

# Vajda Papír Kft.

## Allocation report and Impact report 2023



## Table of contents

Management statement .....	2
About Vajda-Papír .....	3
Sustainability at Vajda-Papír Group .....	3
Green Bond in a nutshell .....	3
Allocation of green proceeds .....	4
Impact report .....	6

## 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

## 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 on the demands of our evolving world and our consumers. We are growing in a sustainable and dynamic way. Today, we employ more than 700 people in our factories in Budapest, Dunaföldvár, Székesfehérvár and Drammen in Norway. The Vajda-Papír Group consists of three Hungarian companies with the same ownership (Vajda-Papír Kft., Vajda Real Estate Kft., VP Group Kft.) and one Norwegian subsidiary (Vajda-Papír Scandinavia AS) also 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 last ESG report (according actual GRI standards) we provide an insight into our approach to a sustainable future, covering Environmental, Social and Governance issues.

More details: [https://vajdapapir.hu/dynamic/VP\\_ESG\\_Jelentes\\_GRI\\_2022.pdf](https://vajdapapir.hu/dynamic/VP_ESG_Jelentes_GRI_2022.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

<b>Coupon type</b>	Fixed
<b>Coupon percent</b>	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. June 2024.

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

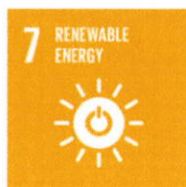
Use of Green Bond proceeds	Content / Criteria	GBP Eligible Category	Environmental objectives
Paper machinery investment (Phase II.)	Using only renewable energy sources (from 2023) Compliance with domestic environmental regulations: Existence of single permit of environmental use (IPPC, Integrated Pollution 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 June 2024, 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, since last year's report, no new payments have been made regarding the investment. The table below shows the expenditure on Green Investment up to 30. June. 2024:

Payments until 30.06.2024	thousand HUF
Construction work	6 840 475
Production line, technology	11 934 765
Other investment related items	4 599
<b>Together:</b>	<b>18 779 839</b>

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:

Eligible Category	Impact Indicators	Key performance indicators	Fact figures of Phase II. operation
Energy efficiency Renewable energy	Saved energy consumption kWh / tons of base paper produced	specific energy consumption to reach limit less than 2800KW/tons of produced paper; Saving 100-400 kWh/tons of produced paper	2023: 2711 kWh/t (savings 89 kWh/t)
Sustainable water and wastewater management / Reduction of water use	Saved fresh water consumption m3 / tons of base paper produced	Specific freshwater consumption to reach limit less than 5,5m3/ tons of produced paper; Saving 4,5 -10,5 m3/tons of produced paper	2023: 8,3 m <sup>3</sup> /t *
	Max. Sewage effluent m3 / tons of base paper produced	Sewage effluent m3 / tons of base paper produced <4 m3	2023: 7,2 m <sup>3</sup> /t *
Clean transportation	Estimated annual greenhouse gas emissions (avoided or reduced)	- CO <sub>2</sub> emission 0,713744 kg/km - No <sub>x</sub> emission 0,000262 kg/km - Dust emission 0,000003 kg/km	- CO <sub>2</sub> emission 0,713744 kg/km - No <sub>x</sub> emission 0,000262 kg/km - Dust emission 0,000003 kg/km
	Specific transport energy savings / tons of base paper produced	- Total fuel consumption saved 419 871 liter/ year - Total net transport distance saved 1 553 583 km / year	- Total fuel consumption saved 902 890 liter/ year - Total net transport distance saved 3 344 037 km / year
Sustainable management of living natural resources including sustainable forest management	FSC raw material input tons / produced base paper tons	FSC raw material input tons / produced base paper tons >90%	100% (FSC-Mix Credit and FSC Controlled Wood)

\* The optimization of production takes place continuously after the short period that has passed since the start of the investment. A priority goal is to reach the set limit value, which we will be able to provide you with results in the next report.

**Vajda-Papír Kft.**

Registered address: H-2330 Dunaharaszti, Némedi út 51.

Headquarters: H-1239 Budapest, Ócsai út 8.

Phone: +36 1 283-9390

Fax: +36 1 289 0294

Web: vajdapapir.hu | oops.hu

Budapest, 30. June, 2024

.....  
Attila Vajda  
Managing Director