

# Sustainability Report 2024



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# Executive letter

We are pleased to share the first Sustainability Report of AKKO Invest Plc., which presents the efforts and achievements of our Company in the field of sustainability. The ESG Report is vital because it highlights the measures taken by our Company in the field of sustainability by presenting the three pillars E, S, G.

Our priority is to promote energy efficiency improvements in the properties owned by the Group and as a listed holding company, to ensure transparency for our shareholders through appropriate processes and policies.

Corporate social responsibility is not just an obligation, it is an integral part of our values and it permeates everything we do.

Recognizing that there is always an area for improvement, I encourage all our employees to continue their dedicated work to promote sustainability. It is important, that we continue to explore innovative solutions and actively engage in initiatives that contribute to the protection of our environment and the development of our communities.

I thank all my colleagues for their commitment and work on this issue. Together we can contribute to a sustainable future.

Yours sincerely,

Board of Directors of AKKO Invest Plc

# 1. About AKKO Invest Plc.

AKKO Invest Plc. was established in 2019 following the transformation of Plotinus Plc. and has been listed on the Budapest Stock Exchange since 2011, now it holds its place in the Premium category. AKKO Invest Plc. is a public limited company registered in Hungary and is primarily engaged in asset management activities. AKKO Invest Plc. is a holding company, a company with shareholdings in several companies, whose economic objective is to achieve long-term value growth through efficient cooperation between the holding company and its subsidiaries. AKKO Invest Plc. invests its assets, we do not engage in external asset management and our fundamental objective is to achieve wealth creation and value growth in our subsidiaries (and of course in the parent company) in parallel with an increase in the share price. The subsidiaries are entities operating primarily in the real estate market.

AKKO Invest Plc. is a public limited company incorporated under the laws of Hungary. The registered office of the Company since 23 April 2021.: 1118 Budapest, Dayka Gábor u. 5.

The Company's share capital is HUF 833 880 thousand, consisting of 33 355 200 ordinary shares as of 31.12.2023. The nominal value of the shares is HUF 25 each.

The ownership composition of the parent company:

NAME	2023.12.31.		2022.12.31.	
	Nominal value of the share - MHUF	Participation %	Nominal value of the share - MHUF	Participation %
Public domain	347	41,54%	465	55,78%
MEVINVEST Vagyonkezelő Ltd.	251	30,10%	251	30,10%
Chantili Invest Ltd.	117	14,12%	118	14,21%
B + N Referencia Ltd.	119	14,24%	0	0,00%
<b>TOTAL</b>	<b>834</b>	<b>100%</b>	<b>834</b>	<b>100%</b>

Number of voting rights attached to shares at 31 December 2023:

Series of shares	Number of units issued	Number of shares carrying voting rights	Voting rights per share	Total voting rights	Number of own shares
Ordinary	33 355 200	33 355 200	1	33 355 200	0
<b>TOTAL</b>	<b>33 355 200</b>	<b>33 355 200</b>	<b>N/A</b>	<b>33 355 200</b>	<b>0</b>



# Subsidiaries of the Company, consolidation

Together with its subsidiaries, the Company forms a Group, which was amended and completed on 16 March 2023 with the addition of a new subsidiary, Deniro Ltd. The members of the Group and its main activities are shown in the table below (as at 31 December 2023):

COMPANY	MAIN ACTIVITIES	STATUS	EXTENT OF PARTICIPATION % (2023. december 31-én)
AKKO Invest Plc.	Asset management	parent	-
VÁR-Logisztika Ltd.	Real estate exploitation (industrial property)	subsidiary	100%
MOON Facility Ltd.	Real estate exploitation (industrial property)	subsidiary	100%
A PLUS INVEST Ltd.	Residential property development	subsidiary	100%
4 Stripe Ltd.	Real estate exploitation (industrial property)	subsidiary	100%
ALQ SAS	Property development (hotel)	subsidiary	100%
Deniro Ltd.	Asset management (Holding)	subsidiary	100%
Elitur Invest Ltd.	Asset management (Holding)	subsidiary	100%
NEO Property Services Ltd.	Building operation	subsidiary	49%

Our 2023 Sustainability Report also includes data on our subsidiaries. However, it is important to note, that these data are only partial – meaning they are offered for selective parameters of key importance rather than being comprehensive.

