market

WE LOVE TO BUILD

SUSTAINABILITY REPORT

2022

market
WE LOVE TO BUILD

About Market Group

01

[GRI 2-1] [GRI 2-6] [GRI 201-1] [GRI 305-4]

We love to build

Market Építő Zrt. was established in 1996 by its two founders – Sándor Scheer and Csaba Tóth*. The early years were characterised by vigorous expansion, with the company quickly succeeding in obtaining significant orders from the dynamically developing construction market.

*Co-owner until 2001

1996 MARKET ÉPÜLETSZERVIZ

With an annual turnover of HUF 6-8 billion, Market then belonged to the medium-sized enterprise segment of the construction industry. Since then, Market Épületszerviz was established as part of the Market Group, with the task of handling warranty problems of projects immediately, efficiently and qualitatively, repairing or having repaired any defects arising, as well as maintaining continuous contact with clients and operators.

2002 WING

The construction of the Eurocenter on Bécsi Út was a milestone in the life of Market, and that assignment was to propel the company to the status of a serious player in the market. At that time, WING Zrt. acquired a stake in the company as a professional investor, and at the same time the opportunity opened up to connect with the real estate development area. With the cooperation of WING, Market aimed at the top of the building construction market. Work carried out on WING's real estate developments amounted to nearly one-third of the company's projects, while two-thirds were orders won on the open market. With an annual turnover of HUF 35-65 billion, Market Építő Zrt. has risen to the top three building construction companies.

2008 MORATUS KFT.

As a result of the economic crisis and in its wake, the real estate crisis, that began in 2008, Market also embarked on a completely new operational trajectory. Despite there being less work, thanks to well thought out planning and the taking of timely measures, Market managed to survive that period without resource to layoffs.

At the end of 2008, Market bought a stake in Moratus Szerkezetépítő Kft. and, later on, in search of a route out of the crisis, found OK Bau (today's OKM) and Vilati Kft.

2014 GROUPAMA ARENA

In 2014, WING opted out of Market and was replaced by István Garancsi with a 51% stake.

Another key milestone in Market's life was the construction of Groupama Arena, which was named world's best newly built stadium on its inauguration in 2014, thus positioning Market Építő Zrt. in the market for the long run.

2015 BUDAPART INVESTMENT

Another significant step forward in the life of the Group was the BudaPart investment, launched in 2015 with the help of Qatari and Hungarian investors, setting the goal of building a new part of the city. This project is still in progress.

2018 COMPANY OF THE YEAR

In 2016, with the recovery of the economy, Market was entrusted with a number of tasks. With a change of dimension, the Group made great strides in terms of size, quality and innovation, putting the Market Group at the top of the Hungarian field and in 2018, Market Építő Zrt. was awarded the title ‚Company of the Year' out of broad field of Hungarian companies.

Since 2018, Market has been on a continuous development path which even the period of the coronavirus pandemic could not hinder. The period 2021-2022 was the strongest and busiest in the company's history, well demonstrated by the fact that last year it closed with a turnover of HUF 306 billion.

2020 MARKET 6.0

Market Építő Zrt. has implemented about 850 projects so far and, at present, about 35-40 projects are being implemented concurrently.

Market Építő Zrt. has become an umbrella brand over the years, the Market Group currently comprises 11 subsidiaries and employs more than 1,500 people.

The current Market Group headquarters serves as an important reference building and sets an example for other players in the office building market. The present headquarters, Market 6.0, housing Group employees since the summer of 2020, won the Construction Industry Award for Excellence in the "Public Building/ Office Building" category in 2021.

Industry outlook

The construction industry accounts for around 40% of the global CO2 emissions, 12% of which relate to project implementation and 28% to operations. On average, 36% of all waste generated comes from construction and demolition, and cement production accounts for 8% of global CO2 emissions. In terms of the aforementioned proportions, the construction industry is considered a major polluter, therefore, for climate and environmental reasons, tackling the issue of making the construction industry more sustainable is of paramount importance.

If we examine the current trends, we can see that the world's population is constantly growing and that more and more people are gravitating toward the cities and, correspondingly, the demand for new buildings, the renovation of existing buildings and other infrastructure elements is increasing.

For that reason, "not building"' is not an option. In recent years, the industry has started to respond to global environmental and social trends, more and more alternative building materials have appeared on the market, efforts have been made to make construction more sustainable, and energy efficiency solutions have come to the fore in the field of operation. It is much easier to replace a light bulb than to abandon concrete entirely, thus is easier to make operations sustainable than to reduce built-in emissions. More and more buildings with green certification (LEED, BREEAM) are being built and, in some countries, only construction of buildings with green certification is allowed.

In recent years, the number of construction projects in Hungary has been steadily increasing, and at the same time the Hungarian construction industry has also reacted to world trends. More and more companies started to feel compelled to act on climate change. A common problem is that there is less choice and limited availability of "green" building materials, and at least for the time being, customers prefer known, traditional building materials. Despite the difficulties, Hungarian-owned construction companies still need to keep up with the ever-tightening decrees and regulations of the European Union, and prepare their buildings for the physical risks posed by climate change. It is very important for a company to take timely action in the field of sustainability, as it is a competitive advantage to be at the forefront of this segment as well. Market Építő Zrt. was the first Hungarian-owned company to publish its group-wide sustainability report in 2022. And from 2023 on, the authenticity of the data in the report will be certified by an external party.

Overview of group activities

Since its establishment in 1996, Market Építő Zrt. has become the leading building construction company in the construction sector. The Group, employing nearly 1500 people including its subsidiaries, has become synonymous with professionalism, quality and reliability. As a big company, engaged mainly in general and main contractor activities, it keeps abreast of international trends constantly, with a focus on environmentally conscious and design & build approaches, applying the latest innovations. The company implements nearly fifty projects annually, most of which are office buildings, logistics, industrial and commercial facilities, hotels, sports facilities and residential real estate. Over the past 27 years, it has implemented nearly 850 facilities and received more than seventy professional, business and employer awards, which is unique in the construction sector.

Throughout its dynamic development, the company's management has always attached great importance to the maintenance of professional standards, strict compliance with occupational safety rules, the appreciation of and respect for employees, the adaptation of innovation and the assumption of conscious responsibility for our environment. A genuine commitment to society, to our environment and to the improvement of people›s living conditions, constitute an integral part of its corporate values.

Market Építő Zrt. carries out its construction in close cooperation with its subsidiaries. Thanks to its robust synergies with the subsidiary companies, performance safety is extremely high, Market's performance is predictable, the work can be planned with confidence, can be optimized and can be rendered more efficient.

