

# **Green Bond Allocation and Impact Report**

2025



10. 09. 2025.

**Dear Stakeholders,**

*Another year has passed, and we are pleased to present the 2025 Allocation and Impact Report on our Green Bond, marking the conclusion of the investment period. We are proud to have financed investments aimed at capacity expansion and modernization, with a strong focus on energy, raw material and water efficiency, the reduction of greenhouse gas emissions, and the further strengthening of vertical integration.*

*The results clearly demonstrate that these investments are delivering tangible benefits, enabling us to operate with a lower environmental impact than ever before. We remain convinced that long-term success can only be achieved through the balanced pursuit of environmental, social, and economic sustainability – hand in hand.*

**With kind regards,**

*László Bárány, László Bárány Sr., Péter Bárány*

## Table of Contents

Management statement .....	4
Baromfi Coop at a glance.....	4
Facts & figures.....	5
Sustainability at Baromfi Coop.....	5
Strategic sustainability objectives .....	5
Circular economy targets .....	6
Climate change and environmental strategy .....	6
Main results up to date.....	6
Green bond in a nutshell.....	6
Properties.....	7
Overview of the green projects .....	8
Allocation of green proceeds .....	9
Impact report .....	10

## Management statement

The Baromfi Coop Group (Baromfi-Coop Ltd., Master Good Ltd. and Sága Foods Plc.) remains a fully family-owned enterprise to this day. Our family traditions continue to shape our values, with particular emphasis on responsibility towards the environment, our consumers, and our employees. We take a long-term, multi-generational perspective: our ambition is to preserve and strengthen the family's reputation for future generations, on a planet we do not overburden with our carbon footprint. This philosophy guides the planning and implementation of all our investments and projects.

In line with this commitment, Baromfi Coop Ltd. established its Green Bond Framework in 2021 and successfully issued a green bond in July of the same year. The issuance amounted to HUF 23 billion (EUR 65 million) and was a HUF-denominated bond under the Funding for Growth Scheme launched by the National Bank of Hungary. The proceeds were allocated to finance 13 projects across the Group's member companies.

Master Good Ltd. has provided an unconditional and irrevocable guarantee for the fulfilment of the obligations represented by the bond. Both the Issuer and the Guarantor are managed by three Board Members (László Bárány Sr., László Bárány, and Péter Bárány), who are also co-owners of the Group. In line with the ICMA Green Bond Standards, a Green Committee has been established to oversee and control the allocation of the green proceeds, ensuring compliance with the selection criteria. A Green Register – a separate account maintained by the Finance Department – ensures that an amount equivalent to the net proceeds of the Green Bond is allocated exclusively to Green Projects.

## Baromfi Coop at a glance

Baromfi Coop Group ranks as the 90th largest company in Hungary and the 6th largest family-owned enterprise with 100% Hungarian ownership. The Group is one of the leading vertically integrated players in the agricultural and food industry in Hungary and Central and Eastern Europe.

The company began operations in 1994 with only five employees and launched intensive development in 1998 through major investments and a steady expansion of its workforce. In 2020, the Group further strengthened its position in the sector by acquiring 100% ownership of Sága Foods Plc.

**Our activities cover the entire value chain, including:**

Agricultural activity	Food industry	Sága
<ul style="list-style-type: none"><li>• Integrated grain production</li><li>• Feed production</li><li>• Breeding</li><li>• Hatching</li><li>• Broiler fattening – compliant with</li></ul>	<ul style="list-style-type: none"><li>• Chicken slaughter and processing at the Kisvárda plant, one of Europe's most modern facilities</li><li>• Production of further-processed, convenient, and</li></ul>	<ul style="list-style-type: none"><li>• Production of cooked meat products (sausages, ham, cold cuts) primarily from poultry at the Sárvár plant</li></ul>

<p>McDonald's audit requirements</p> <ul style="list-style-type: none"> <li>• Free-range chicken fattening</li> <li>• Manure fermentation</li> <li>• Accredited laboratory services</li> </ul>	<p>ready-to-cook products in Petneháza</p> <ul style="list-style-type: none"> <li>• Pet food production</li> <li>• Animal protein rendering from slaughterhouse by-products, including meat meal, feather meal, and feed fat</li> </ul>	<ul style="list-style-type: none"> <li>• Production of quick-frozen fried poultry products</li> <li>• Retailing, primarily focused on the domestic market</li> </ul>
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Figure 1: Key activities of the Baromfi Coop Group

## Facts & figures

**Net sales:** 244 884 546 thousand HUF

**EBITDA:** 34 115 177 thousand HUF

**Employees:** 2 906 (average statistical number)

**Export:** 90 571 994 thousand HUF (37%)

## Sustainability at Baromfi Coop

The environmental pillar of our sustainability strategy is built on two key priorities: improving energy efficiency and reducing CO<sub>2</sub> emissions and advancing the principles of the circular economy. Management approaches this mission with the overarching goal of protecting natural resources essential for sustainable poultry production, gradually replacing non-renewable inputs, and reducing material and energy consumption per unit of production.