In Chapter 4 of the report, we have included data on the number of employees at NEO Property Services Ltd. in the case of our employee data, as this shows that this subsidiary has the highest number of employees in our Group. This information draws attention to the fact that at NEO Property is of utmost importance to pay attention to social factors such as working conditions, employee well-being, and training opportunities. In Chapter 5 of the report, the main environmental data of our subsidiaries are also included under environmental data.

More detailed sustainability data for NEO Property will be included in NEO Property's 2023 Sustainability Report. (NEO Property Services Ltd. data will be reported in our report as provided by NEO Property for 2023.)

Each of our Companies publishes its financial statements publicly. The activities of our subsidiaries are described in more detail below.

### **MOON Facility Ltd.**

MOON Facility Ltd. is the owner of an industrial property in Szolnok, which it leases out. The Company has been a member of the Group since 22 March 2019. The address of the property is 5000 Szolnok, Kombájn Street, which is divided into three properties in the land register.

### **Vár-Logisztika Ltd.**

Vár-Logisztika Ltd. is the owner of an industrial property in Nagykanizsa, which it leases out. The Company has been a member of the Group since 15 February 2019. The address of the property is 8800 Nagykanizsa, Vár street 12. The property owned by the Company was sold on 11 October 2023 under a property sale and purchase agreement, and the transaction closed on 13 December 2023. The Company's shareholders and investors were notified of these transactions using official publications.

### **ALQ SAS**

ALQ SAS is a company incorporated under French law. The Company is developing and renovating an apartment building on the French Riviera, it will utilize the facility by leasing or selling it, once completed. The property is located at 18 Avenue, Louis Gallet, Juan-Les-Pins, Antibes, France. The Company obtained the legal building permit in 2023, so the renovation and transformation of the hotel will be carried out using an ownership decision and investment, as planned.

### **4 Stripe Ltd.**

A 4 Stripe Ltd. The property is located at 2040 Budaörs, Kinizsi Street 4-6. The Company has been a member of the Group since 2 October 2019.

### **A PLUS Invest Ltd.**

A PLUS Invest Ltd. is planning to transform a property in the 12th District of Budapest into a luxury real estate property, which will be sold or rented out after its completion. The address of the property is 1121 Budapest, Ózike Street 14 - Eötvös Street 31. The property is currently utilized by letting.

### **Elite Invest Ltd.**

The Group acquired 100% of the shares of Elitur Invest Ltd. and thus NEO Property Services Ltd. The Group owns 100 % of NEO Property Invest, of which 51 % is held through Elitur Ltd. Acquisition date: 26.02.2021.