850
BUILDINGS

1500
EMPLOYEES

27
YEARS

Market Group member companies and their main characteristics in 2022 as presented in the report

Member Company	Scope of activities	Total revenue (million HUF)	Number of employees (persons)
Lean Tech Mérnökiroda Kft.	Architectural and engineering design, BIM modelling	2 422	28
Market Építő Zrt.	General construction, project management	324 161	529
Market Épületszerviz Kft.	Providing warranty and guarantee	1 800	88
MCM Beton Kft.	Concrete production	5 054	29
Moratus Kft.	Structural construction in monolithic reinforced concrete	16 810	158
OKM Építőipari és Szolgáltató Kft.	Civil engineering, road construction, earthworks	20 271	280
Prebeton Zrt.	Prefabrication of reinforced concrete elements, production of reinforcing steel	11 204	122
Property Market Ingatlanfejlesztő Kft.	Real estate development	1 666	44
Vilati Szerelő Zrt.	Building electrical installations	17 511	74

Subsidiaries

Lean Tech Mérnökiroda Kft.

Lean Tech Mérnökiroda Kft.'s task is to create attractive, efficient, sustainable architectural and engineering products, to provide high quality and flexible services in the field of architectural and engineering design and expertise. The design office has a comprehensive understanding and use of the extensive benefits of BIM modelling.

OKM Kft.

The majority of OKM Kft.'s activities are focused on sewer works, soil stabilisation, civil engineering works, construction of roads with solid pavement and earthworks for industrial, commercial, logistics and warehousing facilities, schools, public buildings, residential parks and settlements. The company has a significant fleet of its own machinery, which enables it to carry out major infrastructure developments efficiently and on short notice. OKM Kft. joined the Market Group in 2012, and has been a solid pillar of the parent company's investments ever since.

Moratus Szerkezetépítő Kft.

Moratus Szerkezetépítő Kft. is the dominant player in the Hungarian structural engineering market. Founded in 2004, the company became part of the Market Group as its first subsidiary in 2008. The activity of Moratus Kft. covers the entire spectrum of reinforced concrete construction, from the construction of large-scale industrial facilities to "manufactory" fair-faced concrete structures of the highest aesthetic quality. The company's portfolio has expanded in the past year to include prefabricated structures on residential and office building projects. The company also works on an ongoing basis for clients independent of the Market Group, subject to its available capacities. One of the strengths of the significant number of engineering teams is the design of efficient, material-efficient supporting structures. In recent years, several professional feats have been accomplished, such as the Duna Arena, the Telekom and T-Systems Headquarters, the Biodome, the Párisi Udvar Hotel Budapest, the MOL Campus, the Dorottya Udvar and SK Innovation Iváncsa projects.

A Vilati Szerelő Zrt.

The main activity of Vilati Szerelő Zrt. is the execution of building electrical installations. Vilati joined the Market Group in 2011, and since then, as an electrical subsidiary of Market Építő Zrt., they have been present on the most significant investment projects throughout the country.

Market Épületszerviz Kft.

The foundation of Market Épületszerviz Kft. was aimed to provide a full range of comprehensive services to our clients. This is because our work does not end with the technical handover of the buildings, but if defects occur during the warranty period, we handle them professionally and fairly. In addition, the company performs special trade works for Market Zrt., such as façade installation (Alucobond, trespa, fibre cement, etc.), painting, railing assembly, etc.

MCM Beton Kft.

MCM Beton Kft. was founded in 2016, initially with the task of supplying concrete for the BudaPart project from the construction site, thereby reducing environmental burdens and ensuring efficient raw material supply. Today, it serves the Market Group with a total of five concrete plants.

PREbeton Zrt.

PREbeton Zrt. manufactures and assembles prefabricated reinforced concrete structures and machining reinforcing steel. Services provided include design, production, transportation and assembly, used to offer high standard implementation of full-scale structural construction projects. The products hold conformity marks, licenses and certificates according to the Hungarian laws. The company operates in accordance with the MSZ EN ISO 9001 quality management system, thus ensuring consistently high quality. With its technological machinery and wide range of products, it can fulfil orders flexibly and on short terms.

An important milestone in Market's development history was the establishment of its own factory in Erdőtelek, Heves County, which allows the manufacture of standardized concrete products and closely related raw materials, thus ensuring a higher level of performance safety for the entire group of companies. The factory was built with the help of the Corporate Investment Support Programme. Products originating from here allow construction works much more efficient, faster and more environmentally friendly at the construction site. The launch of the plant and the 60% increase in its capacity completed in 2022 opened a new chapter in the life of the Market Group, further strengthening the company's competitiveness and efficiency in the field of building construction.

The Market Group in figures

Planting
16 880
tree saplings on 2.11 hectares

11
member companies

29 122
workers on construction sites

1352
employees

2 404 613
hours worked

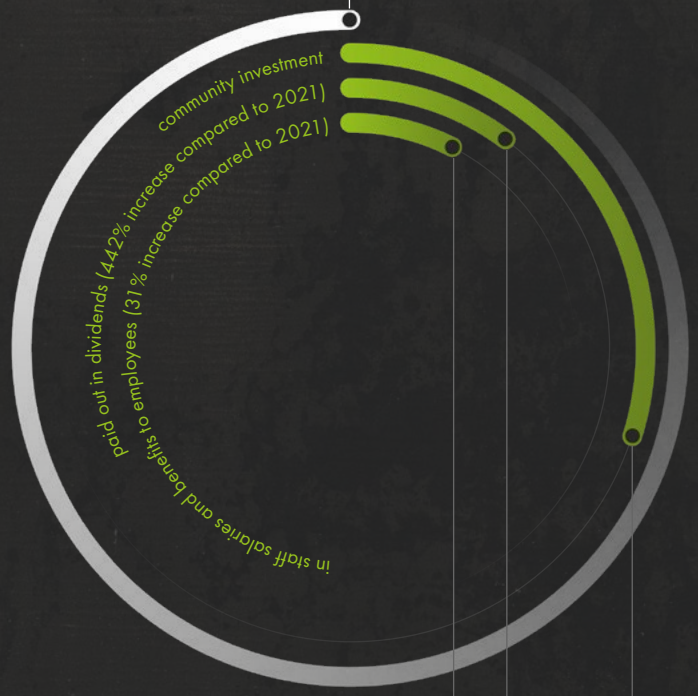
25
completed projects (validation in progress)