This approach not only reduces environmental impacts but also supports an environmentally conscious customer base, while ensuring transparent and traceable animal welfare standards and safeguarding the health of the animals entrusted to our care.

## Strategic sustainability objectives

To translate this commitment into action, the Group has set clear strategic objectives:

- reducing harmful environmental impacts,
- maintaining and improving animal welfare,
- lowering specific energy consumption,
- increasing the share of renewable energy sources, and
- embedding circular economy practices throughout operations.

## Circular economy targets

Our long-term circular economy goals include building and operating one of the most efficient and modern chicken integrations in Europe and introducing Industry 4.0 solutions to foster cross-sectoral circular economy models. Circular economy elements will continue to be expanded across the business model, ensuring that planned investments do not compromise other environmental objectives. Looking ahead, we are also preparing innovative R&D projects, including the integration of by-products generated during hatching into our circular economy system as valuable raw materials.

## Climate change and environmental strategy

In addressing climate change, the Group is committed to reducing its climate footprint and systematically analyzing, monitoring, and mitigating harmful environmental effects. Business and investment decisions are guided by environmental and social metrics, helping to mitigate risks, align with the goals of the Paris Agreement, and contribute to the UN Sustainable Development Goals.

## Main results up to date

Baromfi Coop Group has made significant progress in embedding sustainability across all areas of operations. In 2021, we became Hungary's first food industry issuer of green bonds, underlining our long-term commitment to environmentally responsible investments. To ensure transparent governance, we established a dedicated Green Committee to oversee our sustainable initiatives and the allocation of green proceeds.

As a pioneer of the circular economy in Hungary, we have introduced a wide range of measures: manure fermentation, environmentally friendly processing, storage and reuse, as well as encouraging our partners to apply organic poultry manure pellets in crop production. We also separately collect and recycle wastewater, while organic materials are repurposed to reduce CO<sub>2</sub> emissions. By sourcing poultry from our own farms and hatcheries, we ensure traceability and sustainability throughout the supply chain.

Our operations are designed to be energy-efficient and environmentally conscious. This includes solar power plants that reduce electricity consumption, modern heating systems, advanced insulation, and the use of biofilters to purify the air in our processing facilities. We are proud to have been the first company in Europe certified under the McDonald's Business Model Program.

In line with our dedication to quality and sustainability, we produce 100% GMO-free feed, offer GMO-free Hungarian chicken, and maintain farm-raised poultry certified under the Hungarian Poultry and Hungarian Product trademarks.

## Green bond in a nutshell

Our Green Bond, issued in 2021, reflects our strong and long-term commitment to building a sustainable future. Through it, we identified and financed 13 major investment projects across

the Group – initiatives that required significant capital expenditure to improve our environmental performance and foster innovation, while also maximizing resource efficiency and production capacity. These projects deliver clear environmental benefits while at the same time strengthening our economic performance. All investment opportunities were carefully selected in line with our Group-wide sustainability strategy, ensuring consistency and measurable impact.

## Properties

Green bond overview	
<b>Name</b>	BAROMFI-COOP 2031 Bond
<b>ISIN</b>	HU0000360706
<b>Issuance date</b>	19/07/2021
<b>Maturity date</b>	19/07/2031
<b>Issued Amount</b>	HUF 23 billion
<b>Tenor in years</b>	10
<b>Interest rate</b>	Fixed
<b>Interest rate in %</b>	3%

