INDOTEK GROUP

SUSTAINABILITY REPORT

2024

This report has been prepared in accordance with the GRI Standards 2021 at the 'with reference' level.

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Dániel Jellinek

Managing Partner
INDOTEK GROUP

MESSAGE FROM THE MANAGEMENT

Dear Reader!

The world of property development is undergoing a profound transformation. Investors, tenants, regulatory authorities and the society are increasingly articulating the expectation: the built environment must not only generate economic value but should also actively contribute to a more sustainable, energy- and cost-efficient future. The INDOTEK GROUP views this challenge not as a burden but as a strategic opportunity.

The Group prepared its first, as yet non-standardised sustainability report for the 2023 financial year, the aim of which was to map out the then current situation and material issues. Since then, we have made a conscious decision to continue our reporting practice within a stable, future-proof framework, the GRI (Global Reporting Initiative). This approach allows us to build on the lessons of the first year and move forward in a standardised, comparable manner, providing an even more comprehensive and credible picture of the Group – now also publicly.

We are convinced that the greatest potential lies in the regeneration of existing properties: we do not demolish, we build.

Our portfolio includes offices, residential properties, mixed-use developments, as well as leased assets currently in the active project phase. This diversity comes with a responsibility, as it involves differing user needs, varying energy profiles and diverse community impacts. This is precisely why it is of paramount importance to gain an accurate picture of the key areas of our portfolio and to make effective intervention where it is due. Our aim is to measurably reduce our portfolio's energy consumption and carbon dioxide emissions, increase the volume of energy efficiency investments, and integrate future-oriented considerations into all our development decisions.

This report is not merely a communication tool but an important milestone in our long-term commitment. We constantly strive to unlock the greatest possible value from every asset that has passed the initial stage of its life cycle but still holds significant potential. In this spirit, numerous properties have been refurbished, been made more energy-efficient and equipped with modern, new functions as a result of our operations. We communicate no more and no less than what we truly believe in and have consistently put into practice for over 20 years now.

I would like to thank our colleagues, partners and investors for their trust and cooperation which have made all this possible. Sustainable, long-term operation is not a one-off task but the result of continuous learning, dialogue and action. We invite everyone involved to join us on this journey, so that together we can shape a more liveable built environment for future generations.

ABOUT OUR REPORT

The Sustainability Report of the INDOTEK GROUP for the 2024 financial year

The parent company of the Group:

In-Management Szolgáltató Zrt.

Scope of the report:

This report covers the INDOTEK GROUP (hereinafter: Indotek or the Group). The Group remains family-owned to this day; therefore, the INDOTEK GROUP comprises the companies that are closely linked within the value chain

- and are majority-owned (at least 50%) by Dániel Jellinek and Kamilla Hermann,
- as well as those managed by Indotek Investments Fund Management Ltd.

The report therefore covers the 360 companies and more than 200 properties of the Group as well as related projects and assets, which are predominantly engaged in the purchase, sale, development, letting and asset management of properties owned by the Group.

Registered office:

1133 Budapest, 110 Váci road.

Area of operation:

Europe

Reporting period:

This sustainability report covers the period from 1 January 2024 to 31 December 2024, in line with the annual report. To ensure comparability of data, we also provide information for 2023. The flow-type data presented in the report cover the entire reporting period, whilst the stock-type data reflect the status as at the last day of the year, i.e. 31 December.

Reporting frequency:

This document is the first standardised sustainability report of the INDOTEK GROUP, published annually from 2024 onwards.

Standard and approval:

The report has been prepared in accordance with the guidelines of the current GRI Standards, without external, independent verification. The company's chief executive, the founder and CEO, was responsible for the preparation and final approval of the report. At an operational level, compilation was coordinated by the Business Partner department and reviewed by the CFO.

Publication of the report: June 2026

This sustainability report is published on the website **indotekgroup.com**
In publishing the report we adhere to sustainability principles; therefore, it is published exclusively online.

Further information:

Please send any questions or comments regarding the Group's sustainability performance to the following email address:

esg@indotekgroup.hu

[1] Although Auchan Korzó (Ceetrus Hungary Kft. and Nhood Services Hungary Kft.) and STAFF HOUSE Zrt. formally meet the inclusion criteria, they are not covered by this report. The transaction relating to Auchan Korzó took place at the end of the reporting period, in Q4 of 2024, meaning that the Group was not yet in a position to exercise substantive control over the companies' activities. On the other hand, the core business of STAFF HOUSE Zrt. – despite the common ownership – does not form part of the Group's value chain and is therefore not relevant for the purposes of this report.

THE INDOTEK GROUP IN A NUTSHELL

The INDOTEK GROUP is a Hungarian property investment and asset management group with over two decades of experience in the property market. Our philosophy focuses on the renovation and repurposing of existing properties, with particular emphasis on sustainability and long-term value creation. Our aim is to revitalise the properties we acquire and give them a new function, thereby increasing their market value and appeal.

The activities of the Group include the acquisition, development, utilisation and letting of properties and non-performing loans (NPLs). The portfolio of the Group is diverse and comprises the following types of property:

- **Retail properties:** more than 40 shopping centres, with a total lettable area of over 2.5 million square metres;
- **Office buildings:** more than 50 office buildings, including two in Bucharest;
- **Hotels:** over 1,500 hotel rooms in the Mediterranean region alone;
- **Logistics and industrial properties:** warehouses and industrial sites in various European countries.

Our sustainability efforts aim to set an example in the market. We are convinced that sustainability is not merely an environmental or social expectation but creates tangible, functional value for our stakeholders, who are key players in the success of our business operations. Energy efficiency investments result in verifiable long-term cost savings, whilst social consultations contribute to the creation of liveable residential environments that remain in demand and retain their value. In this spirit, in 2024 we place particular emphasis on presenting our achievements in the area of non-financial performance to the wider market for the first time, on a voluntary basis.

We are pursuing a growth strategy, placing increasing emphasis on overseas acquisitions and our international portfolio. Our aim is for the size of our overseas portfolio to match that of our domestic one within a few years. Our portfolio comprises more than 200 properties across 12 countries, including Hungary, Spain, Romania and other Central and Eastern European countries.

Results for 2024

Transaction volume:	**200+ M €**
Gross lettable area:	**2.2+M m²**
Value of managed property portfolio:	**1.8+ M €**
Revenue:	**380 M €**
Number of employees:	**620+**
Number of lease agreements:	**4000+**

In 2024 we achieved a number of significant milestones the realisation of which is the result of many years of persistent work. We are proud that these projects now form part of our portfolio and strengthen our market position in the long term. Several of these have opened up new market opportunities, which we are leveraging to further improve our business performance and strengthen our investors' confidence.

Espacio León

Our international retail portfolio has reached another milestone: we have acquired the Espacio León shopping centre in the city of León, Spain. The property with 112 retail units and 36,914 m² of lettable area currently operates at 93% occupancy and attracts around 4.1 million visitors annually, in addition to the local population. The acquisition further strengthens our Spanish retail property portfolio, which also includes supermarkets, industrial properties and a portfolio of 1,500 seaside hotel rooms.

Auchan acquisition

In November 2024 an agreement was reached on the acquisition of Auchan Magyarország Kft. through which we entered the domestic retail market. As a 47% owner, the INDOTEK GROUP plays a significant role in management, and with the acquisition of Ceetrus Hungary Kft. and Nhood Services Hungary Kft., it has become the sole owner of the retail units located in the shopping arcades of the Auchan stores. The Group appoints three members to the board of directors and holds a majority on the supervisory board. The Hungarian operations of Auchan employ nearly 6,000 people; in 2023 they achieved a turnover of 460 billion forints and a pre-tax profit of 27 billion forints.

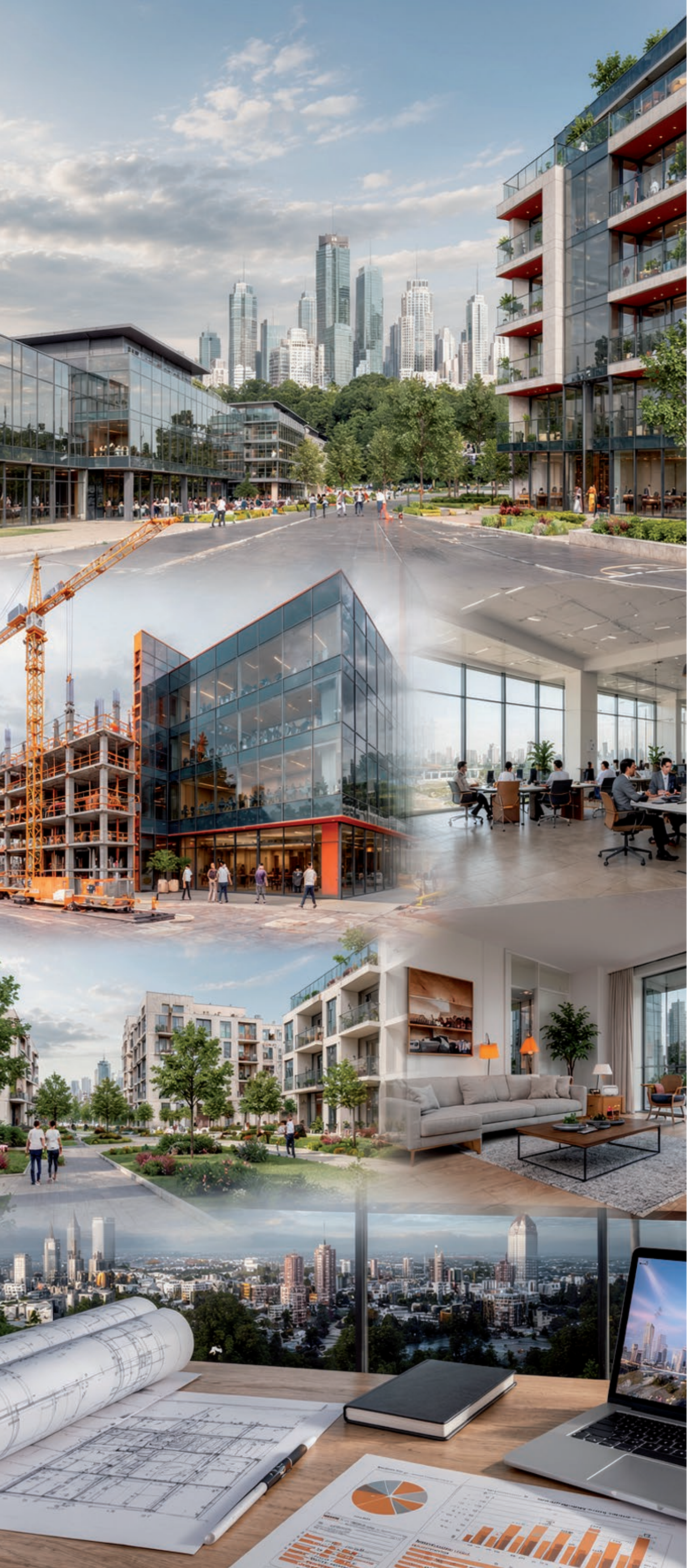
The acquisition creates opportunities to open new stores in the existing retail properties of the Group and strengthens the position of Auchan in the national retail market, where it currently accounts for approximately 6.8% of the market with 19 hypermarkets, 5 supermarkets and 19 petrol stations.

