

**Green Bond**  
**Allocation and Impact Report**

2024

**STAVMAT®**  
**ÉPÍTŐANYAG KERESKEDELEM**

04. 09. 2025.

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## Management statement

Sustainability sits at the core of Stavmat's strategy, as we are fully aware of the construction sector's significant environmental footprint. Our ambition is to operate as a company that not only takes responsibility for its environmental impact but also actively works to reduce it. We believe sustainability is more than a duty – it is a key driver of long-term business resilience and competitiveness. Careful management of energy and other resources is essential to avoid rising costs, reputational risks, and operational challenges, while also opening opportunities for innovation and growth.

In line with this commitment, Stavmat took a major step forward in 2021 by issuing its first green bond, fully aligned with the ICMA Green Bond Principles 2021 (GBP)<sup>1</sup>. This milestone reflects our dedication to optimizing performance and maximizing positive environmental outcomes. The high professional and environmental standards outlined in our [Green Bond Framework](#) demonstrate our strong commitment to integrate sustainability into both our operations and our financing approach.

## Stavmat at a glance

Stavmat is one of Hungary's leading building materials trading companies, providing a comprehensive portfolio of construction solutions for both professional partners and retail customers. With decades of experience and a nationwide network, the company has earned a reputation as a reliable and innovative partner in the construction sector.

Building on its strong industry expertise, Stavmat not only delivers high-quality building materials but also offers expert guidance and tailored solutions to support both outdoor and indoor projects. Its commitment goes beyond commercial success: sustainability is at the core of the company's strategy. Stavmat continuously strives to reduce its environmental footprint and to promote responsible practices throughout its operations and supply chain.

## Milestones

### 1950s

The origins of STAVMAT Building Materials Trading Ltd. date back to the 1950s, when state-owned building material networks were first established. Following the political and economic transition, in 1995 the German-Austrian Raab Karcher GmbH acquired several Hungarian building material companies, creating the country's largest network under the name Raab Karcher Tüzép Rt.

### 2000s

In 2000, the company became part of the French Saint-Gobain Group, further strengthening its international background.

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<sup>1</sup> *Green Bond Principles, Voluntary Process Guidelines for Issuing Green Bonds published in June 2021, (with June 2022 Appendix 1)*  
[https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond\\_Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond_Principles_June-2022-280622.pdf)

## 2010s

In 2016, the Slovak IN Group acquired the Hungarian and Czech Raab Karcher building material networks and has since operated the Hungarian sites under the Stavmat brand. As a strategic investor, IN Group introduced new goals and a refreshed vision: to develop a modern, continuously evolving building materials network that adapts to changing market needs while remaining a symbol of reliability and partnership for future generations.

## Today

IN Group is one of Slovakia's leading construction companies, active across multiple sectors including construction, machinery manufacturing, and project execution. Its core business focuses on the production of halls and structural components for the building sector, complemented by chemical equipment and drying drums used in building material production. In Hungary, Stavmat benefits from this strong group background, with projects reaching across Central Europe and extending to Southern and Eastern Europe, ensuring a broad and dynamic regional presence.