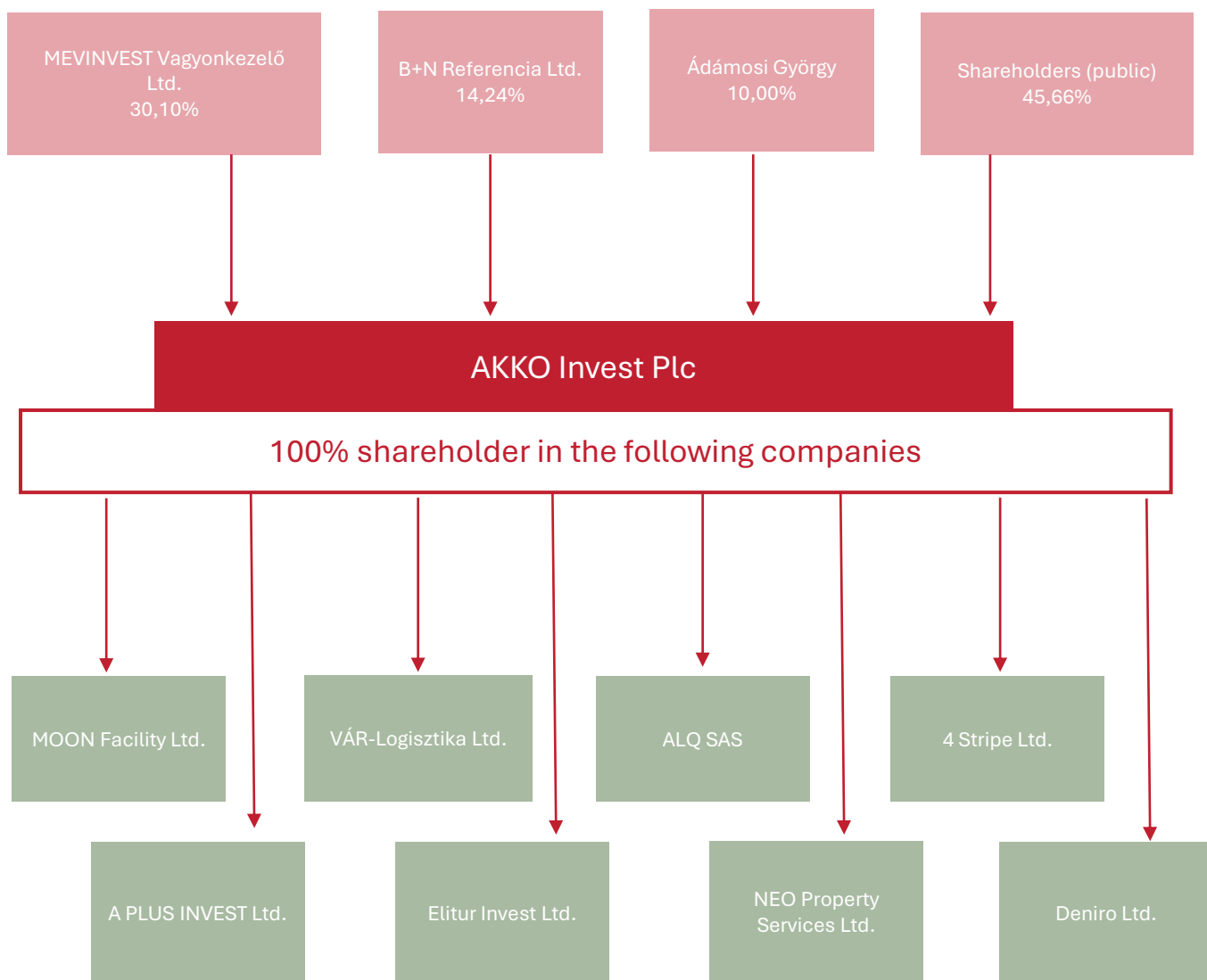
## NEO Property Services Ltd.

A NEO Property Services Ltd. is 100% owned by the Group. Acquisition date: 26.02.2021. This company is one of Hungary's leading property managers and service providers.

## Deniro Ltd.

The Group acquired 100% of the shares of Deniro Ltd. on 16 March 2023. The Company paid the purchase price for the property by transferring its own shares. The property is located in the immediate vicinity of the property in 4 Stripe Ltd., which is 100% leased. The address of the property is 2040 Budaörs, Kinizsi street 4.

The following chart shows the Company's subsidiaries (status as of 07.02.2024, still valid):



## 2. Strategy, objectives

Our Company places a high priority on sustainable operations, which is an important element of corporate responsibility and social commitment. This is reflected in our first simple Sustainability Report for 2023, which lays the foundations for sustainable operations and sets out our future goals and commitments in this area. The annual report is not only a snapshot of the current state of our Company but also a compass to help us define future sustainability actions and strategies.

We aim to align our sustainability efforts closely with the key objectives of our business strategy:

- ▶ By continuously expanding its investment portfolio, AKKO Invest Plc aims to operate as an asset manager with a well-defined value on an asset basis.
- ▶ In its operations, AKKO Invest Plc. focuses primarily on investments in the real economy, acquiring company shares and real estate with favorable growth prospects and good profitability.
- ▶ It invests in sectors and areas of the real economy where it sees significant underpricing and/or the potential for superior returns with very significant risk.

The investment strategy was developed by AKKO Invest Plc. and implemented by the Board of Directors. The portfolio may include both real estate investments and minority or majority stakes in other companies. We strive to integrate sustainability considerations into our business decision-making process, with a particular focus on energy-efficient real estate, as it contributes to environmentally conscious operations and long-term cost efficiency.