Buda Bright residential property development

Magyar Ingatlanberuházó Zrt. (MIB), as a member of the INDOTEK GROUP, made its debut in 2024 with its first large-scale greenfield residential property development, a 316-apartment residential complex in Budapest. This project is the Group's largest new residential property investment to date, and its success is demonstrated by the fact that 96% of the flats had already been sold by the time construction was completed. The aim of the development is to provide affordable homes whilst maintaining high standards in terms of location and technical specifications. MIB plans to build a further 3,000–3,500 flats, contributing to the expansion of the Group's sustainable and socially responsible residential property portfolio. We are deliberately not targeting the top end of the market with our developments, because we are of the opinion that the current average 110 million HUF Hungarian market price for new homes does not represent a genuine alternative for buyers. The residential complex has its own green space, and the proximity to the Danube bank offers nature lovers a wide range of leisure and sporting opportunities.

Loft52

The Loft52 project was also developed by MIB, where we converted a former industrial-style office building into 84 flats. The project combines modern urban living with environmental awareness: the historic brick walls have been reused, the energy solutions ensure low CO_2 emissions, and electric car charging points are also available. Loft52 is a prime example of the power of regeneration, creating value from a previously unused industrial hall. In this project we have also paid particular attention to affordability.



Operations and value chain

The core business of the INDOTEK GROUP covers the needs of both the commercial and residential sectors. Through our property developments we offer investment opportunities, lease to businesses, and meet consumer needs, particularly through our expanding residential property portfolio. The process begins with market research and strategic planning, followed by acquisition/investment, revitalisation, operation and utilisation. All of this is brought together by asset and portfolio management, ensuring the optimisation of investments, value preservation and continuous growth, while monitoring the actual utilisation and value creation of developments.

In practice, the value chain consists of the following main segments:

- **Operational activities:** property acquisition/purchase of property-backed receivables – development – operation and letting – sale;
- **Strategic activities:** asset management and portfolio management.

Our activities focus primarily on the revitalisation of the existing building stock. We actively seek out properties in which we see new potential - a 'second life' -, and ones which are currently underutilised. Our aim is to give buildings destined for demolition a new function, thereby preventing waste generation and reducing the embedded carbon and CO_2 emissions associated with construction-related transport.

Through our work, we contribute to preserving the traditional character of cities as well as creating new homes and workplaces in buildings previously unused. Our activities thus support environmental, social and economic sustainability in equal measure.

As our core business focuses on existing, long-standing buildings, the majority of our portfolio consists of properties with energy ratings B and C. These buildings are not considered obsolete, yet they do not fall into the category of the most modern, A-rated, zero or near-zero energy buildings. For us, the greatest business and environmental potential lies in reducing existing environmental impacts, improving energy efficiency, and consciously modernising our building stock step by step.

Thanks to our energy efficiency improvements, our properties are not only becoming more modern and lower in CO_2 emissions, but through conscious design the costs for consumers and end-users are also being reduced.

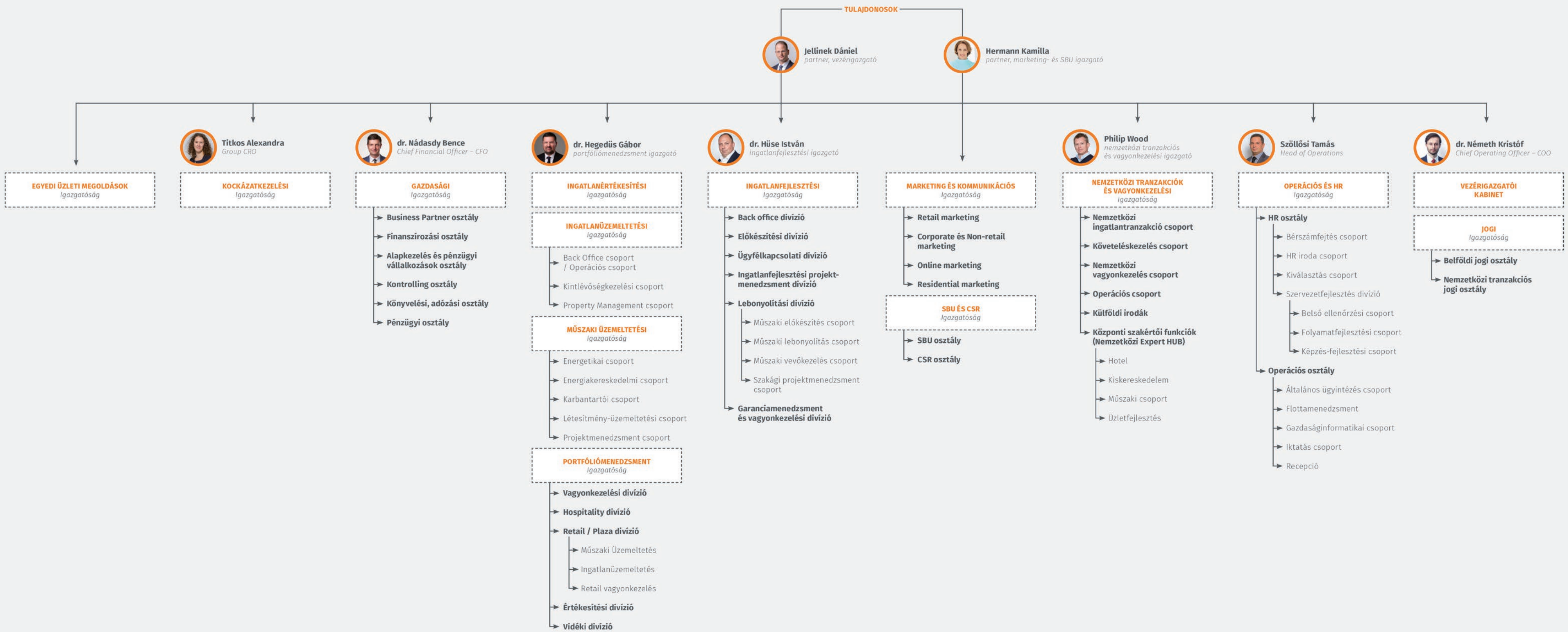
It is also of paramount importance to us that our properties are accessible. Our shopping centres are almost 100% accessible for families arriving with prams or for wheelchair users, thereby ensuring an inclusive and safe environment for all.

Management structure

The size and diversity of the INDOTEK GROUP require complex management and professional expertise. The Group remains family-owned, led by Dániel Jellinek and Kamilla Hermann who established a transparent and clear system of accountability from the outset. As a result, employees are always clear about the scope of their duties and can take responsibility for them. Decision-making takes place within several smaller, autonomous units, though each unit's decision-making authority is limited. The selection and remuneration of senior managers is based on the decision of the CEO who takes into account the recommendations of the recruitment team as well as the operational and HR directors. We primarily engage external headhunters for international positions or sensitive senior management roles.

Sustainability management is also concentrated in the hands of the owners, with professional support from the finance department and external consultants, ensuring that decisions are well-founded from environmental, social and economic perspectives.

In 2024 we saw two significant organisational changes within the Group. Firstly, legal responsibilities previously divided among several different departments were brought under a single organisational unit, thereby strengthening the consistency and efficiency of legal processes. Secondly, the Financing and Fund Management department which had previously operated as a single unit was split into two, enabling a clearer separation of responsibilities and a stronger professional focus. The aim of the restructuring was to make the company's operations more structured and transparent, thereby facilitating more effective decision-making and flexible adaptation to a rapidly changing, turbulent market environment.






ECONOMIC ENVIRONMENT

At the time of writing this report, the European property development sector is operating in a challenging environment. Between 2021 and 2024 global prices for building materials rose significantly, particularly for steel, timber, concrete and insulation materials, which directly increased development costs. At the same time, the construction industry is grappling with a persistent labour shortage: the number of skilled workers has not grown in line with demand, and the influx of foreign labour is not always able to make up for the shortfall.

Our business strategy centres on conscious risk-taking, complemented by a practical approach and strategic planning. Thanks to this, we have achieved continuous development and growth over the past few years despite the difficult market environment, ensuring the Group's long-term sustainability, stable operation and ability to create value.

In 2024 economic growth in Europe was moderate, and activity in the property market followed suit. In overseas developments increasing attention is being paid to sustainability features, so a leading role in sustainability represents a real market advantage, whilst a lack thereof may limit international opportunities.

In Hungary the economic and market environment showed a mixed picture, presenting both challenges and opportunities for property developers. The residential property market gradually picked up: nationally, the number of transactions rose by 16% with Budapest recording a 31% increase, supported by government incentive schemes. At the same time, demand in certain segments – such as luxury apartments and new offices – has decreased, while demand for residential and logistics developments has continued to grow.

For companies with a stable financial background, a sustainable strategy and the right experience, these market conditions offer an opportunity to deliver successful and value-creating projects despite the challenges.

Investments

In 2024 we carried out investments in various development areas, totalling HUF 2,090,790,960:

- **Energy efficiency upgrades** – to improve the energy efficiency of buildings and reduce CO_2 emissions;
- **Refurbishment and modernisation of shopping centres** – to modernise facilities, enhance visitor experience and incorporate sustainability considerations;
- **Office design** – creating functional and sustainable office spaces;
- **110 Váci út** – replacement of external doors and windows – to improve the thermal insulation and comfort levels of the building.