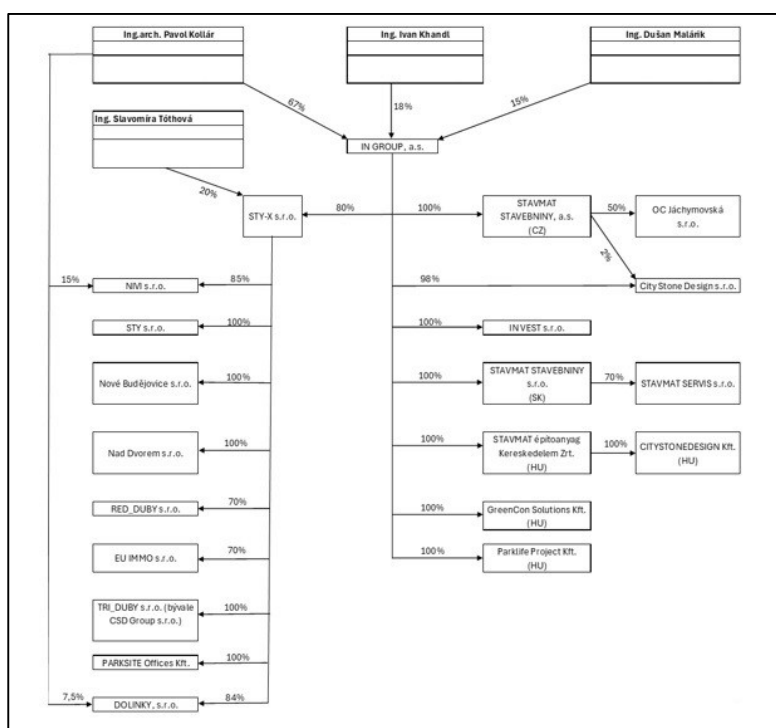


Figure 1: Stavmat in the IN Group structure

## Facts & figures

### Group-wide

- Presence in **3 countries, 150 sites**
- **1 700+ employees**
- Consolidated net sales: **541 million EUR**

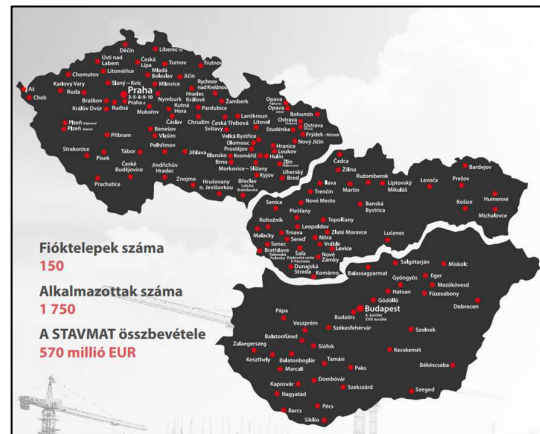


Figure 2: In Group's presence

### Company-wide (Hungary)

- **35 sites nationwide, 2 production facilities**
- **350+ employees**
- **Net sales: 33,392 billion HUF**

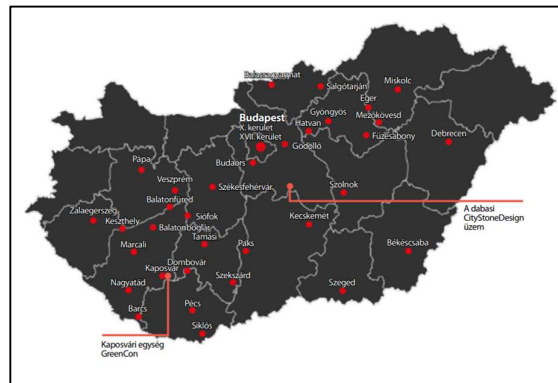


Figure 3: Stavmat's presence

### Core activities

Stavmat PLC provides a comprehensive range of high-quality building materials and solutions for outdoor and indoor design, renovations, and residential construction. We offer a broad product portfolio of more than 57 000 items, covering the full spectrum of classical, heavy, and light building materials for structural works as well as outdoor and interior design solutions. The Company continuously monitors market trends and technological developments, particularly in relation to energy efficiency in construction materials.

### We cover the full range of construction materials:

- Structural engineering,
- Drywall and interior construction,

- Facade construction and insulation,
- Mortars, adhesives, plasters,
- Roofing and insulation,
- Paving and garden,
- Construction timber,
- Interior construction tools,
- Power and hand tools.

## Sustainability at Stavmat

At the group level, our key objectives are environmental protection, standardization, and continuous innovation, all of which underpin our long-term commitment to sustainable growth. Stavmat approaches sustainability strategically, and our preparation for green financing has made our day-to-day operations far more conscious of environmental stewardship, social responsibility, and good corporate governance. This heightened awareness has inspired us to showcase our diverse sustainability initiatives to investors, readers, and all stakeholders connected to our company. We are proud to have been publishing our [Sustainability Report](#) since 2021.

