

Vajda Papír Kft.

Allocation report and Impact report 2024

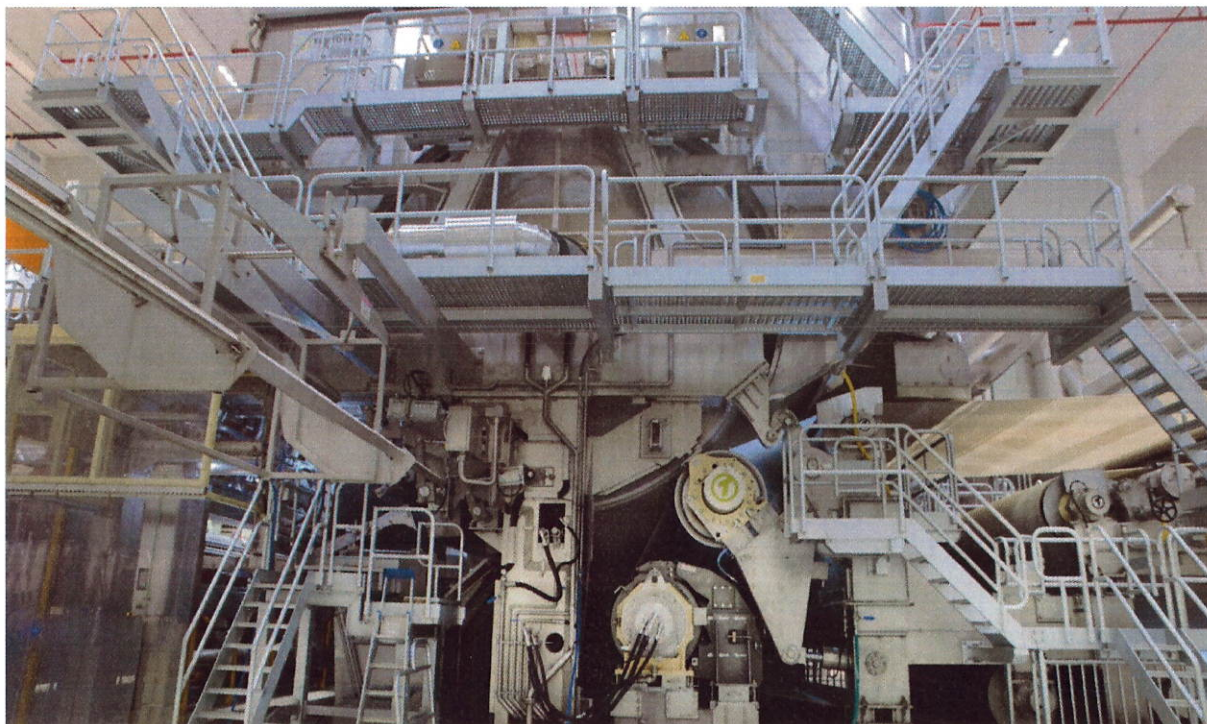


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Management statement

Dear Stakeholders,

Vajda-Papír Kft. successfully issued a green bond in a volume of HUF 9.9 billion in May 2021. We are particularly proud that, following our previous investments and innovative developments, Vajda-Papír Kft. – playing a leading role – was the very first industrial manufacturing company in Hungary to issue a green bond, thus underlining our commitment to sustainability and environmental awareness.

In accordance with the Green Bond Principles, we provide an annual update on the activities related to our Green Bonds issuance. In such updates we provide information on the allocation of the use of proceeds as well as relevant impact metrics.

As a part of the Green Bond Framework our management has established a Green Committee chaired by the member of the Board harmonized with corresponding provisions of other corporate rules, and our Green Committee has approved the green projects, the allocation and even the publishing this report.

We are confident that this green financing with the annual reports demonstrates our strong commitment to supporting a sustainable future for the benefit of all our stakeholders.