Figure 2: Green bond overview


## Overview of the green projects

Investment Projects	Project description
<b>Baromfi-Coop</b>	
1. Establishment of solar cells in 10 livestock farms and in the hatchery	Construction of 50kW solar cells on 10 new livestock farms and construction of a 200 kWh solar power plant on the roof structure of the hatchery.
2. Hatchery plant investment (Petneháza)	50% expansion of the hatchery's capacity, meeting the day-old chicks needs of suppliers of Master Good (Baromfi-Coop Ltd. and integrated poultry farms) in one place, reducing the transportation needs and reducing the amount of medicine needed to raise day-old chicks.
3. Extension and upgrading of feed mixing plant	Building of the 3rd mixing line to complete the existing two lines, the establishment of the largest and most efficient plant in Central Europe, which will ensure the feed demand of the full integration; the specific gas and electricity demand will be reduced by 25-30%.
4. Extension of drying plant and construction of crop storage silos	Automation and reduction of specific energy consumption, stopping toxin production, keeping the microbiological quality of feed materials stable. Building of the 3rd mixing line to complete the existing two lines, the establishment of the largest and most efficient plant in Central Europe, which will ensure the feed demand of the full integration; the specific gas and electricity demand will be reduced by 25-30%.
5. Construction of broiler farms (2pcs)	Replacement of "external, non-integrated" poultry farm capacities being at 250-320 km, to 30-40 km from the Kiszárda slaughterhouse. Use of equipment and machinery operating with lower energy consumption and/ or lower emission of GHG, and/ or with lower emission of pollutants.
6. Expansion of manure fermenter	Fermentation and pelletisation of excess litter manure from increased poultry farms. Reducing CO2 and other gas emissions through the recycling of organic matter. Completion of the two existing press lines with a 3rd line and install new dryer and air filter machines.
<b>Sága</b>	
7. Modernization of Saga technological system	Modernization of slicing and packaging line improving the hygiene parameters and shelf life of the products.
8. Modernization of technological and energy system / Saga 2.	Establishment a sustainable energy efficient infrastructure for the new plant. Use of equipment and machinery with lower energy consumption and lower greenhouse gas emissions and lower pollutant emissions.
<b>Master Good</b>	
9. Investment for poultry by-products processing	Building additional capacity to process the increasing volume of byproducts, improvement of the meat meal and feather meal processing capacity. Decrease of quantities of disposed by-product.
10. Biological wastewater management	Management of 25-30% of the generated wastewater with a modern biological treatment process, the quantity of recyclable water obtained during biological wastewater treatment is 225.000 m3 per year.
11. Energy modernization, Kiszárda	With heat recovery from the plant's cooling system, the production of 80-100 m3 of 65C° domestic hot water per day using 99% of the recovered heat, reducing the amount of specific gas consumption.
12. Internal logistic system development	Introduction of the supply system for live chicken, expansion of the visceral line, and pre cooling air system. Replacement of the packaging line which will improve not only the shelf life but also the efficiency.
13. Production and logistics development, Technology, slaughterhouse's buildings, operational road network development	Production and logistics development related to completed investments with environmental awareness in mind. Installation of loading robots, automatic cleaning system of the visceral line, production of hot water by heat recovery from the plant cooling system.

Figure 3: Investment projects financed by the green bond



# Allocation of green proceeds

Proportion of green investments during the investment time period<sup>1</sup>: 100 % 

The investment period financed by the Green Bond concluded on December 31, 2024, and 100% of the proceeds have been fully utilized. By this date, the company had implemented exclusively the green investments detailed below. Originally, approximately 75% of the total expenditures for the identified projects were expected to be financed through the Green Bond issuance. However, as final project costs exceeded initial estimates, the actual share covered by the bond proceeds amounted to nearly 50%. The remaining funding was secured from additional sources, including state subsidies, own resources, and bank loans.