We plan the development, expansion, and implementation of our business activities with sustainability at the forefront. We place strong emphasis on reducing emissions, exploring opportunities for increased use of renewable energy, and putting circular economy principles into practice. Together with our expert colleagues, we work every day to earn our customers' trust and maintain it over the long term through high-quality service, appropriate products, and reliable solutions. We recognize that achieving these goals is only possible with our dedicated employees, whom we value highly.

In our development projects, minimizing the carbon footprint during construction is a key objective, and all projects are designed to meet the BREEAM EXCELLENT standard. These initiatives include green roofs and urban green spaces planned to support urban biodiversity, benefiting both plant and animal life. Such green infrastructure plays a crucial role in mitigating the impacts of climate change.

**Stavmat is fully committed to the UN Sustainable Development Goals, particularly those that align closely with the impacts and opportunities of our sector:**

<p><b>Consolidating local employment</b></p>		<p><b>Improving work and conditions innovation</b></p>	
<p><b>Building of resilient infrastructure</b></p>		<p><b>Sustainable Cities and Communities</b></p>	
<p><b>Responsible consumption and production</b></p>			

## What Stavmat has achieved in recent years

### 2020

We launched a pilot project for a photovoltaic branch, using solar energy to power trucks and cover a significant portion of our electricity consumption. At our site in Debrecen, solar panels have been installed and are operating successfully.

### 2021

We established a joint venture with GREENCON International in Hungary to process waste using a unique technology. The resulting product – boards suitable for construction – provides an environmentally friendly alternative to traditional construction boards and offers a circular solution to waste generation that would otherwise heavily impact the environment. The production facility for these eco-friendly boards is located in Kaposvár.

### 2022

**We began production on our newest, environmentally friendly lines, financed through the green bond. The investment was completed in September 2022, followed by a trial production period during which processes were optimized. Standard production officially began in June 2023.**

## Green bond in a nutshell

Stavmat issued its first-ever green bond to finance a major environmentally focused capital investment. The new paving stone plant in Dabas (Lot Nr. 7837, Pest County, near Budapest) has been completed with sustainability at its core, fully aligning with the latest environmental

standards. The project's objectives – reducing pollution, improving energy efficiency, and lowering overall energy consumption – are being pursued through the use of modern machinery and the installation of solar energy systems, with benefits continuing to materialize as operations progress.

## Properties

<b>Issuer name</b>	STAVMAT Building Materials Trading Ltd.
<b>Bond name</b>	STAVMAT NKP Bond 2031/I.
<b>Issue date</b>	20. 07. 2021.
<b>Issued amount</b>	5 000 000 HUF
<b>ISIN</b>	HU0000360714
<b>Tenor in years</b>	10 years (2021 – 2031)
<b>Maturity date</b>	20. 07. 2031.

## Overview of the green project

The 4 000 m<sup>2</sup> production hall in Dabas was constructed on a 40 000 m<sup>2</sup> site and modeled on Stavmat's two existing Slovak facilities in Sala and Geča. It adds a previously non-existent production capacity. The latest German-developed machinery line enables an annual output of 800 000 m<sup>2</sup> of high-quality paving stones. The investment also significantly modernizes the production process and creates 40 new jobs, with employees operating in a highly automated facility.





**The initial budget** proposed at the start of the project, along with a visualization of the new plant, was as follows:

New Investment	Value (mn HUF)
Intangible assets	100
Land and properties	2 600
Plant, machinery and vehicles	3 000
<b>SUM</b>	<b>5 700</b>



## Approval of the green capital expenditure

Stavmat intended to use its green bond to finance Eligible Green Projects. The following project criteria guided our green labeling, which we fully stand behind:

Climate change mitigation	Natural resources conservation	Project content	SDGs
Renewable energy	-	Installation of solar panels on plant roof to provide heating/conditioning of administrative offices	
Energy efficiency	-	Use of modern equipment and machinery operating with lower energy consumption <sup>2</sup>  Electrification/ automation of processes	
Eco-efficient and/ or circular economy-adapted products, production technologies and processes	-	Water and cement waste can be reused in the production process, reducing the final waste to 0%	
-	Sustainable water	Use of modern equipment and machinery operating with drilled water, contributing to a lower freshwater consumption <sup>3</sup>	

Eligible green projects must also be compatible with fundamental human rights. Therefore, during the planning process, we take into account the following SDGs: 1 (“No Poverty”), 8 (“Decent Work and Economic Growth”), 9 (“Industry, Innovation and Infrastructure”), 11 (“Sustainable Cities”), and 12 (“Responsible Production”).