<99%
domestic supplier share

94.5%
waste recycling rate

Economic value created during the reporting period

HUF 400 901 million
REVENUE



HUF 393 million

HUF 28 175 million

HUF 24 410 million

Key ESG indicators of the Market Group	Unit	2018	2019	2020	2021	2022
Environmental pillar						
Scope 1-2 emissions (CO_{2e})*	tonne	7 942	9 438	8 466[1]	12 786[1,2]	10 532
GHG intensity ratio to revenue	tonne CO_{2e} / 100 mHUF	4.4[3]	3.9	3.6	3.5**	2.6
Social pillar						
Number of staff***	person	962[4]	1 096	1 176	1 270	1 352
The ratio of the average female salary to average male salary	%	84.7	79.2	93.8	97.8	96.38
Pillar of responsible corporate governance						
Sustainability strategy		-	-	-	✓	✓
Publishing a sustainability report		-	-	-	-	✓

[1] The 2022 sustainability report included Property Market Ingatlanfejlesztő Kft. as well, therefore the values for 2020 and 2021 were recalculated retrospectively. Data for 2018 and 2019 were not fully available (for fuel consumption only), so emissions refer to the previously reported composition of Market Group. The data has changed slightly due to an update of the calculation methodology. This is explained in more detail in the Climate and Environment chapter.

[2] At the end of 2021, we operated a building in a special situation for 3 months, which is not part of our normal operations. This consumption has been corrected retrospectively. Consumption of the Group is reported in the annual Sustainability Report of 2022 on the basis of consumption data related to normal operation. After tracking the data, the Group explored the causes and the consumption figures for 2021 were corrected. It has resulted in a reduction for 202.

[3] Due to broadening the scope of the sustainability report and the updating of the methodology used to determine scope 1-2 emissions, GHG intensity indicators were also recalculated retrospectively as a proportion of revenue, resulting in a slight difference in some data compared to the previous year's report. Property Market Ingatlanfejlesztő Kft. did not disclose revenue data for the years 2018, 2019 and 2020, so the addition of the member company's revenue to the final value was only a modifying factor for 2021 and 2022.

[4] The headcount figures were updated between 2018 and 2022 for each year retrospectively, due to the inclusion of Property Market Ingatlanfejlesztő Kft. into the reporting process.

* The value of Scope 2 emissions is considered here on a local basis. The Climate and Environment chapter also covers local and market-based Scope 2 emissions.

** Market Építő Zrt. operated a third party owned building for 3 months in 2021. This was a one-off case, operation does not fall within the scope of activity of the Group. Excluding the resulting GHG emissions, the GHG intensity ratio will be 3.5 tonnes of CO2e/100 m HUF in 2021.

*** Based on end-of-year data.

Key awards received in 2022

FIABCI World Prix d'Excellence

The International Real Estate Development Award of FIABCI World Prix d'Excellence for the best neighbourhood development project was granted to BudaPart in Paris

Construction Industry Award of Excellence

MVM Dome won a Construction Industry Award of Excellence in the public building/sport and leisure category

Construction Industry Award of Excellence

Budapalota won a Construction Industry Award of Excellence in the category of monument restoration and rehabilitation

Kertész Institute

The Kertész Institute project was awarded with a Certificate of Appreciation

Sándy Gyula Prize

Tamás Krenn, project manager of Market Építő Zrt. received the Sándy Gyula Prize for his outstanding performance in the field of overground building construction

Lechner Ödön Prize

Ibolya Bertók, HR Manager of Market Építő Zrt. received the Lechner Ödön Prize for her efforts to promote the professional succession in the construction sector

CEO's welcome

02

[GRI 2-22]

Dear Reader,

It gives me great pleasure to pen these lines to accompany this second sustainability report issued by Market Group. Beside that pleasure, I also feel the challenge and responsibility, since it is no secret that our goal is to present a role model to the Hungarian construction industry, believing that the path of sustainability is the way to the future.

Despite numerous aggravating economic conditions, Market Group performed exceptionally well in 2022, both in relation to other construction industry players and with consideration to our company's previous achievements during its 27 year history. Last year, we implemented successfully and in a timely manner, such projects as the smart building of the MOL Campus, which competes with Europe's most modern buildings and holds simultaneously both the highest BREEAM 'Excellent' and LEED 'Platinum' certifications attainable in the field of sustainability. We built and handed over last year, the main office building of OTP Bank in parallel to the MOL Campus, which also has a unique innovative solution and the "Gold" grade of the LEED environmentally conscious building rating system. However, our achievements in office construction did not end with those two iconic buildings as, in 2022, we also completed the construction of the Bosch Budapest Innovation Campus, which has become one of the key research and development centres in the Central European region. We closed a successful year in industrial, logistical and commercial type constructions, completing the Airbus plant in Gyula, the Alukov plant in Bátonyterenye, and Autonet in Üllő, built a logistics hall for Unilever in Nyírbátor and successfully completed the HelloParks Maglód projects where, in cooperation with the customer, after the first Hello Parks building with BREEAM 'Excellent' performance, we managed to target the BREEAM 'Outstanding' level on the following buildings. Owners of the construction projects implemented by us are constantly encouraged with recommendations to apply sustainable solutions, also made available to them in the form of a so-called "green menu".

Dynamically developing industrial project investments have been launched and are still being launched in Hungary, as a result of which industrial-logistics investments and foreign investors tend to appear in an ever more dominant position in the construction industry. At the same time, a significant number of Hungarian players failed to recognize that trend in time and, unprepared for such tasks, thus opened the door for foreign construction companies to gain a foothold on the Hungarian market. We must prepare for the fact that in the future we will have to compete with those companies in terms of price and quality. If Hungarian companies do not perform at least as well as the foreign companies, their orders will fall even further behind in an already difficult period. By diversifying our customer base, reviewing our processes, managing sustainability at a strategic level and analysing data, we were able to overcome the worst and remain on a growth trajectory despite the crises.

> ***Today, Market's name is synonymous with the highest quality and safe delivery on deadline. That is the reward of our strategy built and implemented consciously over the years. That required a lot of work in the roles of contractor, investor and developer alike.***

We are present as investors in BudaPart, the BEM Project and the Dürer Project. We are developers at BudaPart and, as a contractor, we cover the entire range of overground engineering construction. Our implemented projects include a large number of industrial investments, logistics investments, office constructions, hotel constructions, commercial investments, residential real estate and sports facilities.

We continuously monitor and analyse all market movements and react in a timely manner, therefore, in 2022, we decided to establish sustainably operating mineral wool thermal insulation material factories, mainly to meet the needs of the Hungarian and Central and Eastern European markets, thus significantly strengthening the Hungarian owned construction materials manufacturing sector.