Our investments were partly realised through subsidised loans; for example, the energy efficiency improvements were supported by the Baross Gábor Reindustrialisation Loan Programme, while developments aimed at foreign market growth were facilitated by the HEPA Foreign Market Growth Grant.

MISKOLC PLAZA

DEBRECEN PLAZA

STAKEHOLDER ENGAGEMENT

It is of paramount importance to the INDOTEK GROUP that we create real value for our stakeholders; therefore, we involve them in our operational processes. In 2024 we defined our stakeholder groups, thereby laying the foundations for the conscious preparation of this reporting process.

- We consider stakeholders – whether individuals, groups or organisations – to be actors who influence the Group's activities, or upon whom its activities have a significant impact.
- Within this category, 'affected stakeholders' are those who directly experience the consequences of the operations of INDOTEK, whether these are positive or negative impacts.

INDOTEK GROUP STAKEHOLDERS

INTERNAL STAKEHOLDERS

- Owners / Shareholders
- Affiliated Companies
- Senior and Middle Management
- Employees

EXTERNAL STAKEHOLDERS

- Investors
- Business Partners
- Suppliers
- Tenants
- Regulatory Authorities and Supervisory Bodies
- Local Governments / Municipalities
- Chambers of Commerce and Professional Associations
- Foundations and Non-Governmental Organizations (NGOs)
- Local Communities
- Banks, Insurance Companies, Analysts, Rating Agencies, Consultants, and Certification Bodies
- Domestic and International Competitors

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

IDENTIFICATION OF MATERIAL TOPICS

We carried out our materiality analysis in 2024 again with the aim of identifying the sustainability topics representing key value both for us and our stakeholders. We took several sources and methodologies into account when determining the material topics:

- **Internal sources:** feedback from management and employees,
- **External sources:** stakeholder feedback via questionnaire surveys,
- **International benchmarks** and an analysis of the **industry-specific material topics of MSCI.**

We believe that active and ongoing communication provides valuable business insights that can open up new opportunities for us. For this reason, the questionnaire survey enabled our stakeholders to share their views on the Group's focus areas. This feedback provided a key reference point for preparing the materiality analysis and helped to strengthen long-term, trust-based relationships with our most important stakeholders.

Our material topics:

E

- Efficient energy management and renewable sources (Environment)
- Greenhouse gas and carbon footprint reduction (Environment)
- Responsible waste management (Environment)
- Responsible water consumption (Environment)

S

- Employee wellbeing (Society)
- Recruitment and talent development (Society)
- Occupational health and safety (Society)
- Communication, internal information (Society)
- Support for local communities (Society)

G

- Ethical and transparent operations (Corporate Governance)
- Responsible procurement policy (Corporate Governance)
- Data protection (Corporate governance)
- Regulatory compliance (Corporate governance)
- Risk management (Corporate governance)
- Quality assurance (Corporate governance)

SUSTAINABILITY AT THE INDOTEK GROUP – ESG STRATEGY

Our mission is to create value – we don't tear down, we build. Technology, function, concept, value.

The property development and renovation activities of the Group are characterised by a long-term approach to value creation. INDOTEK does not demolish but rather renews its existing property portfolio – ensuring that the spaces provide a modern, liveable and competitive environment for both tenants and visitors, all this through technological modernisation, functional rethinking and sustainable design. Our aim is to achieve our business success while maintaining financial stability, in line with the principles of social and environmental responsibility.

Our ESG strategy is based on a materiality analysis conducted with stakeholder involvement, identifying the sustainability issues that are materially relevant to the group.

Environment

In our operations we are committed to environmentally conscious behaviour, social sensitivity and corporate social responsibility. Our aim is to support sustainable development through our day-to-day decisions and activities. In the property sector the most significant direct environmental impact is linked to energy consumption and the carbon footprint of the built environment. The renovation-oriented model of the INDOTEK GROUP is inherently more favourable than new-build projects, which generally involve higher material consumption and a larger carbon footprint.

Strategic objectives:

- Reducing **the energy intensity** of the building stock by at least 10% by 2030 (compared to the 2023 baseline)
- Increasing the share of **renewable energy sources:** an assessment of renewable energy potential is mandatory for every renovation
- Increasing **the recycling rate of** construction waste: the target by 2030 is 20%
- **Optimising water use:** use of water-efficient equipment in all refurbishment projects

Society

The INDOTEK GROUP is deeply committed to providing a high-quality, safe and inspiring environment for both its employees and the tenants and visitors to its refurbished properties. We believe that a positive, collaborative community is the foundation of innovation and sustainable growth.

Strategic objectives:

- Introduction of an **employee satisfaction survey**; annual target: minimum 75% satisfaction rate
- **Training and professional development programmes:** ensuring a minimum of 16 hours of training per person per year
- Regular review of **an ergonomic, modern office working environment**
- **Zero serious workplace accidents;** comprehensive documentation and analysis of incidents
- **Diversity and equal opportunities:** monitoring gender ratios, establishing fair pay principles
- **Community engagement:** conducting social impact assessments for local property projects
- Regular **tenant satisfaction surveys**

Corporate governance

Responsible corporate governance is an integral part of the business model of the Group. Transparency, a long-term perspective and ethical decision-making ensure that business success is based on a balance between financial stability and social responsibility.

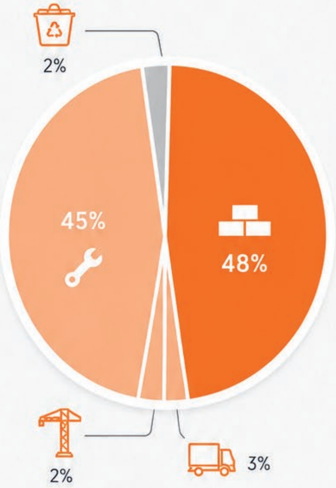
- Designation **of ESG responsibilities** for group-level coordination
- Publication of **an annual sustainability report** based on internationally recognised standards
- Operation and communication of **a code of ethics and a** whistleblowing **system**
- **Supply chain screening:** ESG assessment of key suppliers by 2027
- **Data protection and cybersecurity:** maintaining continuous GDPR compliance and annual audit
- **Anti-corruption and competition law compliance training** for all relevant employees

The steps we have taken and the results achieved in pursuit of our strategic goals are presented in detail in the following thematic sections of the report.

CARBON FOOTPRINT

The concentration of greenhouse gases expressed as carbon dioxide equivalent along the supply chain:

- **Raw materials / packaging (A1–A3)**
- **Transportation (A4)**
- **Construction (A5)**
- **Use phase (B1–B5)**
- **End-of-life treatment of waste (C1–C4)**



Breakdown of the average carbon dioxide emissions:

48%	– Raw materials
17%	– Transportation
16%	– Construction
15%	– Manufacturing
4%	– Operational waste

The product's global warming potential (GWP) is 40% lower than the industry average.

<600 $kgCO_2/m^3$

Verified by: GIA-bau

Source:
International EPD System
https://www.ibu-epd.com/ | File No.: EPD-SSD-09.0-20201106164646-001

LONDON
ENERGY
TRANSFORMATION
INITIATIVE

ENVIRONMENT

For us, environmental protection is the foundation of our business operations and competitiveness. A significant proportion of the greenhouse gas emissions of the construction industry stems from the production of raw materials such as concrete, bricks or steel. However, we consciously adopt a development approach that focuses on preserving existing structural elements and modernising energy systems. In doing so, we save a significant amount of CO_2 emissions and waste, while contributing to cleaner and more efficient energy use.

The carbon footprint of the entire life cycle of a commercial building extends from material production through operation right up to potential demolition. Any development aimed at preserving and modernising an existing building therefore contributes directly to a significant reduction in emissions and to the creation of a more sustainable urban environment.

We also prioritise environmental due diligence as we expand.

When evaluating international investment opportunities, we consciously incorporate ESG-related issues, risks and development opportunities into the due diligence process.

These issues include, among others:

- Carbon footprint and CO_2 emissions;
- Energy consumption and energy efficiency: assessment of the building's energy efficiency and review of the Energy Performance Certificate (where available);
- Use of renewable energy sources (e.g. solar, wind, geothermal energy, etc.) and recoverable energy;
- Climate risk and assessment of climate resilience (e.g. flooding, heat/fire risk, sea-level rise);
- Green building certifications: review of any sustainability/green building certification (e.g. BREEAM, LEED, WELL, DGNB or similar);
- Waste generation, waste management and wastewater treatment;
- Water consumption and water management, including wastewater reuse and drainage assessment;
- Biodiversity and the impact of land use;
- Pollution control measures, including the regulation of emissions to air.

As part of our mandatory technical due diligence we always prepare a Simplified Environmental Impact Assessment, which includes a historical review of the site and the property together with the surrounding areas, using aerial photographs, cadastral and topographical maps, and the land registry. We review previous environmental reports (where available) and investigate any potential chemical or industrial use, past contamination, legal infringements and environmental pollution.

In addition, we assess and review the property's compliance with legal requirements, valid environmental permits and other relevant licences (such as water rights permits, occupation permits or activity licences that may impose environmental requirements), the environmental sensitivity of the property, site contamination, air quality, and the presence of hazardous substances.

If the assessment confirms the presence of any contamination or other potential risks, we carry out a more comprehensive Environmental Impact Assessment, during which we take soil and groundwater samples, conduct laboratory tests, analyse the results, and compare them with statutory limits.

Efficient energy management and renewable sources

The INDOTEK GROUP has responded to rising energy prices proactively by implementing energy modernisation and energy efficiency investments. We recognised the challenges posed by increasing operating and overhead costs even before the price rises, and adapted our strategy accordingly to ensure the long-term sustainability of cost management.

We pay particular attention to our tenants' needs, especially the predictability and manageability of costs. To this end, we have scheduled several energy efficiency investments in advance which now play a central role in our development plans, contributing to improving the energy efficiency of our operations and reducing our environmental impact.