Stavmat’s Green Committee, operating within the Company’s Management Board, is responsible for evaluating and selecting green projects. The committee is chaired by the CEO and includes the CFO and the Commercial Director. Green bond proceeds were kept in a segregated account.

## Allocation of green proceeds

**The completed project** appears as shown in the photos below, fully in line with our original plans:

<sup>2</sup> The calculation of the impact was planned to be performed through a benchmark assessment with a paving stones production plant owned and operated by Stavmat’s sister company in Slovakia.

<sup>3</sup> The calculation of the impact was planned to be performed through a benchmark assessment with a paving stones production plant owned and operated by Stavmat’s sister company in Slovakia.



The total investment slightly exceeded the initially planned HUF 5,7 billion:

	Total amount of investment (HUF)
Buildings	2 719 715 246
Production line	3 188 720 428
Electric forklifts	110 609 121
<b>SUM</b>	<b>6 019 044 795</b>
Financed by state subsidy	1 400 000 000
<b>Allocated amount</b>	<b>4 619 044 795</b>

All bond proceeds have been allocated:

ISIN	-	STAVMAT NKP	-
	(HUF)	Bond 2031/I.	
Amount	(HUF)	5 000 000 000	100%
Initial allocated proceeds	(HUF)	4 619 044 795	92%
Additional allocated proceeds	(HUF)	380 955 205	8%

The additionally allocated proceeds were used to fund extra inventory capacity, requiring an additional investment of HUF 467 million. With this, all proceeds were fully utilized by the end of 2023, as outlined in the [previous allocation report](#).

## Impact report

In 2024, we began to see the initial results from our new production site. The facility is designed to be more sustainable, benefiting from the energy efficiency of the latest technology and partial use of renewable electricity. Renewable energy is harnessed through heat pumps, which provide both heating and climate control, while the drying chambers are powered by piped natural gas.

Although solar panels were not installed in 2024 due to current system limitations and the absence of economically viable subsidies, the plan is to implement solar energy at the Dabas plant in the first half of 2026, supported by anticipated large-scale corporate incentives. Thanks to the Hungarian entity's already cleaner energy mix, CO<sub>2</sub> emissions are comparatively lower, with production at the Dabas plant generating 2.45% less carbon per square meter of paving stone.<sup>4</sup>

Water management is highly efficient: approximately 98% of the water used is incorporated into the product, while the remaining 2% is used for cleaning. This water is collected and reused in the production of defective products, which can still be sold.

The Hungarian construction market experienced a downturn during the year, and as a result, the facility did not operate at full capacity. Lower order volumes required multiple stoppages and restarts of the production lines, which led to additional energy consumption. While the technology itself is environmentally friendly, its full potential has not yet been fully realized.

**Given the substantial differences in workload between the Slovak and Hungarian facilities, the data is not yet fully comparable, as market conditions have affected production differently. A comprehensive comparison is planned for 2025, once conditions allow for a reliable assessment.**

Dabas	
Production (m <sup>2</sup> )	192 974
Water consumption (m <sup>3</sup> )	2 569
*drilled well (m <sup>3</sup> )	2 104
* pipes (m <sup>3</sup> )	465
Water consumption per 1 m <sup>2</sup> of product (m <sup>3</sup> )	0,0133
Gas consumption in heating value (MJ)	400 928
Heating value per 1 m <sup>2</sup> of product (MJ)	2,0776
Electricity usage (kWh)	893 046
Electricity per 1 m <sup>2</sup> of product (kWh)	4,6278

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<sup>4</sup> The calculation was carried out by an independent external expert within the framework of the EPD (Environmental Product Declaration) process.