occupational health and safety performance, remain key priorities for the coming years. Building on these achievements, the Company has defined a new set of practical and measurable ESG objectives to support its long-term sustainable development.

Looking ahead, Bayer Construct will continue to develop its ESG reporting processes and progressively expand the scope of reporting across the Group. Strengthening ESG data collection, improving reporting quality and increasing transparency remain key priorities for the coming years.

Our future commitments encompass ambitious yet achievable targets across all facets of our ESG performance. By the end of 2026, Bayer Construct aims to expand its ESG reporting to cover the entire Bayer Construct Group. By 2027, we aim to establish a harmonised ESG data collection and reporting system across all Group companies to improve data quality, transparency and comparability. We will continue improving energy and resource efficiency, further develop our waste management practices, and strengthen our occupational health and safety culture with the objective of reducing workplace incidents and continuously improving safety performance.

Emissions Reduction Roadmap

1. Develop a more comprehensive data monitoring system to improve our data collection practices.
2. Calculate Scope 1,2 & 3 emissions.
3. Identify an achievable target and framework for Scope 1 & 2 emissions reduction.
4. Identify targets for reducing Scope 3 emissions and establish an approach for tracking our overall progress.





In pursuit of these objectives, Bayer Construct will continue investing in initiatives that improve operational efficiency, environmental performance and employee development. Particular emphasis will be placed on strengthening ESG governance, standardising sustainability data collection across the Group, promoting continuous improvement in occupational health and safety, and maintaining close cooperation with employees, customers, suppliers and local communities to ensure that stakeholder expectations continue to shape our ESG strategy.

Bayer Construct will continue to monitor developments in European Union sustainability legislation and reporting requirements and further develop its ESG framework accordingly. Our objective is to provide increasingly transparent, reliable and comprehensive sustainability information while supporting responsible decision-making throughout the Group.

In summary, we are wholeheartedly committed to advancing our ESG performance. We believe in the power of transparency and accountability and will continue to report our progress candidly, acknowledging our achievements and embracing our challenges. We are confident that through continuous improvement, responsible governance and close cooperation with our stakeholders, Bayer Construct will continue contributing to a more sustainable future for our Company, our stakeholders and the construction industry.

9. Glossary

BIM	Building Information Modelling
BREEAM	Building Research Establishment Environmental Assessment Method
CEO	Chief Executive Officer
CSRD	Corporate Sustainability Reporting Directive
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
FOCF	Free Operating Cash Flow
GRI	Global Reporting Initiative
HQ	Headquarters
H&S	Health and Safety
IMS	Integrated Management System
ISO	International Organization for Standardization
LEED	Leadership in Energy and Environmental Design
MEBIR	Occupational Health and Safety Management System
MEWA	Multiple Employer Welfare Arrangements
SASB	Sustainability Accounting Standards Board
SCC	Safety Certificate Contractors
SDG	Sustainable Development Goal
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization

Thank you for your attention!



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