A summary of the energy efficiency investments implemented in 2024:

PROPERTY	PROJECT	ESTIMATED SAVINGS (GJ)
Corvin Plaza // 1083 Budapest, Futó u. 37. (PR-811)	LED conversion, pump replacement (5 x 1.5 kW)	1320
Duna Center // 9025 Győr, Csipkegyári út 11. (PR-718)	Installation of analogue timers (light intensity control)	50
Duna Plaza // 1138 Budapest, Váci út 178. (PR-809)	Conversion to LED lighting	800
Expo & Trade Center // 1148 Budapest, Kerepesi út 52. (PR-287)	Liquid cooler replacement	210
Log2 // 2040 Budaörs, Gyár utca 2. (PR-280)	Replacement of central liquid cooler with 3 x 3.5 kW split units; replacement of hall lighting (8 x 400 W => 200 W)	140
Miskolc Plaza // 3525 Miskolc, Szentpáli utca 2-6. (PR-810)	Installation of 406 kWp solar panels; conversion of stairwells and operational areas to LED lighting	30
Nyír Plaza // 4400 Nyíregyháza, Szegfű Street 75. (PR-678)	Solar panel installation 508 kWp; replacement of cooling pumps; replacement of heat-protective film	200
Panorama Office // 1024 Budapest, Ady Endre utca 19. (PR-274)	Replacement of liquid cooler	330
Pécs Plaza // 7631 Pécs, Megyeri út 76. (PR-771)	Split air conditioning replacements (6 units, 3.5 kW); Installation of frequency converters in air handling units (6 units, 7, 11, 30, 37, 30, 37 kW)	830
Total	**-**	**3 910**

In the case of properties undergoing functional change, we always upgrade the services systems and install energy-efficient, environmentally friendly solutions that fulfil current requirements. We further enhance energy efficiency through insulation and the replacement of windows and doors, thereby utilising every available means to ensure sustainable operation.

The domestic energy consumption of INDOTEK for 2023–2024:

HUNGARY			
ENERGY CONSUMPTION	**UNIT**	**2023[1]**	**2024**
Total energy consumption	MJ	386 969 828	161 782 838
Annual electricity consumption	kWh	76 369 119	23 246 237
Annual natural gas consumption	m^3	2 950 000	1 902 032
Annual district heating consumption	GJ	-	5 857
Annual LPG consumption	kg	7 375	-
Annual renewable energy consumption	MJ/year	485 585	940 493
Proportion of renewable energy in annual energy consumption	%	13,40%	13,69%
Annual energy savings	MJ	-	225 186 990
Energy consumption per capita	MJ/person	635 418	238 970
Energy consumption per unit of volume	MJ/m^2	228	95
Energy sold	MJ	-	-
Annual water consumption	litres	424 679 000	488 055 000

1 Compared to 2023 the property and company portfolio has expanded significantly: the number of companies rose from 267 to 360 by 2024. To ensure the comparability of data – domestically, where available – we also present the 2023 figures for the portfolio in 2024

The energy consumption of INDOTEK abroad in 2024[2]:

ENERGY CONSUMPTION	Unit	Spain	Italy	Croatia	Romania	Poland
Total energy consumption	MJ	50,276,164	10,089,136	11,662,419	56,495,754	28,512,455
Annual electricity consumption	kWh	4,656,771	2,323,955	3,209,662	2,351,816	709,676
Annual natural gas consumption	m^3	882,354	45,363	2,834	1,264,592	683,455
Annual water consumption	litres	25,055,859	30,500,000	105,170,000	10,532,860	1,767,790

Our Group is actively and committedly investing in renewable energy sources, particularly in solar panel projects. These investments play a key role in achieving our sustainability goals, as they significantly reduce our environmental impact and lower carbon dioxide emissions. Since 2017 we have been continuously installing solar panel systems in the buildings we operate, and as a result the proportion of renewable energy in our total energy consumption has increased significantly.

We are proud to have already refurbished a significant proportion of the shopping centres in our portfolio as part of the Facelift programme.[LL6.1] As our company has the most extensive shopping centre portfolio in the country, it is of paramount importance to us that our facilities not only meet current consumer and shopping trends but also ensure energy efficiency and environmentally conscious operation through innovative technological investments in line with our sustainability goals.

Other measures aimed at reducing energy consumption – such as optimising lighting times and adjusting indoor temperatures – were introduced in 2020 during Covid and have remained in place ever since, contributing to the more sustainable operation of our properties.

Our vehicle fleet consisted of an average of ~300 vehicles in 2024, with numbers fluctuating monthly. Of these, approximately 99% is leased. The fleet uses a mix of fuel types, and consumption is measured using MOL cards. The power supply for our electric vehicles is provided by nine in-house chargers; we are constantly experimenting with electromobility. We have recognised that electric charging is not only more environmentally friendly but also more cost-effective, although the associated leasing fees are higher. We are constantly striving to build a fleet that offers good value for money, and sustainability is now an integral part of our decision-making criteria.

2 For foreign entities, no comparative data for 2023 was available, and information on thermal energy and fuel consumption as well as the share of renewable energy was also only available to a limited extent. INDOTEK aims to ensure year-on-year improvements in data quality in its sustainability reports; accordingly, further progress is expected by 2025 regarding the incomplete data.

Our fleet in 2023–2024:

BY VEHICLE TYPE	Unit	2023[3]	2024
Passenger cars	pcs	264	256
Lorry	pcs	32	32
Truck	pcs	0	0
Construction machinery	pcs	0	0
Forklift	pcs	0	0
Total	**pcs**	**296**	**288**

BY DRIVE TYPE	2023[4]	2024
Diesel	113	106
Petrol	166	170
Electric	2	2
Hybrid	15	10
Total	**296**	**288**

INDOTEK fuel consumption in 2024[5]:

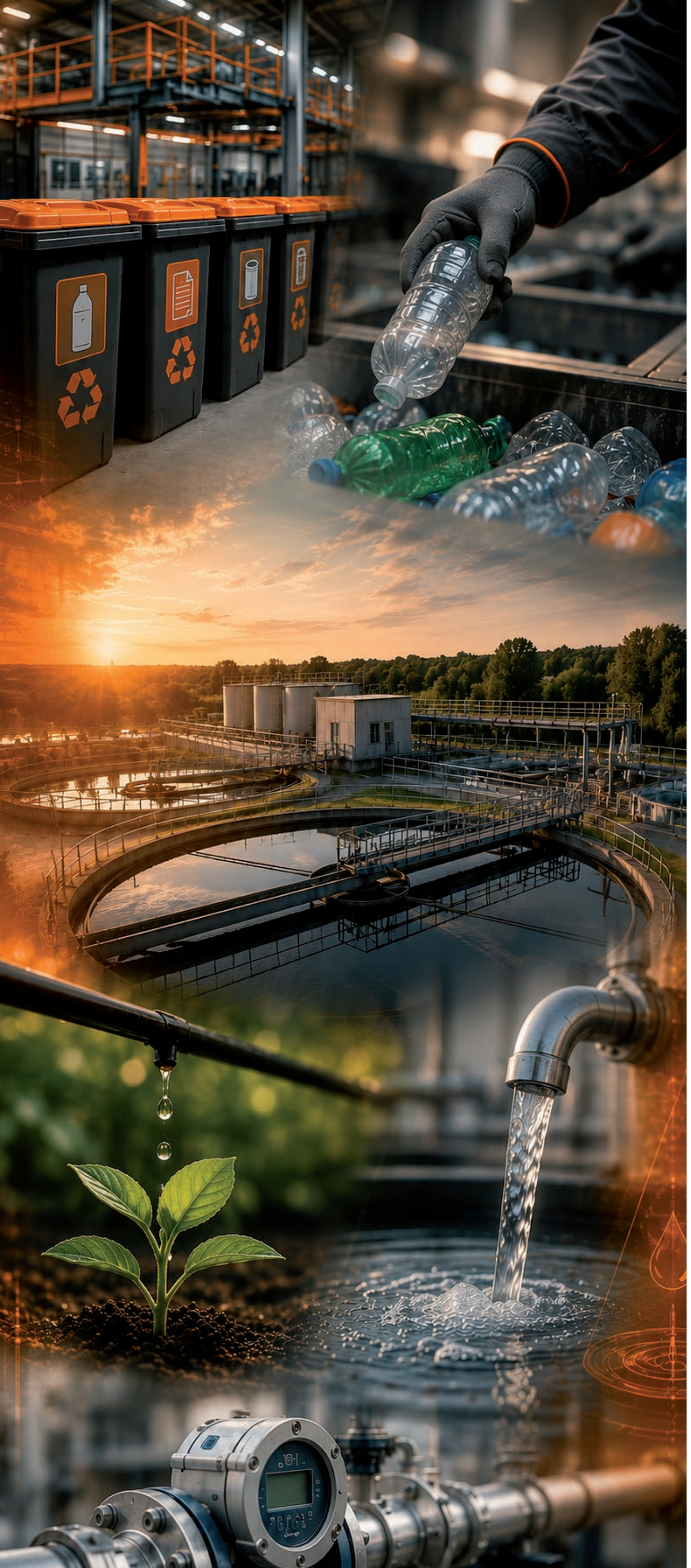
FUEL TYPE	FUEL VOLUME (litres)
AdBlue	624
Petrol 100	27 646
Petrol 95	210 844
Petrol 98	2 732
Diesel	149 111
Total	**390 957**

GHG emissions and carbon footprint reduction

At INDOTEK we strive to reduce CO_2 emissions in two main ways. Firstly, we consume less energy **with our** own energy efficiency **investments** – such as the use of modern lighting, mechanical systems and solar panels –, thereby reducing carbon dioxide emissions from our operations. Secondly, by taking the entire life cycle into account – from construction, material production, transport, use and demolition – we aim to achieve an absolute reduction in emissions throughout the life cycle **through our core activities**.