We focus on the long-term interests of our shareholders. This is vital, as the support of our investors is crucial to the long-term growth and stability of our Company, which contributes to strengthening our market position and mitigating risks.



### 3. Responsible corporate governance

Our Company places a high priority on corporate governance to ensure long-term business stability, ethical business conduct, and full compliance with legal requirements. Corporate governance is essential to operate sustainably and contributes to the proper management of business risks, which are critical elements of a successful and forward-looking business, to create long-term value for our shareholders.

Our Company's operational framework is set out in the Articles of Association, about the functioning of the company's general meeting, the performance of its audit functions, and the functioning of the board of directors.

We have a **Related Party Transactions Policy**, which covers the management, administration, control, and review of related party transactions.

Our **Whistleblowing policy** is based on the Law on Complaints and Public Interest Reports (Act CLXV of 2013 (Pktv.)) and applies to the reporting of abuse under the law. Our company recognizes the need for employees to have effective procedures for reporting abuse, employee conduct, or concerns about the company. Reports can be made by contacting the Whistleblower Protection Advocate, contact information is available in our Abuse Reporting Policy. We rely on our employees or business partners to report any situation where they observe or suspect wrongdoing, misconduct, or conduct that does not comply with the law.

Our **Privacy Policy** applies to everyone who processes personal data at the Company, whether an employee or a contractor and the Policy covers all data processing activities carried out by the Company. This includes both paper and electronic data. Technical and organizational measures are in place to ensure the security of personal data handled or processed. We use appropriate IT security systems and comply with the requirements of data protection legislation.

Records of data breaches are kept, for which the CEO is responsible. We also have a shareholder **privacy notice to inform shareholders about the processing** of personal data.

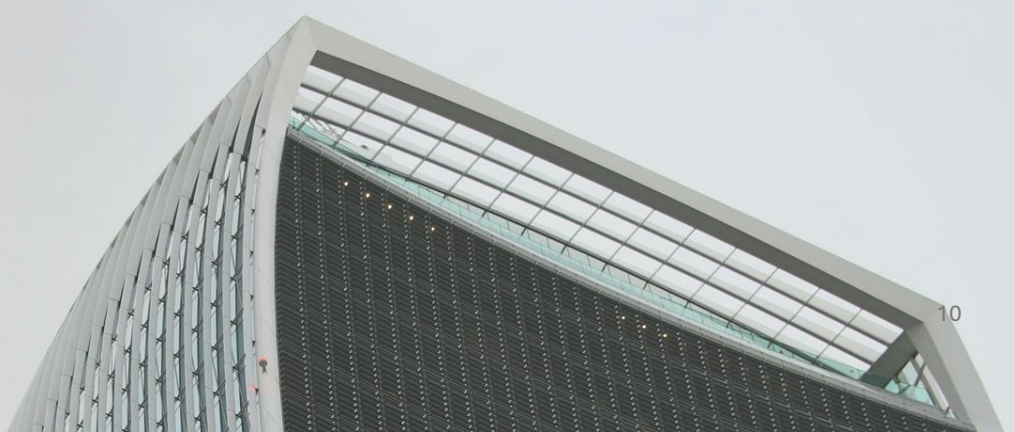
Our **Remuneration Policy** aims to create a motivation system that provides a sufficient counterbalance to short-term interests and ensures the achievement of our Company's long-term objectives. It also emphasizes responsible decision-making, competitive salaries and benefits, and the avoidance of risky behavior. Our Company does not use variable or share-based compensation, we have only set fixed compensation. We prepare an annual remuneration report, for which the Board of Directors is responsible and which, once approved, is submitted to the General Meeting of Shareholders. The report includes the remuneration determined and paid to the directors in the previous financial year.

We have a **data protection impact assessment** and a **privacy impact assessment** form for you to fill in as an annex to our GDPR policy. These documents are essential because we operate a camera system for the property we lease and all employees should be aware that they are being recorded to protect the property's assets and their personal property. The balancing of interests test allows us to analyze in detail certain situations or, where appropriate, the activities of our employees. This process can be particularly important in exceptional circumstances, for example when a criminal investigation requires the retrieval of CCTV footage. In such cases, the balancing of interests test will help us to decide whether the sharing and transfer of data is lawful and whether it is an appropriate way to provide a third party, such as the police or other authorities, with the evidence they need.