Investment Projects	Planned Investment Amount	Allocated amount	Planned Date of	Completion Status	SDGs	GBP Category
	(million HUF)	(million HUF)	Completion	(as of 31.12.2024)		
<b>Baromfi-Coop</b>						
1. Establishment of solar cells in 10 livestock farms and in the hatchery	1 985	1 985	2023	100%	Affordable and clean energy	Energy efficiency, Renewable energy
2. Hatchery plant investment (Petneháza)	4 782	2 840	2022	100%	Responsible consumption and production	Clean transportation, Eco-efficient and/or circular economy adapted products, production technologies and processes
3. Extension and upgrading of feed mixing plant	2 900	1 740	2023	100%	Affordable and clean energy	Energy efficiency, Renewable energy
4. Extension of drying plant and construction of crop storage silos	2 264	1 265	2022	100%	Responsible consumption and production	Energy efficiency, Environmentally sustainable management of living natural resources and land use
5. Construction of broiler farms (2pcs)	4 037	4 037	2023	100%	Climate Action	Energy efficiency, Renewable energy, Pollution prevention and control, Sustainable water and wastewater management, Clean transportation
6. Expansion of manure fermenter	800	800	2023	100%	Climate Action	Sustainable water and wastewater management, Eco-efficient and/or circular economy adapted products, production technologies and processes, Pollution prevention and control
<b>Sága</b>						
7. Modernization of Saga technological system	1 800	1 361	2022	100%	Good health and well-being	Energy efficiency, Pollution prevention and control
8. Modernization of technological and energy system / Saga 2.	10 000	1 102	2024	100%	Responsible consumption and production	Energy efficiency, Renewable energy, Pollution prevention and control, Sustainable water and wastewater management
<b>Master Good</b>						
9. Investment for poultry by-products processing	4 000	4 000	2022	100%	Sustainable cities and communities	Eco-efficient and/or circular economy adapted products, production technologies and processes, Pollution prevention and control, Clean transportation
10. Biological wastewater management	3 200	320	2024	100%	Clean water and sanitation	Sustainable water and wastewater management
11. Energy modernization, Kisvárdá	1 000	1 000	2023	100%	Climate Action	Energy efficiency
12. Internal logistic system development	1 300	650	2023	100%	Responsible consumption and production	Energy efficiency, Pollution prevention and control
13. Production and logistics development, Technology, slaughterhouse's buildings, operational road network development	8 800	1 900	2022	100%	Climate Action, Responsible consumption and production	Energy efficiency, Pollution prevention and control, Sustainable water and wastewater management
<b>Total</b>	<b>46 868</b>	<b>23 000</b>				

Figure 4: Allocation of green bond proceeds by project

<sup>1</sup> Between 01.07.2022 and 31.12.2024.

ISIN	Total Bond Proceeds	Allocated Bond Proceeds	Unallocated Bond Proceeds
	(million HUF)	(million HUF)	(million HUF)
BAROMFI-COOP 2031 Bond (HU0000360706)	23 000	23 000	0
	100,00%	100,00%	0,00%