EMISSIONS	Unit of measurement	2023[6]	2024
Scope 1	t CO_2	3 030	3 628,01
Scope 2	t CO_2	48 600	8 928,86
Total	**t CO_2**	**51 630**	**12 556,87**
GHG emission intensity ratio	tonnes/capita	129,72	18,55
GHG emission intensity ratio	tonnes/m²	0,001212	0,01

3 Compared to 2023, the property and company portfolio expanded significantly: the number of companies rose from 267 to 360 by 2024. To ensure the comparability of data – domestically, where available – we also present the 2023 figures for the portfolio in 2024.
4 Compared to 2023, the property and company portfolio has expanded significantly: the number of companies rose from 267 to 360 by 2024. To ensure the comparability of the data – domestically, where available – we also present the 2023 figures for the portfolio as at 2024.
5 Comparative data for 2023 were not available, or only partially available, for some companies. Our aim is to further improve the completeness and comparability of the data by 2025.
6 Compared to 2023, the property and company portfolio has expanded significantly: the number of companies rose from 267 to 360 by 2024. To ensure the comparability of data – domestically, where available – we also present the 2023 figures for the current portfolio in 2024.



Responsible waste management

At INDOTEK we place a high priority on minimising waste emissions, which is why we are constantly developing our waste reduction and recycling programmes. We want to shape our employees' attitudes and consider it of paramount importance that our colleagues expand their knowledge of waste management and environmental awareness, thereby increasing their sense of responsibility in their day-to-day activities.

Within the Group waste is generated through our office operations and development projects. We manage office and kitchen waste (accounting for a small proportion of the total waste volume) in accordance with our internal regulations. We have separate waste collection in all properties we manage and work continuously with our tenants to improve waste management. Our requirements in this regard are set out in our internal regional policies.

In our development projects we primarily use traditional building materials, whilst trying to reuse demolished materials such as recycled concrete. Although these are currently more expensive, they create significant value in the long term. We actually reuse some of the demolished concrete, and we strictly monitor compliance with environmental legislation throughout the construction process.

Waste generated during development projects typically consists of concrete, timber, packaging materials and other construction materials. Waste management is carried out by our contracted partners through separate collection, in accordance with the law. We always check that transport is carried out in accordance with regulations and verify the presence of consignment notes and acceptance certificates. We pay particular attention to the safe handling of hazardous materials, involving only specialist, authorised contractors.

No waste management-related violations or incidents occurred during the reporting year.

Conscious water use

We constantly work on rationalising water consumption and minimising the associated environmental impact. To this end, we use technologies and equipment that reduce water consumption and promote the efficient, sustainable use of water.

A significant proportion of our water consumption is linked to water usage in the common areas of shopping centres. The INDOTEK GROUP does not currently have a borehole, its own wastewater collection system or other water reuse facilities.

WATER CONSUMPTION	Unit of measurement	2023	2024
Total water consumption	litres	424 679 000	488 055 000
Water consumption (via mains)	litres	424 679 000	488 055 000
Water discharge (into the mains sewerage network)	litres	419 841 000	482 495 077

SOCIETY

It is of paramount importance to the GROUP that our activities create not only economic but also social value. We employ nearly 700 people for whom we bear responsibility; furthermore, through our projects we also generate indirect employment in Budapest, rural towns and regions abroad. In our developments we pay particular attention to safety and professionalism as well as to the general well-being of our employees.

In residential property developments we also have a direct impact on the consumer segment: our aim is to offer affordable housing options that fit well into the urban environment in terms of infrastructure, in line with the ‘15-minute city’ concept. As part of this, development of brownfield sites has also begun; these projects are designed so that the city centre can be reached within 15 minutes, whilst the layout of the buildings allows for the creation of liveable, comfortable spaces. As brownfield sites previously functioned as industrial and factory areas, the current building density is lower, which provides an opportunity to create more green spaces.

Employees

Although the majority of our employees (468 people, 69%) work at the headquarters, the INDOTEK GROUP operates as an employer in numerous European countries including Hungary, Greece, Croatia, Poland, Italy, Romania and Spain[LL8.1]. This extensive geographical presence requires significant local knowledge and a thorough understanding of cultural nuances, in which our local colleagues play a key role. Implementing our expansion strategy would not be possible without their expertise, which is why we increased headcount significantly in 2024, the number of colleagues growing from 609 to 677, an increase of 11%.

At group level we do not use fixed-term contracts or forms of employment with unguaranteed working hours; we employ all our staff on permanent contracts. The proportion of part-time employment is low (~5%); our operations are typically carried out by full-time colleagues. We provide part-time employment primarily for mothers with young children in accordance with legal requirements. Consequently, 75% of our 32 part-time colleagues are women.

TOTAL NUMBER OF EMPLOYEES (persons)		
COUNTRY	**2023**	**2024**
Hungary	558	586
Women	253	274
Men	305	312
Greece		2
Women	0	0
Men	1	2
Croatia	202	193
Women	98	94
Men	104	99
Poland	3	5
Women	1	2
Men	2	3
Italy	1	3
Woman	1	2
Men	0	1
Romania	4	4
Women	1	1
Men	3	3
Spain	1	4
Women	0	2
Men	1	2
Austria	0	1
Women	0	1
Men	0	0
Total	**770**	**798**

Our workforce is diverse: in addition to our permanent staff, we also employ students and agency workers. The proportion of agency workers is low; we currently have two workers from the Philippines. Students are heavily involved in the work year after year, particularly during the summer period. All rights and obligations applicable to employees also apply to students and agency workers. Subcontractors are not part of our own workforce and do not enjoy the same rights and obligations – the only exception being IT service providers who work at the head office.

As can be seen from the data above, the gender ratio is balanced in every country. The proportion of women at group level is 47%, a result of our objective selection and evaluation system. This proportion improved to 47% in 2024 compared to 45% in 2023, indicating continuous progress in strengthening gender balance.

In 2024 22% of senior managers and 44% of middle managers were women, indicating that the proportion of women at management levels is slightly lower than in the workforce as a whole. In 2023 this proportion was 25% among senior managers; the decrease stems from the fact that two male senior managers joined the team during the year. Among middle managers, the 2023 proportion of 45% changed to 44% by 2024, as the middle management team expanded to include three women and two men.

Strengthening gender equality also presents an opportunity for us to develop further, particularly at senior management level.

		Senior management		Middle management		Staff	
DIVERSITY	**Unit**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Number of people under 30	persons	0	0	0	1	38	51
Women	persons	0	0	0	0	17	39
Men	persons	0	0	0	1	21	12
Number of people aged 30–50	persons	12	11	21	28	427	543
Women	persons	3	2	9	12	131	223
Men	persons	9	9	12	16	296	320
Number of people aged 50 and over	persons	4	7	8	11	120	144
Women	persons	1	2	2	4	44	57
Men	persons	3	5	6	7	76	87
Total	**persons**	**16**	**18**	**29**	**40**	**725**	**740**

Both age distribution and gender ratio are balanced. All age groups are represented among our employees, ranging from 18 to 70.

INDOTEK GROUP staff turnover in 2024:

STAFF TURNOVER	Number of new hires		Number of leavers	
	Women	**Men**	**Women**	**Men**
Hungary	71	57	50	50
Greece	0	1	0	0
Croatia	3	6	7	11
Poland	2	1	1	0
Italy	1	1	0	0
Romania	0	0	0	0
Spain	3	2	1	1
Austria	1	0	0	0
Total	**81**	**68**	**59**	**62**

Our aim is to keep staff turnover consistently low, a target we achieved again in 2024. We operate as a learning organisation: new employees can quickly and comprehensively acquire the necessary knowledge and experience. In addition, we are exploring the possibility of extending parental leave and encouraging the highest possible rate of reintegration for returning colleagues, as retaining skilled staff is a key strategic objective for us.

In 2024 a total of 144 new employees joined the INDOTEK GROUP, whilst 104 left. As a result, entry turnover rate was 21.27% and exit turnover rate stood at 15.36%. These figures clearly reflect the growth of the Group.

In 2024 only employees in Hungary took parental leave; colleagues abroad did not. A total of 20 women and 25 men were eligible for this, of whom all women and 17 men actually took it. Following their leave, all 17 male colleagues returned to work; in their case, the duration of the leave was also shorter. Of the female colleagues, 5 were eligible to return in 2024, of whom 1 left the company within 12 months. Accordingly, the retention rate for female employees was 80%, whilst that for men was 100%.

Employee well-being

We firmly believe that lasting and outstanding results can only be achieved with skilled, committed and adaptable employees. Thanks to our agile approach, we are able to respond continuously to changes in market expectations and conditions; however, this requires creative problem-solving, accountability, precise planning and execution, as well as effective cross-functional collaboration.

We believe that we create real value together, and we greatly appreciate the professional contributions of our employees – especially of those who have been members of the group for a long time. We support their well-being through various development and support programmes, as our successes would not be sustainable without dedicated and satisfied colleagues.

Our work and our company are characterised by the following values: performance, pragmatism and efficiency, dynamism, integrity (meaning tough but fair procedures), professionalism, a focus on profit and goals, a commitment to safety, appreciation and support for dedicated, honest colleagues who are loyal to the company, democracy and a sense of responsibility, adherence to the principle that ‘time is money’, and a passion for business and creativity.

Our HR activities are managed by a central organisational unit with clearly defined strategic objectives:

Training

In line with our usual schedule, we continued to provide mandatory onboarding training in 2024; in addition, the company spent nearly 30 million forints on external support for employee learning and development. We are experimenting with video-based onboarding training. During the year we grouped our other training and development programmes into four main categories, and the table below illustrates the training processes planned and implemented in each category, as well as the number of employees participating in them. In total, 81 training and development processes were implemented in 2024 involving 177 colleagues.

Training category	Programmes implemented	Number of colleagues involved
Trainings to strengthen professional knowledge	62	62
Training courses to strengthen technical knowledge	4	8
Soft skills trainings	9	72
Leadership development	6	35

In the professional and technical categories, we supported our colleagues from identifying training needs through selecting courses, drawing up the terms of study (study contract, timetable, etc.) and managing the ordering and delivery of services. The professional training courses focused primarily on the fields of energy, finance and accounting, property and condominium management, and controlling, providing colleagues with the opportunity to deepen and expand their specialist knowledge. In the technical category, Power BI and SQL training courses were delivered, enabling colleagues to improve their skills in data querying, visualisation and analysis, as well as in producing easily understandable reports.

In 2024 **soft skills trainings** primarily covered the areas of negotiation techniques, advocacy, complaint handling and sales. During the trainings teams received support to handle negotiation situations more consciously and effectively assert the company's interests, whilst understanding and respecting the needs of their negotiating partners. As a result, both advocacy and our organisation's focus on external and internal customers have strengthened.