The primary purpose of our **Financial Management Policy** is to protect our funds. This includes safeguarding the funds held in our bank accounts and the security of our funds. The policy also aims to ensure that money is managed, and cash flows, record keeping, and documentation are carried out in a controlled manner. This ensures the transparency and legality of financial transactions. Compliance with the rules set out in the Cash Management Code is the responsibility of our Company's Manager.

Our **Insider Trading and Market Abuse Policy** sets out the procedures for complying with the Market Abuse Regulation. It aims to prevent capital market abuse and ensure market transparency and integrity. The Code promotes fair trading practices, protects investors, and maintains market confidence while complying with relevant capital market laws and regulations.

Due to AKKO Invest Plc's activities, we do not have a complaint-handling policy. When our tenants have a problem or question, it is usually received and handled by the tenant contact person, sometimes in cooperation with the IT manager (president), to find a quick and efficient solution. And if our shareholders have a question, it is handled by the investor contact, ensuring that all such matters are handled with due care and attention.



## 4. Our employees

We strive to support our employees' professional and personal development and value their work. We believe that through these efforts, we can not only improve individual performance but also create an environment that is positive and stimulating, where everyone feels comfortable and highly motivated. As well as short-term results, this approach also helps us to ensure that our employees remain committed to our business in the long term.

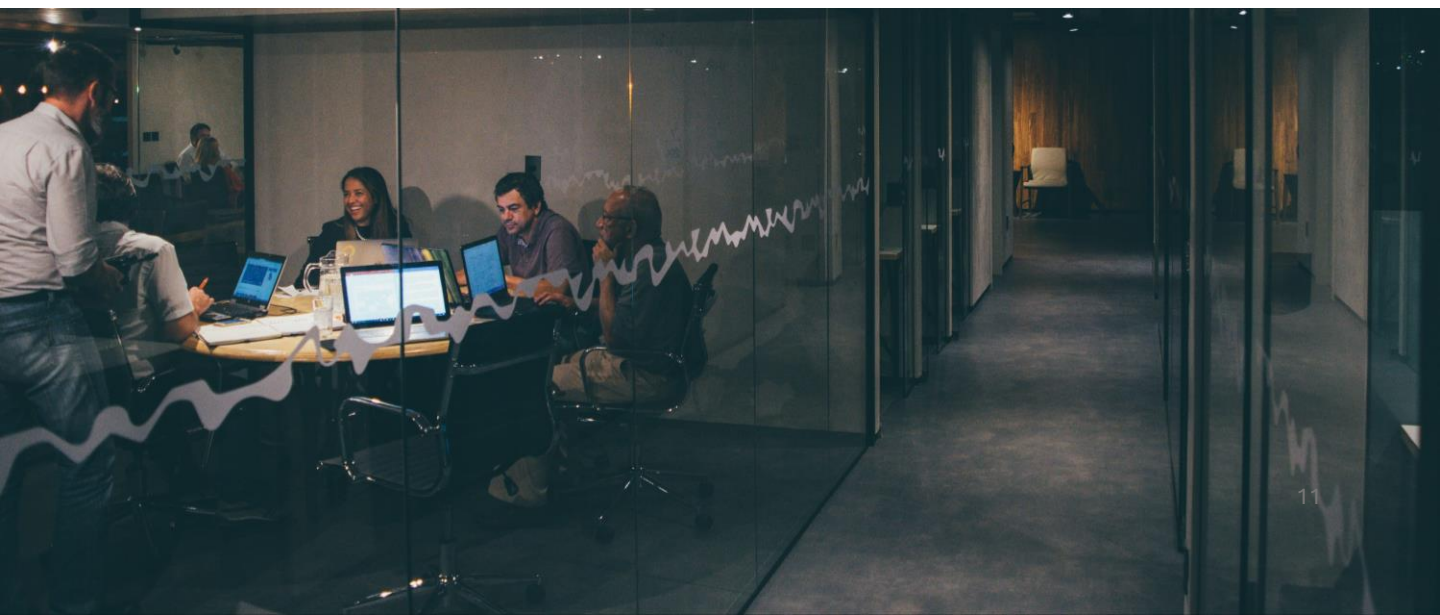
In 2023, AKKO Invest Plc employed 1 full-time employee and 4 part-time employees, all of whom have permanent contracts. AKKO Invest Plc. has a very low turnover rate, of 0% in 2023, NEO Property Services Ltd. had a turnover rate of 14% in 2023.