In rapid response to changing market demands, Market Group increased the capacity of its 2020 completed prefabrication plant PREbeton, to produce reinforced concrete structures by 60%. That is in preparation for, among other things, the spread of sustainable construction technologies focusing on modular and prefabricated structures.

Sustainability is an increasingly important part of the desire to create value that has always permeated the company. We are aware that the construction sector is one with the highest CO2 emissions and environmental impact, so our measures play a key role in creating a liveable future.

Based on the three pillars of our sustainability strategy defined in 2021 – environment, society and responsible

corporate governance –, we strive to reduce our negative impacts while creating value for society as a whole. I am proud to report that, in 2022, we have already made significant progress on some strategic goals. Those include improvements in the GHG intensity ratio (reduced from 3.9 tonnes of CO2e / 100 mHUF to a level of 2.6 tonnes), increased water efficiency and the implementation of ambitious measures to protect biodiversity. For our projects, we have offered our customers options that increase water efficiency. In cooperation with Pilisi Parkerdő Zrt., we launched our Tree Planting Programme, the aim of which is to contribute to the conservation of biodiversity in Hungarian forests by underplanting locally alien or non-indigenous tree stands with local and native tree and shrub species. With the planting of nearly 17,000 saplings, we have also taken a significant step towards fulfilling our voluntary tree planting commitment during which, in our current 5-year strategic cycle, we plant one more tree for every tree planted on each project in order

to create a more liveable environment. At our construction sites, we have positioned insect hotels and bird boxes.

We have always paid special attention to the wellbeing and training of our employees, and as an enthusiastic supporter of lifelong learning, it is a special pleasure for me to see that the number of training hours per capita is increasing year on year (4.5 hours per person in 2021, 7 hours in 2022).

At the same time, it is a warning to us, and a motivating force, that some of the targets could not be met pro rata as expected, so we need to make a greater effort along those lines in the remaining years of the strategy. Those missed targets include a 5% increase in our direct and indirect GHG emissions compared to the base year, an increasing trend in waste volume and a slight increase in the number of accidents at work compared to the preceding year. We also need to make progress in increasing the proportion of women leaders.

> ***The increase in GHG emissions and absolute waste can be explained by the increasing amount and volume of projects, while the low proportion of women in the workforce is typical for the industry and is also reflected at the management level.***

In spite of the economic crisis affecting our country and our region, we cannot forget the climate change and the ecological crisis, which are the most complex global challenges of our time. That is why we at Market consider it important to every year align our activities with the UN Sustainable Development Goals and to take stock of what we have achieved along the lines of each goal. The installation of the solar panels on the roof of the Market 6.0 headquarters and the PREbeton production plant can be counted among our successes, reducing our network consumption by more than 5%.

We collaborated with the Moholy-Nagy University of Art and Design and the Budapest University of Technology in order to enhance the knowledge of future generations of architects and to bring them up to date. Together with two other large construction companies, we founded the Tudásépítő Team Ágazati Képzőközpont (Sectoral Training Centre), where students can learn more than 10 construction trades and acquire up-to-date, marketable knowledge. With the launch of the training centre, we wish to alleviate the labour shortage in the construction industry. Our commitment to spending 0.1% of our revenue on CSR purposes is continuously monitored and it is used responsibly. Among other things, we extended a helping hand to the Bátor Tábor Foundation and the Mosoly Foundation, and with the renovation of the ruins of the Tök church, we launched our Ruin Rover programme aimed at preserving the sacral architecture of the medieval period.

An important element of the path towards sustainability is to make our operations transparent. Accordingly, the information in our 2022 sustainability report has been certified by an independent third party.

In this report, we provide an opportunity for all stakeholders to learn about how our group operates and how we perform in various areas. We welcome your questions and constructive comments about sustainability at the fenntarthatosag@market.hu email address.

Budapest, October 2023

Sándor Scheer
CEO

About the report

03

[GRI 2-2] [GRI 2-3]

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WE LOVE TO BUILD

Market Group, like the buildings it constructs, intends its corporate operations to stand on stable, sustainable foundations. As one of Hungary's leading real estate development groups, it has set itself the goal of incorporating sustainability into its operations, in addition to providing outstanding quality to its clients. In the Group's second sustainability report, the reader can learn about Market's performance in 2022 and the most important cornerstones of the year.

This document is the Market Group's second sustainability report, covering the calendar year of 2022. As part of its strategy, the company has set the goal to report on relevant sustainability performance annually, thereby making the group's operations even more transparent. Market's report is prepared in accordance with the internationally recognized Global Reporting Initiative standards at the "In Accordance" level. The data and information contained in the report are generally group-wide, except in special cases where the data are provided indicating the member companies concerned. The sustainability report is characterised by the following features:

Coverage:	The Market Group
Reporting period:	1 January 2022 to 31 December 2022
Reporting standard:	In Accordance with the GRI Standards 2021
Reporting period:	Annual

With a view to the principles of sustainability, this report is published online only.

Companies covered by the report:

- Lean Tech Mérnökiroda Kft.
- Market Építő Zrt.
- Market Épületszerviz Kft.
- MCM Beton Kft.
- Moratus Kft.
- OKM Építőipari és Szolgáltató Kft.
- Prebeton Zrt.
- Vilati Szerelő Zrt.
- Property Market Ingatlanfejlesztő Kft.

The companies included in this report are subsequently referred to in the report as the Market Group or Group of Companies. The following member companies are excluded from the scope of the report: Inerttt Kft., Valép Padló Kft., Market Asset Management Zrt.[5]

[5] The core activity of Market Asset Management Zrt. is completely different from the core activity of other member companies of the Market Group: it deals with asset management. Inerttt Kft. was liquidated in May 2023, and Valép Padló Kft. is a new member of the Group, so data collection processes are still being synthesized.

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WE LOVE TO BUILD

Material topics

04

[GRI 3-1] [GRI 3-2] [GRI 3-3] [GRI 2-29]

In compiling this report, the Group has focused – in line with the requirements of the GRI standard – on materiality, stakeholder involvement, completeness, accuracy, comparability, timeliness, reliability, balance and presentation of sustainability relationships.

In 2021, the Market Group also conducted an online survey with stakeholders to support the preparation of the sustainability report. The identification of the appropriate target groups was carried out through multiple consultations. During the process, the following groups were identified: employees, clients, NGOs, and the members of the future generation. The survey included the relevant stakeholder organisations and stakeholder groups identified. The stakeholder groups were involved and their opinion on the sustainability issues was explored with the aim of taking into account the interests and suggestions of the affected groups in Market's future sustainability efforts.

The materiality analysis of the Market Group helps to identify sustainability topics that are important and currently emphasized for the group and its stakeholders, and to guide the interests of stakeholder groups through business processes and strategic goals.