Best regards,

Attila Vajda
Managing Director



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Némedi út 51.
(12)

About Vajda-Papír

As a leading European manufacturer and trader of branded hygiene household and away-from-home paper products, the history of our group dates back to 1999, when we founded Vajda-Papír Kft. as a family business. Over the last two decades, our group has become a market player with significant results also on the international scene due to a conscious strategy. All the while, we have preserved our flexible and innovative operation, typical of a family business, since it is a crucial factor in responding more efficiently and quickly to the demands of our evolving world and our consumers. We are growing in a sustainable and dynamic way. The Vajda-Papír Group consists of three Hungarian companies (Vajda-Papír Kft, Vajda Real Estate Kft, VP Group Kft.) with the same ownership.

Sustainability at Vajda-Papír Group

As a family-owned company with a generational culture, sustainability has underpinned our operations for decades as naturally encoded in our DNA. We have always shown care and awareness towards our environment, our customers, our employees and other stakeholders in direct contact with us – be they investors, suppliers, the contractors behind our investments, or even the local communities, the representatives of the organisations we are in contact with through our supports and donations, and also the people in need. Over the last 10 years, we have invested HUF 40 billion to run our production and operations with the most modern, environmentally friendly and sustainable technologies as far as possible. In our ESG report we provide an insight into our approach to a sustainable future, covering Environmental, Social and Governance issues.

More details: [https://vajdapapir.hu/dynamic/ESG/Vajda-Papír ESG-report 2021.pdf](https://vajdapapir.hu/dynamic/ESG/Vajda-Papír_ESG-report_2021.pdf)

Green Bond in a nutshell

In 2021, Vajda-Papír Kft. issued a HUF 9.9 billion, HUF-denominated bond under the Funding for Growth Scheme launched by the National Bank of Hungary.

Green Bond details	
Name	Vajda-Papír 2031 Bond
ISIN	HU0000360474
Issuance date	17/05/2021
Maturity date	17/05/2031
Issued Amount	HUF 9,900,000,000
Tenor in years	10
Coupon type	Fixed
Coupon percent	3.5%

Allocation of green proceeds

In May 2021 Vajda Papír Kft. issued a Green Bond in the amount of 9.9 billion HUF. We give an overview of the proceeds from Green Bond as of 30 April 2025.

Our Green Committee has approved the allocation and even the publishing this report.

Description of the investment project

Investment of base paper manufacturing plant considered as Eligible Green Project.

Use of proceeds

Use of Green Bond proceeds	Content / Criteria	GBP Eligible Category	Environmental objectives
Paper machinery investment (Phase II.)	Using only renewable energy sources (from 2023) Compliance with domestic environmental regulations: Existence of single permit of environmental use (IPPC, Integrated Pollution Prevention and Control, Industrial Emissions Directive – IED). Use of equipment and machinery operating with lower energy consumption and/ or lower emission of GHG, and/ or with lower emission of pollutants Reduce energy consumption of transport by local manufacturing of base paper. Sustainable forest management	Energy efficiency Renewable energy Pollution prevention and control Sustainable water and wastewater management Clean transportation Sustainable management of living natural resources including sustainable forest management	Climate change mitigation Pollution prevention

As of 30 April 2025, we used our funds as follows:

The net proceeds were allocated – based on the Green Bond Framework – for the energy saving and environmentally friendly paper machine (and its production hall) investment in

Vajda Real Estate Kft. The investment is completed. The table below shows the expenditure on Green Investment up to 30. April. 2025:

Payments until 30.05.2025	HUF	thousand
Construction work		6 840 475
Production line, technology		11 934 765
Other investment related items		4 599
Together:		18 779 839

The proceeds were used to finance Eligible Project as defined in section 6 of Vajda Papír Kft's Green Bond Framework that will contribute mainly to the following Sustainable Development Goals:



Impact report

This section of the report provides information about the positive environmental impacts of the projects to which the green bond proceeds were allocated.

The following metrics will be used to measure the sustainable impact of the Eligible Projects after start of the operation. The key performance indicators are illustrated in the following section:

Reduction of freshwater consumption	< 5,5 m3/tons of produced paper
Reduction of energy consumption	< 2800kWh/tons of produced paper
Increase use of renewable energy	50%
Decrease CO2 emissions	Avoided emissions due to base paper produce in house
Saving fuel consumption	Saving due to base paper produce in house

Budapest, 31. May, 2025

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Attila Vajda
Managing Director

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