In 2023, our subsidiary NEO Property Services Ltd. had 492 full-time and 56 part-time employees.

Indicator <sup>5</sup>	AKKO Invest Plc. (2023)	NEO Property Services Ltd. (2023)	Total (2023)
Number of full-time employees	1 person	492 person	<b>493 person</b>
Number of part-time employees	4 person	56 person	<b>60 person</b>
Number of employees with an open-ended contract	5 person	548 person	<b>553 person</b>
Number of female employees	3 person	217 person	<b>220 person</b>
Percentage of female managers	0%	3%	-

One third of the members of the management board of NEO Property Services Ltd. are women.

We make sure that our pay policy reflects current labour market trends. It is important to us that our benefits system is in line with the level of pay expected by employees.



## 4.1. Training courses

To help our staff develop their professional knowledge and skills, we offer a wide range of training opportunities.

### Training opportunities available at AKKO Invest Plc. :

- ▶ The training provided by the Budapest Institute of Banking (BIB) gives us the opportunity for professional development.
- ▶ The Budapest Stock Exchange (BSE) Issuers' Forums are held once or twice a year and offer an opportunity to broaden your knowledge of the market.
- ▶ Periodically, forums or briefings on the KELER CAPS system are organized to provide information on the KELER system.
- ▶ The conferences organized by BSE and KELER Ltd. are usually attended by 1-2 representatives of our Company.

Our subsidiary **NEO Property Services Ltd.** provides a wide range of training opportunities for its employees. The training courses aim to better prepare employees for the challenges they face in their work, to ensure safety in the workplace, and to increase their work efficiency. In addition to mandatory training (e.g. fire safety training), other training is also available, such as language training.

Indicator (NEO Property Services Ltd., 2023)	Man		Woman	
	Headcount (persons)	Training hours (hours)	Headcount (persons)	Training hours (hours)
Managers	22	324	8	40
Intellectual workers	103	742	79	863
Physical workers	204	2775	132	0
<b>Average training hours by gender/person</b>	7,01		1,65	
<b>Average training hours per person</b>	8,66			
<b>Average number of health and safety training hours per person (first aid training, fire safety exam, training of safety representative)</b>	1,72			

## 4.2. Employee well-being

**NEO Property Services Ltd.** pays special attention to the well-being of its employees. According to AKKO Invest Plc., our subsidiary collects employee feedback and develops solutions to the problems that arise. In addition, family days, and sports programs are organized and employees have access to health screenings. Benefits include employer contributions to health and voluntary pension funds, as well as a bonus and loyalty scheme.



# 5. Environmental sustainability

In this chapter, we present our data on energy management, water management, and waste management, which are important aspects of our company's impact on the environment.

A total of 6 properties were included in the reporting of environmental data :

- ▶ Property leased by AKKO Invest Plc;
- ▶ Industrial property owned by MOON Facility Ltd.;
- ▶ Industrial property owned by Vár-Logisztika Ltd.;
- ▶ Industrial property owned by 4 Stripe Ltd.;
- ▶ Property owned by PLUS Invest Ltd.;
- ▶ Property owned by Deniro Ltd.

The 2023 report of NEO Property Services Ltd. will contain detailed data on its operations.

## 5.1. Energy management

There are some differences in the sources of energy consumption data for properties owned by AKKO Invest Plc. The electricity consumption data of A Plus Invest Ltd. is an estimate, as the accounting had not yet been done at the time of writing.

Solar panels were installed on the property owned by Vár-Logisztika Ltd. in 2023, and the solar panel network usage contract was signed on 01.03.2023. Thanks to the solar panels, the electricity bill was really low in November. The situation was even more favorable in December when the solar panels produced and fed back so much electricity to the grid that it exceeded the amount used by Vár-Logisztika Ltd. that month.