When defining and ranking the relevant topics, the Market Group took into account the results of the stakeholder survey and the target objectives of the sustainability strategy prepared in 2021 and launched in 2022. The relevant topics remained unchanged in comparison with the previous reporting period.

Materiality rating of the Market Group's sustainability topics, 2022

High priority

- Responsible corporate governance
- Innovation management
- Operational eco-efficiency
- Building materials
- Climate strategy
- Attracting and retaining talent
- Sustainability in the supply chain
- Sustainable use of raw materials
- Continuous training of employees, awareness raising
- Waste management
- Cooperation on environmental and social issues

Medium priority

- Risk and crisis management
- Low-carbon strategy
- Health and safety at work
- Social impacts on communities
- Stakeholder involvement
- Gender equality
- Customer information
- Human rights

Low priority

- Energy mix
- Fleet management
- Sustainable financing
- Environmental policy and management systems
- Resource saving and resource efficiency
- Raw material procurement
- Transport and distribution
- Human capital development
- Sustainable coordination
- Corporate conformity
- Risk management
- Supplier relations
- Local purchases
- Customer satisfaction
- Innovative, sustainable service for Customers
- Sustainable operation
- Innovation for sustainability
- Employee involvement in the field of social engagement
- Social involvement, dialogue

Sustainability strategy – now or never

05

We love to build...

.. And just like in the case of our buildings, we want our company to stand on a stable, sustainable footing.
.. That is why we have set ourselves the objective of creating that solid foundation by 2025.

"The Market Group implements its long-term strategy in a conscious and responsible manner. Sustainability is an integral part of that effort in which we want to become a role model for the domestic construction industry. Through responsible and controlled resource management and enhanced group level resistance the well-defined goals can be achieved." – Balázs Báthory, Deputy CEO responsible for innovation at Market Építő Zrt.

The vision held by Market is to render the position of the largest domestic building construction group sustainable. To reach that goal, it has identified the necessary priorities and focus points that will help it to achieve its objectives.

Sustainability is an important element of the Group's business strategy, which it extends to all the group operations. The preparation of Market's first ESG survey helped to frame this. The survey revealed areas of operation where the company is already actively working to promote sustainability, but also identified segments where its performance is still below the high standards it has set for itself.

Corporate sustainability is a very complex strategic and operational process affecting the entire company, but step by step, with persistent work, Market can create value in the long run not only for the group, but also for its customers and society as a whole.

During 2021, the management of the Market Group approved the focus areas of the company's first sustainability strategy, along which it would like to ensure the enforcement of sustainability principles both in decision-making and in the daily operational work. Some of the identified focus areas cover activities that have already received special attention. The sustainability strategy has been broken down into 34 action plans by the company's internal division, the progress of which is reviewed quarterly.

The areas identified along the three pillars of sustainability are:

Environmental dimension

- Reducing direct (scope1) and indirect (scope2) emissions
- Assessment of other indirect emissions (scope3)
- Managing risks related to water
- Improving resource efficiency
- Sustainable use of raw materials
- Use of alternative building materials
- Operational eco-efficiency
- Protection of biodiversity

Social dimension

- Health and safety at work
- Attracting and retaining talent
- Diversity and equal opportunities

Economic dimension

- Responsible corporate governance, sustainable coordination
- Development of customer relationships, awareness raising
- Sustainable supply chain management
- Sustainability Report
- Integrating the UN Sustainable Development Goals into operations
- Stakeholder relations, sustainability communication

Climate and environmental commitments

Reducing direct and indirect emissions

Market Group will reduce its direct (Scope 1) and indirect (Scope 2) GHG emissions by 30% by 2025 compared to the 2019 level and phase out the majority of its petrol and diesel passenger cars. It will also reduce emissions from its electricity use by at least 32% over the period of the strategy.

Sustainable use of raw materialse

By 2025, the Group will review the production process of prefabricated elements used in construction and make it more sustainable.

Managing water related risks

By 2025, the Market Group will reduce the amount of water it uses annually by 10% and, in the case of new investments, will offer its customers water-saving solutions that can improve the water efficiency of buildings and their surroundings. (E.g. rainwater collection, greywater use)

Improving resource efficiency

Internal guidelines will be developed to make resource use more efficient, and the Group's data collection processes will also be reviewed and improved.

Reduction of other indirect emissions

By 2025, the Group will complete its GHG inventory and determine its other indirect emissions (Scope 3). It undertakes to reduce the energy consumption of new buildings built within the framework of own investment to below 80 kWh/m2/year. From 2025, for all new large investments built, a zero-energy option will be included in the offer submitted to the customer. Professional advice will be provided to investors as part of awareness-raising in sustainability.

Use of alternative building materials

The Market Group is preparing for the global shortage of raw materials, one of the first steps of which is to review its use of building materials by 2025 and, where possible, to introduce alternative, sustainable solutions.

Operational eco-efficiency

By 2025, the Group will reduce the amount of waste generated during its operations by 10% and recycle 50% of the waste generated during demolition works in other locations. It integrates a zero-waste approach into its corporate culture, which it prioritises both in its office activities and projects, and further develops its hazardous waste registration system.

Protection of biodiversity

By 2025, the Market Group will develop a corporate policy that represents a clear commitment on its part to environmental protection. It maintains and, where possible, develops current processes which have been put in place to protect biodiversity and the natural environment. Twice the number of trees requested by the Client will be planted on construction projects, and the expanse of green areas will be increased at project sites.

Social responsibility

Health and safety at work

Occupational health and safety are industry-specific issues for the Market Group and are therefore elements of paramount importance in the sustainability strategy. A significant proportion of its employees work in hazardous conditions and aim to keep the number of work-related accidents to a minimum. By 2025, it aims to maximise the loss of working time due to accidents at work at group level to 700 days/year.

Attracting and retaining talent

The Market Group is integrating new trainings on sustainability into its trainings. It aims to reach 32 hours per capita training time at group level by 2025. A mentoring programme and scholarship opportunities are provided for young talents studying in higher education and starting their careers.

Diversity and equal opportunities

The Group has set itself the goal to increase the proportion of female managers by 2025, doubling their rate in the case of Market Építő Zrt. compared to the base year (2020). In order to make the corporate climate more inclusive, it launches internal sensitization programmes. The Market Group commits to reduce the gender pay gap to less than 15% at group level and to renew its internal Code of Ethics to promote diversity and equal opportunities.