Through **leadership development programmes** 32 regional, group and project managers strengthened their core leadership competencies. Participants worked on their managerial self-image, familiarised themselves with different leadership styles, practised managing conflicts both within and outside the team as well as effective collaboration with other departments. They were given tools for better delegation, division of labour and task management, enabling them to assess their colleagues' level of maturity and readiness in relation to their tasks. Practical scenarios provided opportunities to develop the ability to give feedback, practise performance appraisal, and express one's own needs whilst understanding those of others.

We collected feedback from both the participants and their managers, and based on this the results of the completed processes can generally be considered positive.

TRAINING AND EDUCATION	Unit	2023	2024
Number of training hours provided to employees	hours	200,5	463
Number of (full-time) employees[LL1.1]	persons	770	798
Number of training hours provided to female employees	hours	92,23	217,61
Total number of female employees	persons	354	376
Number of training hours provided to male employees	hours	108,27	248,6
Total number of male employees	persons	416	422

Benefits

In 2024 the corporate benefits package and benefits scheme of the INDOTEK GROUP remained largely unchanged. The aim of the package is to support our employees' well-being, professional development and health, as well as to contribute to increasing job satisfaction and commitment. The main elements of the benefits are as follows:

- Discounted holiday options at home and abroad at hotels belonging to the group;
- Company-funded training courses;
- Private health insurance which can be extended to family members;
- Meal allowance;
- Fruit day;
- Glasses allowance;
- Support for sports activities;
- Discounted account opening and management options at contracted partner banks;
- Company car and fuel allowance/subsidy for certain roles;
- Company programmes (cultural, CSR, sports, team-building, etc.);
- Employee Share Ownership Scheme.

Furthermore, we ensure that all colleagues can perform their work without discrimination and that their pay remains entirely gender-neutral. Accordingly, we treat our employees with disabilities as full members of the organisation. In certain cases we apply positive discrimination, for example, but not exclusively, in the case of candidates with a changed working capacity, provided that the necessary competencies and skills required to fill the position are the same as those of other candidates. This measure serves to promote equal opportunities in the workplace, whilst ensuring that the expected professional standard of the position is not compromised.

The INDOTEK GROUP is committed to maintaining a diverse and inclusive workplace. Our employees are protected from discrimination and harassment on the basis of any status protected by relevant laws – such as race, gender, skin colour, nationality, social background, religion, age, disability, sexual orientation or political opinion.

In 2024 the annual total remuneration ratio was 103%, indicating that the highest-paid employee received 3% more remuneration than the median. Data on the gender pay gap was not yet available at the time of writing this report; however, the company aims to ensure that this information is presented transparently from the 2025 report onwards.

Satisfaction surveys and performance reviews

At the start of each year we conduct a comprehensive satisfaction survey specifically focusing on programmes and initiatives designed and implemented by HR. The feedback from 2024 was overwhelmingly positive, and we also received numerous useful suggestions and ideas for future improvements. [LL10.1]

In 2024 we overhauled the content of the group-wide performance appraisal. We updated, restructured and shortened the previous appraisal criteria, placed greater emphasis on goal-oriented planning, and made a clearer distinction between the assessment of hard and soft skills. Our aim was to make the appraisal process more user-friendly for colleagues, which we succeeded in doing based on the feedback received. In addition, every six months we select the 'Employees of the Half-Year' in pre-defined categories, thereby rewarding colleagues who have delivered outstanding performance based on the collective decision of the team.

The performance appraisal for 2024 was conducted entirely digitally. Although the appraisal for 2023 took place on a new, updated interface, it was still paper-based; since then, however, we have fully digitised the process, which makes it easier to identify trends and patterns. Further improvements are also planned to ensure the system is continuously refined.

In 2024 all our colleagues took part in a performance review.

PERFORMANCE REVIEW	Unit of measurement	2023	2024
Employees who took part in performance appraisals	persons	556	584
Number of (full-time) employees	persons	556	584
Female employees who took part in performance appraisals	persons	253	272
Total number of female employees	persons	253	272
Male employees who took part in performance appraisals	persons	303	312
Total number of male employees	persons	303	312

Team-building events

As part of our internal team-building activities we organise monthly company events offering a varied programme for all age groups and for both office-based and manual staff. These events cover cultural, sporting, creative and family activities, and we assess their success based on employee feedback. Using the experience thus gained, we further refine the themes of the events so that they serve our colleagues' needs as effectively as possible, thereby strengthening their commitment. In addition, we hold team-building programmes once a year for each organisational unit, providing colleagues with the opportunity to connect within closer-knit, smaller communities.

During 2024 we organised five key corporate events: 100 people attended the go-karting and pub sports afternoon, 315 people participated in the family day, 128 people took part in the company boat trip, 78 people visited the Halas (Fish) Days, while 416 people were there in the Christmas party. In addition, as part of the annual programme we organised cinema and theatre trips, craft workshops and a Santa Claus celebration. There is a separate opportunity to hold team-building events at organisational level, for which the company provides a separate budget.

OUR 3 KEY TALENT DEVELOPMENT PROGRAMS:

MENTORING PROGRAM

We provide mentoring support for new employees across multiple areas to facilitate effective integration, onboarding, and adaptation to the organization. This program also reflects our appreciation for both mentors and mentees. When selecting mentors, we consider their professional experience, expertise, skills, attitude, and willingness to support others. Serving as a mentor promotes personal and professional development for both mentors and mentees.

TALENT DEVELOPMENT PROGRAM

This program is designed to identify employees who demonstrate above-average potential through their performance and commitment. Once selected, participants receive support for their professional and personal development, along with guidance to help them achieve their long-term career goals.

KEY TALENT RETENTION PROGRAM

This program is intended for colleagues who consistently deliver outstanding performance through their professional expertise, organizational knowledge, and commitment. Recognizing and retaining these key employees is a strategic priority. We support their continued growth by providing opportunities for ongoing personal and professional development.

Recruitment and talent development

We treat the selection, training and retention of new colleagues as a top priority. We place particular emphasis on open communication, as well as on ensuring that our talented colleagues can make the most of their expertise and receive the recognition they deserve. The aim of our onboarding process is to guide new employees through a standardised programme. This provides them with the necessary support to familiarise themselves with the company, their role, the organisational culture and their colleagues, as well as to perform their duties to a high standard.

New colleagues working at the head office attend group induction sessions an average of three to six times a year during their probationary period. During these sessions we provide the most important information about the group, including the organisational structure, employee benefits, available opportunities and current company programmes. Part of the integration process is a quarterly informal meeting with the CEO. This is a relaxed, professionally focused discussion during which new employees can get to know the top executive directly and share their initial experiences.

Another element of the induction programme is the integration review, which takes place 2–3 months after joining. This is a two-way dialogue between the new employee and the organisational development colleague, during which we receive feedback on the new employee’s experiences, impressions and readiness, and gather valuable suggestions for the company. The HR colleague informs the manager of the relevant department of the information gathered in this way.

The final step is the mentoring programme, a key element of talent development supporting the professional growth, rapid integration and long-term commitment of new colleagues.

Occupational health and safety

As a responsible company, we are committed to providing a safe and healthy working environment for our employees. To this end, we strictly comply with relevant laws and regulations, and place particular emphasis on regular, compulsory training for both new recruits and existing staff. Defibrillators have also been installed at our sites, and around 30 of our colleagues have undergone training in their use, thereby ensuring a rapid and professional response in the event of an emergency.

Although the INDOTEK GROUP does not operate a certified health and safety management system (such as ISO 45001), the occupational health and safety legislation in force in Europe is sufficiently stringent to ensure the comprehensive safety of employees. Our Group complies with these requirements in all cases, guaranteeing a safe working environment. Risk assessment, accident management and drawing the conclusions based on experience are carried out by external experts, with particular attention paid to risks concerning physical workers. We appoint a health and safety coordinator for every project, and our contracts stipulate the obligation to comply with environmental, health and safety regulations; in the case of key contracts, compliance requirements are also specified.

The Group did not receive any health and safety fines in either 2023 or 2024.

Communication, internal information

During the execution of our projects, two-way communication with the relevant groups is of paramount importance, taking different forms depending on the type of client. The construction of thousands of homes requires several years of preparation and significant background work, including consultations with local authorities and city councils. In addition, we place great emphasis on shaping attitudes, for example through cooperation with neighbouring housing developers and local authorities, all of which are ongoing, parallel processes.

Recently we have been paying increasing attention to measuring customer and tenant satisfaction. At the end of 2024 we conducted a questionnaire survey at our residential developments, whilst in the case of Auchan Korzó, satisfaction surveys had already been carried out annually even before the transaction, a good practice based on the feedback from the 2024 questionnaire. Following the experience gained during the Auchan Korzó project, we are also launching satisfaction surveys for shopping centres.

We welcome industry collaborations, as through joint work and shared thinking we can find solutions that would not be achievable alone, while also effectively representing our interests. We are proud of our memberships in the following organisations, especially the Hungarian Shopping Centres Association to which we also delegate a board member to represent our company.

It is of paramount importance to the entire Group that, in addition to external stakeholders, our employees are also kept continuously informed. We believe that open and honest communication, as well as the exchange of views, are fundamental prerequisites for effective and smooth working practices. We keep our staff regularly and thoroughly informed about matters affecting them, and we also provide them with the opportunity to share their feedback in person, thereby helping to create a supportive, attractive and committed workplace. To enhance the effectiveness of internal communication, in addition to general email updates we also operate an intranet platform where we publish the most important news, company changes and results. The vast majority of internal meetings take the form of 'semi-formal' discussions, while consultations with external partners are typically formal negotiations.

Kiemelt tagságunk

2024-ben beléptünk az ESG Club Hungary tagjainak sorába

Supporting local communities

We are committed to contributing to the well-being of communities and society through various environmental and social initiatives. Our owners and management have long recognised that our company's long-term success depends not only on our financial results but also on the satisfaction of our employees. At the same time, we have a responsibility towards the environment and our communities.

In our previous CSR strategy we clearly identified the areas we wish to support: we place particular emphasis on education and creating opportunities for future generations, as well as on family support, which is closely linked to this objective. Supporting cultural activities is a long-term commitment, and we are also planning to give greater emphasis to measures empowering women in 2025.