**The electricity consumption of the properties owned by AKKO Invest Plc. was 410 712 kWh in 2023, based on the available data.**

**In the year 2023, our total gas consumption was 21 258 m<sup>3</sup>**, a significant part of which was consumed by NEO Property Ltd. The property owned by AKKO Invest Plc. is heated by district heating and boilers. At 4 Stripe and Deniro Ltd. heating is not provided by gas, but by burning pine pellets in winter, spring, and autumn. In 2023, a total of 24 915 kg of pine pellets were purchased to provide heating.

The table below details our Group's electricity and gas consumption.

Indicator	Electricity consumption	Gas consumption
<b>Company name</b>		
AKKO Invest Plc. (2023)	7223 kwh	3647 m <sup>3</sup>
MOON Facility Ltd. (2023)	8709 kwh	—
Vár-Logisztika Ltd. (2023)	21 076 kwh	1325 m <sup>3</sup>
4 Stripe Ltd. (2023)	152 580 kwh	—
A PLUS Invest Ltd. (2023)	17 358 kwh <i>(Estimated value, settlement expected later)</i>	2310 m <sup>3</sup>
Deniro Ltd. (2023)	42 890 kwh	—
NEO Property Services Ltd. (2023)	160 876 kwh	13 976 m <sup>3</sup>
<b>Total (2023)</b>	<b>410 712 kwh</b>	<b>21 258 m<sup>3</sup></b>

## 5.2. Water use

Our company prioritizes resource efficiency, which includes reducing water consumption. In our day-to-day activities, we constantly strive to manage water resources efficiently and use as little water as possible.

Based on 2023 data, the water consumption of our company was 2197 m<sup>3</sup>. The water consumption figures provided by Deniro Ltd. include the water used by 4 Stripe Ltd. as the utility water bills are issued in the name of Deniro Ltd. The water consumption data of A PLUS Invest Ltd. includes the consumption accounted for based on water meter readings and not the estimated consumption billed by the utility company.

Indicator	Total water use
<b>Company name</b>	
AKKO Invest Plc. (2023)	3 m <sup>3</sup>
MOON Facility Ltd. (2023)	21 m <sup>3</sup>
Vár-Logisztika Ltd. (2023)	34 m <sup>3</sup>
4 Stripe Ltd. (2023)	— <i>(Deniro Ltd. data appears between)</i>
A PLUS Invest Ltd. (2023)	259 m <sup>3</sup> <i>(based on water meter reading)</i>
Deniro Ltd. (2023)	712 m <sup>3</sup>
NEO Property Services Ltd. (2023)	1 168 m <sup>3</sup>
<b>Total (2023)</b>	<b>2197 m<sup>3</sup></b>

## 5.3. Waste management

As our activities do not involve industrial processes or production activities that could result in hazardous waste, we do not generate industrial or hazardous waste and our operations generate mainly municipal waste. Due to the nature of municipal waste, the waste generated as a result of our day-to-day office work and our asset management and administrative activities is mainly paper, plastic, used office supplies, and kitchen waste. We ensure their collection, storage, and disposal in a controlled and environmentally sound manner.