Economic objectives

Responsible corporate governance, sustainability coordination

In parallel with the creation of the strategy, the Market Group decided to take sustainability decisions to a new level. Sustainability was integrated in the area of innovation and an operating model based on sustainability coordination was commenced to be set up. The sustainability area will be responsible for validating the sustainability strategy's goals and monitoring them throughout its lifetime.

Development of customer relationships, awareness raising

The Market Group recognizes that the focus on sustainable material use and resource efficiency can only be improved by involving customers in the process. A so-called "green menu" is offered to project Owners containing sustainable architectural solutions and their complex implementation.

Sustainable supply chain management

In order to make its sourcing more sustainable, the Market Group aims to integrate sustainability principles more deeply into the supply chain management processes. It extends its group-wide policies to suppliers and partners. Due diligence processes of tenders will be developed to assess suppliers against sustainability criteria from 2025.

Sustainability reporting

As part of making corporate operations more transparent, the Market Group will report annually on its sustainability-related results in the form of a sustainability report, which will be prepared according to the guidance of the internationally accepted GRI standard system. The objective is to issue a sustainability report in 2025 certified by a third-party.

Stakeholder relations, sustainability communication

In 2021, the Group conducted a stakeholder survey as one of the inputs needed to shape its sustainability strategy. Feedback and expectations received from the target group were taken advantage of in this way to develop and prioritize the strategic goals of the company. The survey will be repeated every two years. At the same time, the Group continuously develops its sustainability communication so that its stakeholders always have up-to-date information about the Group's sustainability-related activities and the Group can be kept up to date with their expectations.

Changes along the main objectives of the sustainability strategy in 2022

Main sustainability objectives Reduce direct (scope1) and indirect (scope2) emissions by 30% - (t CO_{2e})

Base year data	2021	2022
9 438	12 786	10 532

Sub-targets for 2025

reduce Scope 1-2 emissions by 30% compared to 2019[6], equivalent to 6,607 tonnes of CO2e.

Prorated fulfilment

Summary

Compared to 2021, Scope 1-2 (-18%) emissions decreased in 2022, but emissions remained higher (+12%) compared to the base year. In 2022, preparations were underway for projects that would lead to significant emission reductions. These include purchasing green energy, replacing the fleet with lower emission vehicles, installing smart control systems in production plants and increasing the energy efficiency of containers.

Reducing direct (scope1) and indirect (scope2) emissions by 30% - Fleet conversion

Base year data	2021	2022
Electric vehicles: 1	Electric vehicles: 1	Electric vehicles: 3
Internal combustion vehicles: 289	Internal combustion vehicles: 559	Internal combustion vehicles: 657
Hybrid vehicles: 1	Hybrid vehicles: 65	Hybrid vehicles: 74

Sub-targets for 2025

Phase out petrol and diesel passenger cars at group level from the fleet by 2025.

Prorated fulfilment

Summary

Compared with the base year, the size of the entire fleet increased several times. As a result, although there has been a significant increase in the number of hybrid vehicles, the number of internal combustion vehicles has also increased.

In 2022, there was a change in the timing of the renewal of the company car fleet for the Group. Vehicles are replaced every 5 years instead of 4 years.

This change, as well as the economic environment and the provision of infrastructure, justify that in 2023 the Group should review the related target and modify if necessary.

Monitoring of consumption data started in 2022.

As regards the number of internal combustion vehicles, the Group is gradually replacing its fleet with vehicles of higher environmental ratings.

Reducing direct (scope1) and indirect (scope2) emissions by 30% - Energy efficiency

Base year data	2021	2022
1 926	2 860	1 715

Sub-targets for 2025

Reduce emissions from electricity use by at least 32%.

Prorated fulfilment

Summary

GHG emissions related to electricity use decreased by 11.1% compared to the base year.

Other indirect emissions (Scope 3) - Group Scope 3 emissions assessment

Sub-targets for 2025

Complete GHG inventory and identify other indirect (Scope 3) emissions.

Prorated fulfilment

Summary

No progress has been made towards the target, but it is planned to start building a group-wide data collection process for Scope 3 calculations in 2024.

For the products manufactured by Prebeton Zrt., the carbon footprint (for the process from raw material procurement to the preparation of the finished product) has been determined in 2022-2023.

- The strategy objective has been achieved at the rate for the time.
- There has been no progress towards the strategic goal.
- The strategic target has not been achieved at the rate for the time, but progress has been made along the target.
- The strategic target was not met at the rate for the time, there was a negative shift compared to the base year.

[6] When defining the sustainability strategy, the base year for GHG emissions targets was 2019 because the 2020 values did not reflect a normal operating year due to the pandemic.

Assessment of other indirect emissions (scope3) – Involving clients in emission reductions from 2025

Sub-targets for 2025

Reducing the energy consumption of new buildings built within the framework of own investment to below 80 kWh/m2/year.

Offering clients a zero-energy option.

Prorated fulfilment

Summary

The assessment of options and the development of the related data reporting process have started

Managing water related risks

Sub-targets for 2025

Offering clients water-saving solutions that can improve the water efficiency of buildings and their surroundings.

Prorated fulfilment

Summary

On the projects, options increasing water efficiency (grey water utilization, rainwater collection) will be offered to clients.

Managing water related risks - reducing municipal water use; (m^3)

Base year data	2021	2022
83 722	29 254[7]	65 481[8]

Sub-targets for 2025

Reducing water use by 10%

Prorated fulfilment

Summary

Although water use increased compared to 2021, partly due to expansion and the fact that a large number of projects were ongoing in 2022, it also decreased significantly compared to the base year (by more than 20 percent), which is primarily due to the water-saving solutions of Headquarters 6.0.

Improving resource efficiency

Sub-targets for 2025

Develop internal policies to make resource use more efficient and review and improve data collection processes.

Prorated fulfilment

Summary

During the reporting period, data collection processes were built and optimized.

In 2022, the Material Storage Action Group was established to optimise material storage on projects by improving the data collection process, while contributing to the minimization of raw material waste.

[7] In the 2022 sustainability report, the scope of the report was extended to include Property Market Ingatlanfejlesztő Kft. as well, therefore the values for 2020 and 2021 were recalculated retrospectively. In addition, the data of MCM Beton Kft. have been retrospectively modified, because in the previous report the process water consumption was incorrectly indicated in the category of municipal water consumption.

[8] The reason for the increase was the involvement of the additional company expansion in the case of OKM and Prebeton, new rental property and construction, and in the case of Market Zrt., more than 80% (31 371 m^3) of the municipal water consumption was used during the execution of the projects.

Sustainable use of raw materials

Sub-targets for 2025

Review the production process of prefabricated elements used in construction and make it more sustainable.