The Indotek Group supports civil society organisations and individual applicants through the National Incubator House Foundation (NIA). In 2024 we provided a total of 61.7 million forints in funding to organisations and 21.5 million forints to individual applicants.

The organisations supported in 2024 were as follows:

- Református Elemi Iskola- és Szeretetotthon Alapítvány
- Amigos A Gyerekekért Alapítvány
- Démétér Alapítvány
- Magyar Élelmiszerbank Egyesület
- UNICEF Magyar Bizottság
- Bagázs Közhasznú Egyesület
- Belvárosi Tanoda Alapítvány
- Igazgyöngy Alapítvány
- Szabó Kálmán Tehetségprogram Alapítvány
- Tarisznya Táborok Alapítvány
- Új Start Alapítvány
- Világszép Alapítvány
- Milestone Oktatási Egyesület
- SOS-Gyermekfalu Magyarország Alapítványa
- A Zene Mindenkié Egyesület
- Légzéssel A Lélekért Alapítvány

The INDOTEK GROUP has also developed the adnijo.club donation platform which enables our employees to voluntarily fulfil specific requests from children, coordinated by civil society organisations, based on colleagues' own choice. The company coordinates the process: it collects the gifts, delivers them to the civil society organisations which then forward them to the children.

In 2024 as part of a summer and a Christmas campaign colleagues delivered a total of 301 donations, worth approximately 3.2 million forints.

The organisations receiving the donations were as follows:

- SOS Gyermekfalu Magyarország;
- Chazar András EGYMI Alapítvány (Vác);
- Világszép Alapítvány.

As another form of support for civil society organisations, we provide opportunities for them to showcase their work in the shopping centres within the Group's portfolio, thereby helping to present their activities and messages to a wider public.

CORPORATE GOVERNANCE

Transparent and ethical corporate governance is a fundamental prerequisite for sustainable operations. The INDOTEK GROUP is committed to full compliance with legislation and to the controlled and efficient operation of internal processes. Conscious risk management, transparency in decision-making, and the clear definition of responsibilities for both management and staff are of paramount importance to our company. These principles ensure that in the course of our activities we not only create business value but also strengthen trust with stakeholders and ensure sustainable operations.

Professionalism is key to our operations. This is reflected in the high quality of the services we provide to our partners and in the process-oriented and transparent structure of our internal organisation.

Ethical and transparent operations

Our operations and business conduct are governed by our Code of Ethics which sets out our core principles: compliance with legislation, sustainability, respect for human rights, fair employment and working conditions, the avoidance of discrimination and harassment, the promotion of health, safety and environmental protection, fair competition and business conduct, anti-corruption measures, the regulated handling of gifts and hospitality, the proper use of company assets and resources, as well as the protection of confidentiality, information security, trade secrets and intellectual property, data protection and the protection of personal data.

During 2024 our company did not face any legal proceedings relating to corruption, tax evasion, breaches of competition rules, discrimination or data loss.

Fight against corruption

Corruption poses a serious risk to the operations of companies: it hinders business growth, increases costs, carries legal and reputational risks, and impedes sustainable development. Recognising this, the INDOTEK GROUP places particular emphasis on anti-corruption conduct. The aim of our policies and internal procedures is to consistently enforce these principles and ensure fair and transparent business operations.

As a responsible enterprise, the Group sets out the fundamental principles of anti-corruption conduct in a separate policy. Our aim is to develop and maintain a corporate culture that is entirely free from corruption and encourages our employees to take action if they detect any signs or suspicion of corruption. All corrupt conduct is prohibited and rejected, and the Group adheres to a zero-tolerance policy.

The key elements of the anti-corruption policy of INDOTEK are as follows:

- We formulate our anti-corruption policy clearly and transparently, ensuring that it is understandable to all concerned.
- All our employees are made aware of the anti-corruption regulations; these are always available and we ensure they are adhered to.
- We expect our employees to report immediately if they become aware of corruption or suspected corruption, or if they detect any signs of such activity.
- We thoroughly investigate every reported case or suspicion. In the event of any unfair cooperation or market conduct we carry out the necessary procedures and ensure the participation of all parties concerned during the investigation.
- We strive to ensure that our partners also operate in accordance with the rules of fair business conduct. We reject all offers of bribery and distance ourselves unequivocally from them.
- Persistent breaches of ethical standards will result in the termination of the business relationship with the partner in question.

The whistleblowing system

On 25 May 2023 Hungary transposed the European Union Directive on the protection of whistleblowers (Whistleblowing Directive) into national law through the Whistleblowing Act (Act XXV of 2023). In accordance with the provisions of the Whistleblowing Act, the INDOTEK GROUP operates a separate electronic channel – a dedicated email address – for receiving and handling incoming reports. The tasks related to this are carried out by a member of the Internal Audit team within the Organisational Development Group.

Well-structured complaint handling is key to sustainable operations, as it enables a precise understanding of partners' dissatisfaction and needs, thereby supporting the development of long-term business sustainability. The continuous analysis of feedback helps to identify the causes and determine preventive measures, with the main aim being to minimise the occurrence of complaints and prevent them.

INDOTEK ensures the investigation of reported cases in accordance with the provisions of the Whistleblowing Policy, provided that they indicate a breach of the requirements set out in legislation or internal regulations, or the occurrence of an irregularity. The policy provides a framework for identifying the causes and consequences of irregularities, as well as for taking the necessary steps and measures based on the results of the investigation. The aim of the procedure is also to enable the correction of errors and shortcomings, the determination of responsibility, and the implementation of appropriate measures.

No reports were received via the platform in either 2023 or 2024.

Regulatory compliance

Full compliance with legislation is a key priority in our day-to-day operations. When expanding into new markets, we always carefully assess the market in question, evaluate the legal and regulatory environment, the potential for returns, and the ways to establish effective tax structures. Throughout the process, we always work with local tax advisers to ensure both regulatory compliance and financial efficiency.

A sound procurement policy

The procurement processes of the Group are characterised by transparency and responsible operation, based on legality and sound decision-making. Although procurement is essentially decentralised and takes place within individual organisational units, central procedures ensure the transparency of processes and consistent decision-making.

In general, the Group's procurement practice aims to work with local suppliers as much as possible, thereby reducing the environmental impact of transport. The majority of our suppliers are

domestic and come from a diverse range of businesses, which is not only beneficial for the local economy and job creation but also allows for the diversification of operational risks. The largest procurement category is construction services the sustainability impact of which is primarily realised through material usage and energy efficiency; therefore, we pay particular attention to compliant and responsible construction.

We screen all our partners from financial, economic, legal and professional perspectives, using Dun & Bradstreet Finance Analytics tools on a daily and weekly basis to ensure that we work exclusively with reliable, responsibly operating partners. We pay particular attention to sector-specific characteristics, which is why we also consider factors such as the use of sustainable raw materials, energy efficiency, minimisation of harmful emissions, supplier diversity, workplace safety and transparency in the selection process. For our existing suppliers, we apply a risk-based approach and continuously monitor partners with significant environmental or social impacts with particular attention.

Although we do not currently use a formal ESG scoring system, full compliance with legislation, professional standards and safety requirements is a fundamental expectation in all cases. The company employs a regular review process, during which we continuously assess how we can obtain a more accurate picture of supplier reliability, as well as the criteria by which we can expand and refine the scoring and monitoring systems used in our internal supplier assessment. Within this framework, our primary objective is to develop the record-keeping system, making an even more precise, quantitative tracking of indicators possible in the future. In addition, we are also exploring the possibility of publishing the aforementioned criteria in a transparent manner, even in a form explicitly communicated to suppliers.

Data protection

Data protection is an integral part of sustainability, as the responsible and correct handling of data contributes to the organisation's long-term sustainable operation. Well-organised and secure data management not only ensures regulatory compliance but can also indirectly support the reduction of energy consumption.

The GDPR (General Data Protection Regulation) is the European Union's data protection regulation that came into force in 2018. In the case of the INDOTEK GROUP the provisions of the GDPR apply on a project-specific basis to all personal data, ensuring the appropriate handling, protection and processing of personal data.

Risk Management

The primary aim of risk management is to identify potential problems before they arise and to enable the planning of appropriate preventive measures. We recognise that no business operates without risk, so we continuously monitor emerging risks and, where necessary, apply internal risk management procedures to ensure safe and sustainable operation.

Our financial operations are based on stable and well-structured foundations, ensuring predictability and stability for investors and local communities. Our risk-taking is well-considered and is based on a unique, repeatedly proven turnaround model. As a result, we respond to market challenges with innovative, value-creating solutions that deliver significant returns for our investors.

The aim of our risk management is to support sustainable operations: to identify, anticipate and minimise existing and potential risks, prepare the company to adapt, and optimise the outcomes of necessary business decisions.

The main risks most closely related to the operations of the Group are as follows:

- **Macroeconomic risks:** The general macroeconomic situation and the availability of support have a direct impact on our company's operating environment, and thus on its financial position. This is particularly important as our main areas of activity are property development and asset and fund management.
- **Employment-related risks:** Nearly 50% of our Group's activities involve property development, which represents significant exposure in terms of human resources recruitment. Our operations are heavily dependent on the state of the labour market and the skills of the available workforce.
- **Supplier risks:** Our portfolio is highly diversified, and we have a substantial network of suppliers, particularly in the construction sector. Accordingly, risks within the supply chain require particular attention.
- **Climate risks related to climate change:** Our property development activities are sensitive to long-term climate risks, which may entail significant costs.

The INDOTEK GROUP is not only aware of the risks it has assessed and manages, but also sees an opportunity to develop innovative solutions to address them. We are shaping our medium-term plans with a focus on preparedness and prevention, in line with our commitment to net-zero and carbon neutrality. In doing so, we align our practices with risk mitigation measures relating to property development and our other activities, as well as with global efforts to combat climate change.

Quality Assurance

For INDOTEK quality assurance is key to strengthening the company's reputation, increasing customer confidence, and improving internal processes and efficiency. Quality assurance helps minimise environmental impact, supports compliance with legal requirements, and has a positive effect on customer satisfaction.

Ensuring the high standard of our services is fundamental to our day-to-day operations, as this is closely linked to safety – one of the most important expectations of owners and tenants. In addition, we pay particular attention to the long-term value retention and energy efficiency of buildings, as these factors are crucial from both an economic and environmental perspective in sustainable property management.