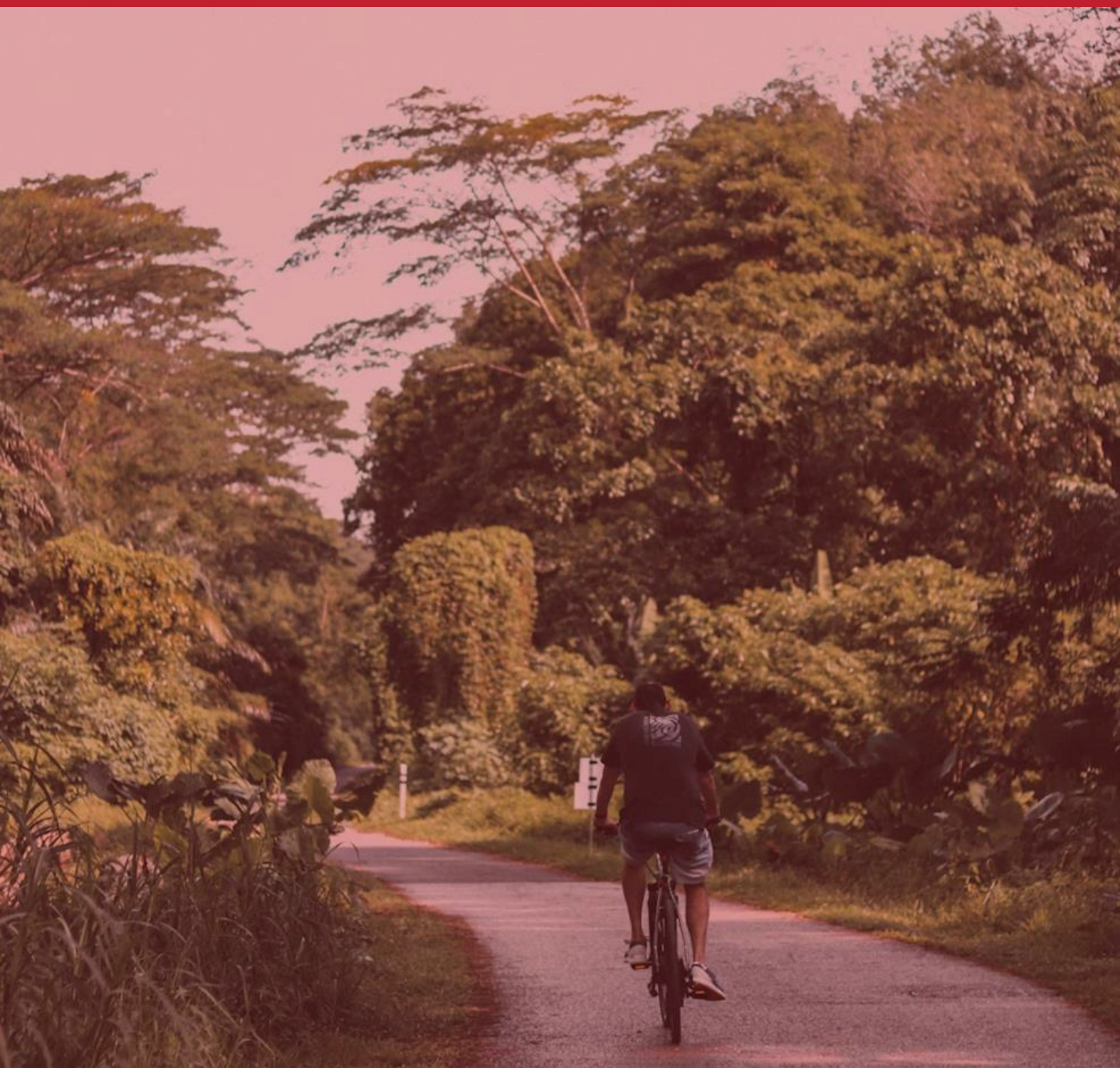
MOON Facility Ltd. does not have a contract for waste transport. The industrial properties rented by MOON Facility Ltd. are warehouses, and the daily operations generate a small amount of waste, which does not require regular and significant waste disposal.

The transfer of ownership of the property related to the sale to Vár-Logisztika Ltd. took place on 7 December 2023, and the amount of municipal waste calculated up to that date was approximately 11.8 m<sup>3</sup>. The estimated selective waste was 2.5 m<sup>3</sup> in 2023.

Indicator	Municipal waste
<b>Company name</b>	
AKKO Invest Plc. (2023)	0,5 m <sup>3</sup> <i>(Data on head office rental property, data on owned property not available)</i>
MOON Facility Ltd. (2023)	—
Vár-Logisztika Ltd. (2023)	11,8 m <sup>3</sup>
4 Stripe Ltd. (2023)	275 m <sup>3</sup> <i>(Contains data of Deniro Ltd.)</i>
A PLUS Invest Ltd. (2023)	5,7 m <sup>3</sup>
Deniro Ltd. (2023)	— <i>(Appears in the data of 4 Stripe Ltd.)</i>

Indicator	Municipal waste	Cardboard packaging material	Plastic packaging material	Other mixed packaging waste
<b>Name of company</b>				
NEO Property Services Ltd. (2023) – estimated data	30 245 kg	431 kg	44 kg	16 kg

Reporting period: this report covers the period from 1 January to 31 December 2023.



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