Figure 5: Allocation of green bond proceeds by utilization status

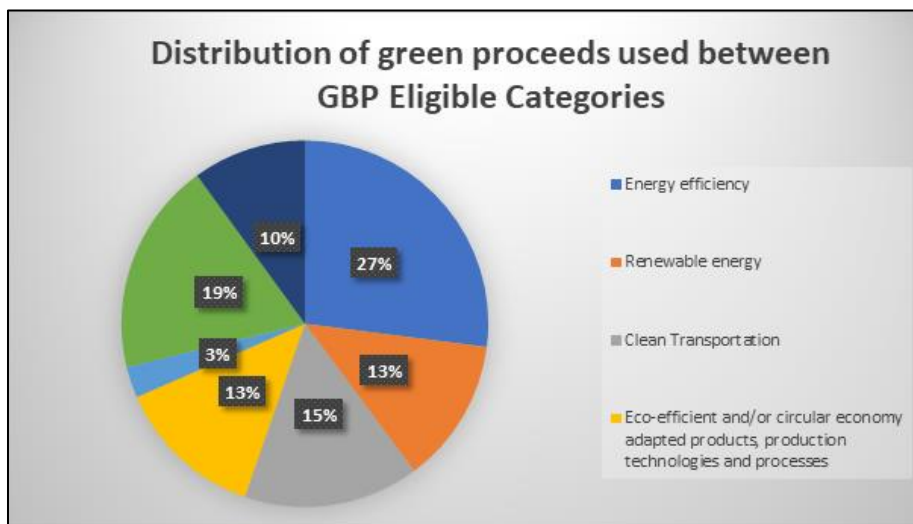


Figure 6: Allocation of green bond proceeds by GBP Eligible Categories

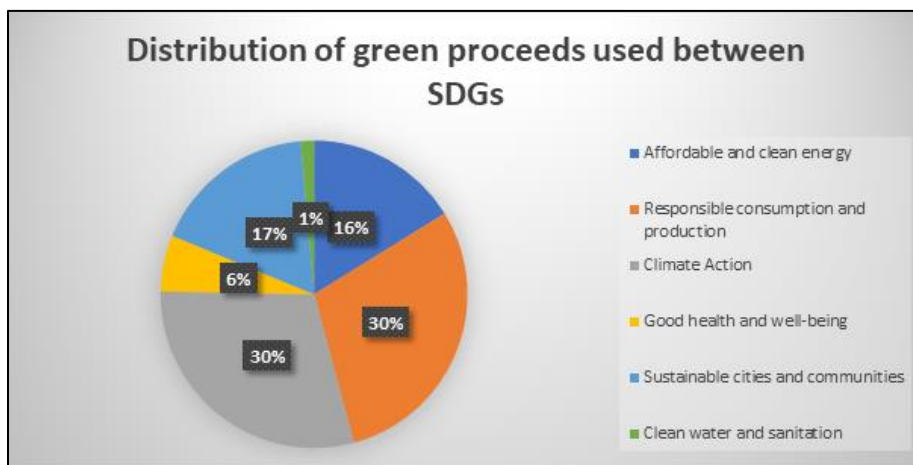


Figure 7: Allocation of green bond proceeds by SDGs

## Impact report

At the time of the Green Bond issuance, we defined the key performance indicators (KPIs) in the Green Bond Framework to be included in the impact reports. We also prepared estimates of the potential effects of our investments, which are consistent with the actual results achieved to date. In last year's report, we were unable to provide data for Projects 8 and 10 (*Modernization of Technological and Energy Systems / Saga 2 and Biological Wastewater Management*), as these projects were not yet completed. This year, we are able to fill this gap and report the relevant data.

Impact Indicator	
CO2 emission avoidance/reduction	ton
Energy Consumption savings, including renewable energy	kWh
Energy Consumption savings, including renewable energy	%
Gas Consumption savings	m3
Gas Consumption savings	%
Fuel consumption savings	l
Fuel consumption savings	%
NH3 emission reduction	kg
NH3 emission reduction decrease of the NH3 emissions related to manure processing project	%
Water consumption savings	m3
Waste reduction	ton
Produced renewable energy	kWh
Reduction of feed consumption	kg/kg live weight
Re-use of by-products (disposed waste)	ton
Re-use of by-products (disposed waste)	%
Increase of the utilization of renewable energy	%
Increase of the utilization of renewable energy in the poultry farms	%
Reduction of the use of antibiotic treatment below regular and certification standards	yes/no

Figure 8: Impact indicators

Use of Green Bond proceeds	Impact Indicators/ Estimated targeted impacts compared to 2020 as basic line
<b>Baromfi-Coop</b>	
1. Establishment of solar cells in 10 livestock farms and in the hatchery	Produced renewable energy 700.000 kWh, Share of renewable energy 50 % CO2 equivalent avoided or reduced 245.000 kg/ year
2. Hatchery plant investment (Petneháza)	Due to lower transport needs, fuel savings/ year Savings in gas consumption 135.000 m3/ year Savings in energy 1.125.000 kWh/ year Meeting specific indicators below the thresholds CO2 equivalent avoided or reduced 636.750 kg/ year
3. Extension and upgrading of feed mixing plant	Savings of gas: 420.000 m3 / year Saved energy consumption 1.530.000 kWh /year CO2 equivalent avoided or reduced 1.291.500 kg/ year
4. Extension of drying plant and construction of crop storage silos.	Savings of gas: 22.500 m3 / year Saved fuel consumption 62.500 l /year CO2 equivalent avoided or reduced 179.100 kg / year
5. Construction of broiler farms (2pcs).	Savings of gas: 157.500 m3 / year Saved energy consumption 52.500 kWh / year Saved fuel consumption 33.750 l / year Reduction of feed consumption in kg / kg live weight Meeting specific indicators below the thresholds Reduction of other waste 28.200 t/ year (amount of manure generated), annual savings due to littering with heat-treated pelleted straw Water savings m3 CO2 equivalent avoided or reduced 390.975 kg / year
6. Expansion of manure fermenter	NH3 emissions (avoided or reduced) 276.000 kg / year Reduction of NH3 emissions % Processed manure %
<b>Sága</b>	
7. Modernization of Saga technological system	Saved energy consumption 285.000 kWh/year CO2 equivalent avoided or reduced 99.750 kg / year
8. Modernization of technological and energy system / Saga 2.	Savings of gas: 38.000 m3/ year CO2 equivalent avoided or reduced 68.400kg / year
<b>Master Good</b>	
9. Investment for poultry by-products processing	Quantity of waste reduction 18.400 t/ year Re-use of by-products % min 40 % Re-use of by-products (disposed waste) ton/year By termination of the by-product transport, fuel savings 69.552 l / year CO2 equivalent avoided or reduced 183.617 kg / year
10. Biological wastewater management	Water savings m3 By re-use of wastewater annual water savings 225.000 m3
11. Energy modernization, Kiszárda	Savings of gas quantity 200.000 m3 / year due CO2 equivalent avoided or reduced 360.000kg / year
12. Internal logistic system development	Saved fuel consumption 140.000 l/ year CO2 equivalent avoided or reduced 360.000kg / year
13. Production and logistics development, Technology, slaughterhouse's buildings, operational road network development	Saved energy consumption 1.600.000 kWh / year Savings of water 42.000 m3 / year CO2 equivalent avoided or reduced 560.000 kg / year