Prorated fulfilment

Summary

Preparations for the carbon footprint calculation of prefabricated elements were underway in 2022.

Use of alternative building materials

Sub-targets for 2025

Review the use of building materials and, where possible, introduce alternative, sustainable solutions.

Prorated fulfilment

Summary

The target start year is 2023, so no progress has yet been made during the reporting period.

Operational eco-efficiency – Reduction of total waste (tonnes)

Base year data

310 276

2021	2022
233 356	254 996

Sub-targets for 2025

A 10% reduction in waste.

Prorated fulfilment

Summary

Compared to the base year, total waste decreased by 17.8%.

Operational eco-efficiency – Zero waste approach

Sub-targets for 2025

Integrating a zero-waste approach into the corporate culture.

Prorated fulfilment

Summary

The zero-waste approach is present at company events, but concrete strategic steps related to it are still being developed.

Operational eco-efficiency – Increase recycling rate (%)

Base year data

-

2021	2022
N/A	N/A

Sub-targets for 2025

Recycling 50% of waste generated during demolition work in other locations.

Prorated fulfilment

Summary

The Market Group does not yet have a data collection system for this purpose, the targeted roll-out of which could begin in 2023.

Operational eco-efficiency – Hazardous wastes

Sub-targets for 2025

Further development of hazardous waste inventory.

Prorated fulfilment

Summary

The revision of processes and the development of the register of hazardous waste have begun.

Protection of biodiversity – Planting trees, preserving good practices

Sub-targets for 2025

Maintaining and developing the currently running processes serving the protection of biodiversity and the natural environment. Tree planting.

Prorated fulfilment

Summary

In order to offset the group's harmful emissions and preserve biodiversity, the tree planting project was launched, within the framework of which a biodiverse mini-forest was created, and 2.11 hectares of afforestation (with 16,885 trees) were prepared.

Protecting biodiversity - Developing environmental policy

Sub-targets for 2025

Development of environmental policy and resolution.

Prorated fulfilment

Summary

No progress has been made towards the goal.

Health and safety at work - Number of working days lost due to accidents at work; (days/year)

Base year data	2021	2022
~1000 days	536	423

Sub-targets for 2025

Keeping the number of work-related accidents to a minimum, maximizing the loss of working time due to accidents at work by 700 days/year.

Prorated fulfilment

Summary

Although the number of accidents at work increased at group level compared to 2021 (from 14 to 16), the strategic target is still met.

Attracting and retaining talent – Number of training hours

Base year data	2021	2022
-	4.5	7

Sub-targets for 2025

The per capita training time should reach 32 hours at group level.

Prorated fulfilment

Summary

The number of training hours per capita at group level has increased significantly compared to 2021, but further improvements will be needed until 2025 to achieve the target.

Attracting and retaining talent –Talent management programmes, collaborations

Sub-targets for 2025

Organizing scholarship programmes, study competitions, mentoring programmes for talented young people in the industry.

Prorated fulfilment

Summary

Cooperation with higher education institutions: Moholy-Nagy University of Art and Design, Budapest University of Technology.

Cooperation with a secondary educational institution: BKSZC Schulek Frigyes Bilingual Technical School of Construction.

Diversity and Equal Opportunities – Ratio of female leaders

Base year data	2021	2022
For Market Építő Zrt.: 10% At Group level: 1.4%	For Market Építő Zrt.: 11.36% At Group level: 8%	For Market Építő Zrt.: 10.86% At Group level: 6%

Sub-targets for 2025

Increase the proportion of female managers, doubling the proportion of female managers at Market Építő Zrt. compared to 2020.

Prorated fulfilment

Summary

In the case of Market Építő Zrt., the proportion of female managers was 10.86% in 2022.

At Group level, the rate of female leaders decreased from 8% in 2021 to 6% in 2022.[9]

Diversity and equal opportunities - Pay gap

Base year data	2021	2022
21%	2.1%	3.62%

Sub-targets for 2025

At group level, reduce the gender pay gap to 15%.

Prorated fulfilment

Summary

The Market Group attaches great importance to ensuring that there is no discrimination between female and male employees. Accordingly, the pay gap was significantly reduced during the strategy period, well above the originally set target.

Diversity and Equal Opportunities - Human Rights

Sub-targets for 2025

Renewing the Code of Ethics to promote diversity and equal opportunities.

Prorated fulfilment

Summary

A new Code of Ethics has been issued in which The Market Group reaffirms its commitment to human rights and condemnation of all forms of discrimination.

Responsible corporate governance, sustainable coordination

Sub-targets for 2025

Creation of sustainability expertise and coordination, validation of the goals of the sustainability strategy and its monitoring throughout the duration of the strategy.

Prorated fulfilment

Summary

A specialised sustainability function has been created: a full-time sustainability expert and a site sustainability and green certification officer were hired during the year. The validation and monitoring of strategic objectives was carried out by the sustainability working group on an ongoing basis.

[9] Members of governance bodies and top executives were taken into account in the calculation.

Development of customer relationships, awareness raising

Sub-targets for 2025

Involving clients by offering a so-called "green menu", where sustainable architectural solutions and their complex implementation are provided to clients.

Regular customer satisfaction surveys.

Prorated fulfilment

Summary

The Group will continue the practice already started. The so-called "green menu" is due to be developed in the second half of the strategic period.

Sustainable supply chain management

Sub-targets for 2025

Extension of group-wide policies to suppliers and partners. Development of tender due diligence processes based on sustainability criteria.

Prorated fulfilment

Summary

In 2022, under the Partner Programme, the Group developed closer cooperation with its largest suppliers and preparations for the development of ESG criteria for supply contracts began.

Sustainability Report

Sub-targets for 2025

Publication of a third-party certified GRI report annually

Prorated fulfilment

Summary

In 2022, the Market Group's GRI sustainability report was completed. The report, to be published in 2023, is already being audited by a third party.

Integrating the UN Sustainable Development Goals into corporate operations

Sub-targets for 2025

Examining the possibilities of contributing to the UN Sustainable Development Goals, developing activities that fit into the Targets.

Prorated fulfilment

Summary

The Market Group has contributed to a number of sub-goals in 2022, which are presented in a separate chapter.

Stakeholder relations, sustainability communication

Sub-targets for 2025

Improving sustainability communication.

Prorated fulfilment

Summary

Within the framework of the Partner Programme, the Market Group informs its subcontractors about sustainability-related news and activities.

In addition, it provides continuous information on social media platforms to all interested parties about the main news and events affecting the operation of the Group.

Sub-targets for 2025

Stakeholder survey every two years.

Prorated fulfilment

Summary

Following 2021, the stakeholder survey will be due in the second half of 2023.