Our Group's medium-term plans include the establishment of a system-wide quality assurance framework, with particular regard to the raw materials used during construction and compliance with industry standards.

We do not currently hold an environmental management certification (ISO 14001), but compliance with environmental regulations is a fundamental requirement for all our projects. We stipulate this obligation in all our contracts, ensuring that both our partners and subcontractors comply with the relevant environmental regulations and standards.

GRI INDEX

Statement of use: In-Management Szolgáltató Zrt. has reported the information cited for the period 1 January 2024 to 31 December 2024 with reference the guidelines of the current GRI Standards, without external, independent certification.

Disclosure	Chapter	Page number	Comment
GRI 2: General Disclosures			
GRI 2-1: Organisational details	About Our Report	4	
GRI 2-2: Entities included in the organisation's sustainability reporting	About Our Report	4	
GRI 2-3: Reporting period, frequency and contact point	About Our Report	4	
GRI 2-4: Restatements of information			This document is the INDOTEK GROUP's first standardized Sustainability Report, which will be published annually starting from the 2024 reporting year.
GRI 2-5: External assurance	About Our Report	4	This document has not been subject to external independent assurance.
GRI 2-6: Activities, value chain and other business relationships	The INDOTEK GROUP in a Nutshell	5; 7	
GRI 2-7: Employees	Employees	21; 22	
GRI 2-8: Workers who are not employees	Employees	22	
GRI 2-9: Governance structure and composition	Management Structure	8	
GRI 2-10: Nomination and selection of the highest governance body	Management Structure	8	
GRI 2-11: Chair of the highest governance body	Management Structure	8	
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	Management Structure	8	
GRI 2-13: Delegation of responsibility for managing impacts	Management Structure	8	
GRI 2-14: Role of the highest governance body in sustainability reporting	About Our Report	4	
GRI 2-15: Conflicts of interest	Ethical and Transparent Operations	31	
GRI 2-16: Communication of critical concerns	The whistleblowing system	32	
GRI 2-17: Collective knowledge of the highest governance body	Communication, internal information	29	
GRI 2-18: Evaluation of the performance of the highest governance body	Management Structure	8	
GRI 2-19: Remuneration policies	Benefits	26	
GRI 2-20: Process to determine remuneration	Management Structure	8	
GRI 2-21: Annual total compensation ratio	Benefits	26	
GRI 2-22: Statement on sustainable development strategy	Message from the Management	3	
GRI 2-23: Policy commitments	Ethical and Transparent Operations	31	
GRI 2-24: Embedding policy commitments	Environment; Society; Corporate Governance	15; 21; 31	
GRI 2-25: Processes to remediate negative impacts	The whistleblowing system	32	
GRI 2-26: Mechanisms for seeking advice and raising concerns	The whistleblowing system	32	
GRI 2-27: Compliance with laws and regulations	Ethical and Transparent Operations	31	
GRI 2-28: Membership associations	Supporting local communities	29	
GRI 2-29: Approach to stakeholder engagement	Stakeholder engagement	11	
GRI 2-30: Collective bargaining agreements			The INDOTEK GROUP is not covered by a collective bargaining agreement.
GRI 3: Material Topics			
GRI 3-1: Process to determine material topics	Identification of material topics	12	
GRI 3-2: List of material topics	Identification of material topics	12	
GRI 3-3: Management of material topics	Environment; Society; Corporate Governance	15; 21; 31	
GRI 204: Procurement Practices			
GRI 204-1: Proportion of spending on local suppliers	A sound procurement policy	32	
GRI 205: Anti-corruption			
GRI 205-1: Operations assessed for risks related to corruption	Fight against corruption	31	
GRI 205-2: Communication and training about anti-corruption policies and procedures	Fight against corruption	31	
GRI 205-3: Confirmed incidents of corruption and actions taken	Ethical and transparent operations	31	
GRI 206: Anti-competitive Behaviour			
GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethical and transparent operations	31	

GRI 207: Tax			
GRI 207-1: Approach to tax	Regulatory compliance	32	The INDOTEK GROUP fully complies with all applicable tax laws and regulations governing the payment of taxes and public charges. During the reporting period, no tax-related irregularities, non-compliance, or findings were identified.
GRI 207-2: Tax governance, control, and risk management	Regulatory compliance	32	
GRI 207-3: Stakeholder engagement and management of concerns related to tax	Regulatory compliance	32	
GRI 207-4: Country-by-country reporting	Regulatory compliance	32	
GRI 302: Energy			
GRI 302-1: Energy consumption within the organisation	Efficient energy management and renewable sources	16	
GRI 302-2: Energy consumption outside of the organisation			Data on energy consumption outside the organization, as defined under GRI 302-2, are not currently available. However, we are committed to assessing and reporting these data and intend to include them in future reporting periods.
GRI 302-3: Energy intensity	Efficient energy management and renewable sources	16	
GRI 302-4: Reduction of energy consumption	Efficient energy management and renewable sources	16	
GRI 302-5: Reductions in energy requirements of products and services	Efficient energy management and renewable sources	16	
GRI 303: Water and Effluents			
GRI 303-1: Interactions with water as a shared resource	Conscious water use	20	The INDOTEK GROUP's entire water supply is sourced from the public water distribution network. At present, the Group does not apply water storage or water reuse solutions. The wastewater generated by its operations is predominantly discharged into the public sewerage system.
GRI 303-2: Management of water discharge-related impacts	Conscious water use	20	
GRI 303-3: Water withdrawal	Conscious water use	20	
GRI 303-4: Water discharge	Conscious water use	20	
GRI 303-5: Water consumption	Conscious water use	20	
GRI 305: Emissions			
GRI 305-1: Direct (Scope 1) GHG emissions	GHG emissions and carbon footprint reduction	19	
GRI 305-2: Energy indirect (Scope 2) GHG emissions	GHG emissions and carbon footprint reduction	19	
GRI 305-3: Other indirect (Scope 3) GHG emissions			The Company does not currently calculate its Scope 3 greenhouse gas emissions. However, we are committed to developing this calculation and intend to include Scope 3 emissions in our reporting in the coming years.
GRI 305-4: GHG emissions eintensity	GHG emissions and carbon footprint reduction	19	
GRI 305-5: Reduction of GHG emissions	GHG emissions and carbon footprint reduction	19	
GRI 305-6: Emissions of ozone-depleting substances (ODS)			The Company does not generate emissions of ozone-depleting substances (ODS).
GRI 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions			The Company does not have any significant air pollutant emissions.
GRI 306: Waste			
GRI 306-1: Waste generation and significant waste-related impacts	Responsible waste management	20	We plan to disclose a more detailed breakdown of waste data, including accurate quantitative information, in future reporting periods.
GRI 306-2: Management of significant waste-related impacts	Responsible waste management	20	
GRI 306-3: Waste generated	Responsible waste management	20	
GRI 306-4: Waste diverted from disposal	Responsible waste management	20	
GRI 306-5: Waste directed for disposal	Responsible waste management	20	
GRI 308: Supplier Environmental Assessment			
GRI 308-1: New suppliers that were screened using environmental criteria	A sound procurement policy	32	
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	A sound procurement policy	32	
GRI 401: Employment			
GRI 401-1: New employee hires and employee turnover	Employees	21	
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits	26	
GRI 401-3: Parental leave	Employees	21	
GRI 403: Occupational Health and Safety			
GRI 403-1: Occupational health and safety management system	Occupational health and safety	28	
GRI 403-2: Hazard identification, risk assessment, and incident investigation	Occupational health and safety	28	
GRI 403-3: Occupational health services	Occupational health and safety	28	
GRI 403-4: Worker participation, consultation, and communication on occupational health and safety			The occupational health and safety management system operates in accordance with applicable legal requirements.

GRI 403-5: Worker training on occupational health and safety			The occupational health and safety management system operates in accordance with applicable legal requirements.
GRI 403-6: Promotion of worker health	Benefits	26	
GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety	28	
GRI 403-8: Workers covered by an occupational health and safety management system	Occupational health and safety	28	
GRI 403-9: Work-related injuries			During the reporting year, no work-related injuries or occupational illnesses occurred at the INDOTEK GROUP.
GRI 403-10: Work-related ill health			During the reporting year, no work-related injuries or occupational illnesses occurred at the INDOTEK GROUP.
GRI 404: Training and Education			
GRI 404-1: Average hours of training per year per employee	Training	24	
GRI 404-2: Programmes for upgrading employee skills and transition assistance programs	Training	24	
GRI 404-3: Percentage of employees receiving regular performance and career development reviews	Satisfaction surveys and performance reviews	27	
GRI 405: Diversity and Equal Opportunity			
GRI 405-1: Diversity of governing bodies and employees	Employees	21	
GRI 405-2: Ratio of basic salary and remuneration of women to men	Benefits	26	
GRI 406: Non-discrimination			
GRI 406-1: Incidents of discrimination and corrective actions taken	Ethical and transparent operations	31	
GRI 413: Local Communities			
GRI 413-1: Operations with local community engagement, impact assessments, and development programs			The INDOTEK GROUP does not currently conduct formal social impact assessments.
GRI 413-2: Operations with significant actual and potential negative impacts on local communities			The INDOTEK GROUP does not currently conduct formal social impact assessments.
GRI 414: Suppliar Social Assessment			
GRI 414-1: New suppliers that were screened using social criteria	A sound procurement policy	32	
GRI 414-2: Negative social impacts in the supply chain and actions taken			The INDOTEK GROUP does not currently conduct formal social impact assessments.
GRI 418: Customer Privacy			
GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection	33	

GLOSSARY

Term	English	Hungarian
ESG	Environment, Social, Governance	Környezet, Társadalom, Vállalatirányítás
GDPR	General Data Protection Regulation	Általános Adatvédelmi Rendelet
GRI	Global Reporting Initiative	-
MIB	-	Magyar Ingatlanberuházó Zrt.
MSCI	Morgan Stanley Capital International	-
NIA	-	Nemzeti Inkubátorház
SQL	Structured Query Language	Strukturált Lekérdezőnyelv
ÜHG	GHG – Greenhouse Gas	Üvegházhatású gáz

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