Figure 9: Estimated impact by project

Use of Green Bond proceeds	Impact Indicators/ Estimated targeted impacts compared to 2020 as basic line	Fact figures	
Baromfi-Coop			
1. Establishment of solar cells in 10 livestock farms and in the hatchery	Produced renewable energy 700.000 kWh,	700,000	kWh
	Share of renewable energy 50 %	50	%
	CO2 equivalent avoided or reduced 245.000 kg/ year	245,000	kg
2. Hatchery plant investment (Petneháza)	Due to lower transport needs, fuel savings/ year	13,700	l
	Savings in gas consumption 135.000 m3/ year	135,000	m3
	Savings in energy 1.125.000 kWh/ year	1.125.000	kWh
	Meeting specific indicators below the thresholds		
	CO2 equivalent avoided or reduced 636.750 kg/ year	636,750	kg
3. Extension and upgrading of feed mixing plant	Savings of gas: 420.000 m3 / year	420,000	m3
	Saved energy consumption 1.530.000 kWh /year	1.530.000	kWh
	CO2 equivalent avoided or reduced 1.291.500 kg/ year	1.291.500	kg
4. Extension of drying plant and construction of crop storage silos.	Savings of gas: 22.500 m3 / year	22,500	m3
	Saved fuel consumption 62.500 l/year	62,500	l
	CO2 equivalent avoided or reduced 179.100 kg / year	179,100	kg
5. Construction of broiler farms (2pcs).	Savings of gas: 157.500 m3 / year	157,500	m3
	Saved energy consumption 52.500 kWh / year	52,500	kWh
	Saved fuel consumption 33.750 l/ year	33,750	l
	Reduction of feed consumption in kg / kg live weight	0,06	kg/kg live weight
	Meeting specific indicators below the thresholds		
	Reduction of other waste 28.200 t/ year (amount of manure generated), annual savings due to littering with heat-treated pelleted straw	28,200	t
	Water savings m3	500	m3
	CO2 equivalent avoided or reduced 390.975 kg / year	390,975	kg
6. Expansion of manure fermenter	NH3 emissions (avoided or reduced) 276.000 kg / year	276,000	kg
	Reduction of NH3 emissions %	43	%
	Processed manure %	65	%
Sága			
7. Modernization of Saga technological system	Saved energy consumption 285.000 kWh/ year	285,000	kWh
	CO2 equivalent avoided or reduced 99.750 kg / year	99,750	kg
8. Modernization of technological and energy system / Saga 2	Savings of gas: 38.000 m3/ year	38,000	m3
	CO2 equivalent avoided or reduced 68.400kg / year	68,400	kg
Master Good			
9. Investment for poultry by-products processing	Quantity of waste reduction 18.400 t/ year	18,400	t
	Re-use of by-products % min 40 %	43	%
	Re-use of by-products (disposed waste) ton/year	26,000	ton
	By termination of the by-product transport, fuel savings 69.552 l/ year	69,552	l
	CO2 equivalent avoided or reduced 183.617 kg / year	183,617	kg
10. Biological wastewater management	Water savings m3	900,000	m3
	By re-use of wastewater annual water savings 225.000 m3	225,000	m3
11. Energy modernization, Kisvárdá	Savings of gas quantity 200.000 m3 / year due	200,000	m3
	CO2 equivalent avoided or reduced 360.000kg / year	360,000	kg
12. Internal logistic system development	Saved fuel consumption 140.000 l/ year	140,000	l
	CO2 equivalent avoided or reduced 360.000kg / year	360,000	kg
13. Production and logistics development	Saved energy consumption 1.600.000 kWh / year	1.600.000	kWh
Technology, slaughterhouse's buildings, operational road network development	Savings of water 42.000 m3 / year	42,000	m3
	CO2 equivalent avoided or reduced 560.000 kg / year	560,000	kg

Figure 10: Actual impact by project

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