Focus on UN sustainable development goals

Market Group is committed to supporting the UN Sustainable Development Goals. In the course of developing the sustainability strategy, the Group has defined its goals in such a way that it can contribute to achieving the Sustainable Development Goals that are relevant to it because of its operations. As a responsible company, it considers this particularly important in an era in which humanity has to deal with numerous crises that fundamentally threaten the living conditions of future generations.

As last year, the Market Group also reviewed which Sustainable Development Goals it contributes to through its activities during the preparation of its 2022 sustainability report. The range of activities presented in support of the objectives has increased significantly compared to the previous year's report. This is mainly because while last year only a few activities were highlighted, this year all relevant activities were included in the report along the sub-targets, giving stakeholders a much more comprehensive picture of their contribution.

SDG 1: No poverty:

- Fundraising for the "Tűzcsiholó Egyesület (FireStriker Association): The employees of the Market Group collected teaching aids and sports gears as well as other important school supplies within the framework of the school equipment collection campaign, which were distributed with the help of the Association to families and children in need living in Szabolcs-Szatmár-Bereg county. In addition, the volunteers of the Market Group also purchased targeted Christmas gifts for young children living in extreme poverty in Szabolcs, which were handed over to the Tűzcsiholó Association (SDG 1.2 Target) carefully wrapped and addressed to the names of the recipients[10]
- Joining the fundraising campaign of the Hungarian Interchurch Aid entitled "Unlimited Help", the Group donated HUF 10 million to help in the crisis situation in Ukraine. (SDG Target 1.2)

SDG 3: Good health and wellbeing

- Cooperation with the Doctor Rose private clinic, where all the Market Group employees have access to free health services at the clinic (SDG Target 3.8)
- Provision of free psychological specialist care (SDG Target 3.8)[11]
- On site screening of workers (SDG Target 3.8)

SDG 4: Quality Education

- Cooperation with higher education institutions: Moholy-Nagy University of Art and Design, Budapest University of Technology and Economics (SDG Target 4.3)[12]
- Cooperation with a secondary educational institution: BKSZC Schulek Frigyes Bilingual Construction Technical School (SDG Target 4.3)
- Foundation of the Tudásépítő Team Sectoral Training Centre – unique in the construction industry with the participation of 2 other companies (SDG Target 4.3)
- Support of apprenticeship training of young people in rural areas (SDG Target 4.3)

SDG 5: Gender equality

- Equal opportunities when applying for a job: in the case of new applicants, the group selects employees solely on the basis of professional qualities (SDG Target 5.1)[13]
- The share of female leaders improved from 3.9% to 7.9%[14] (SDG Target 5.5)[15]

SDG 7: Affordable and clean energy

- Start green energy procurement. (SDG Target 7.2)[16]
- Commissioning of on-site solar power plants at Market Headquarters and Prebeton's factory building (nominal output: 61.88 kWp) (SDG Target 7.2)

SDG 9: Industry, Innovation and Infrastructure

- Preparing containers for energy efficiency improvements (SDG Target 9.4)[17]
- DIGMA (Digital Market) development – SDG Target 9.c
- Group implementation of HR Management System (HRMS) – SDG Target 9.c
- BI Organization Expansion - SDG Goal 9.c
- Lean in construction – SDG Target 9.4
- BIM For Share initiative – SDG Target 9.c

SDG 11: Sustainable cities and communities

- The Group builds LEED, BREEAM certified buildings (SDG Target 11.6)[18]
- Preference for PEFC, FSC certified materials for the vast majority of purchases (SDG Target 11.6)
- Cooperation agreement with Járókelő.hu: the Group provided HUF 10 million to the association (Target SD 11.2)[19]
- "Rom Vándor" (Ruin Rover) programme: programme for the rehabilitation of historical sites in poor condition in Hungary (SDG Target 11.4)[20]

SDG 12: Responsible consumption and production

- Sustainability Morning Lecture Series (SDG Target 12.6)[21]
- Improving waste management: preparation of an action group, zero-waste effort (events and office buildings) (SDG Target 12.5)[22]

SDG 13: Climate Action

- Reducing direct and indirect greenhouse gas emissions is a priority goal of the "Now or Never" sustainability strategy, which indirectly contributes to climate protection and adaptation (SDG 13.1) with several other objectives (e.g. afforestation)[23]

SDG 15: Life on land

- Preparation of tree planting programme (SDG Target 15.2)[24]
- Planting of biodiverse mini-forests (SDG Target 15.2)

SDG 17: Partnership for the goals

- Industry cooperation: Tudásépítő Team Sectoral Training Centre (SDG Target 17.16)[25]
- Partner Programme: quarterly newsletter, trainings, courses (SDG Target 17.16)

[10] SDG 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

[11] SDG 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

[12] SDG 4.3: By 2030, ensure equal access for all women and men to affordable high-quality technical, vocational and higher education including university training programmes

[13] SDG 5.1: End all forms of discrimination against women and girls everywhere.

[14] Members of governance bodies and senior managers were taken into account in the calculation.

[15] SDG 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life

[16] SDG 7.2: Increase substantially the share of renewable energy in the global energy mix by 2030

[17] SDG 9.4: By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities

[18] SDG 11.6: By 2030, reduce the adverse per capita environmental impact of cities, with a particular focus on air quality, municipal and other waste management

[19] SDG 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

[20] SDG 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

[21] SDG 12.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

[22] SDG 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

[23] SDG 13.1: Strengthen resilience and adaptive capacity to climate-re-lated hazards and natural disasters in all countries

[24] SDG 15.2: By 2020, promote the implementation of sustaina-ble management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforest-ation globally

[25] SDG 17.16: Enhance the global partnership for sustainable devel-opment complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries

UN member countries established the 2030 Global Sustainable Development Goals for peace, development and prosperity along 17 main headlines in 2015. Achieving the SDGs requires global cooperation where countries and large companies work together to eradicate poverty and hunger, protect the natural environment such as the climate, terrestrial ecosystems and wetlands, reduce social inequalities and build an economy based on sustainable and innovative solutions.

Progress is continuously monitored and reported on by the UN in the form of annual reports. The latest report warns that the multiple and escalating crises threaten not only the achievement of the Sustainable Development Goals (SDGs), but even the very survival of humanity. The coronavirus pandemic, climate change and war conflicts are affecting food supplies, education, the environment, health, but they are also fundamentally undermine the efforts to preserve peace and security. The role of companies in reducing negative impacts is more important than ever, which is why the Market Group is committed to the Sustainable Development Goals.

market
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Climate and environment

06

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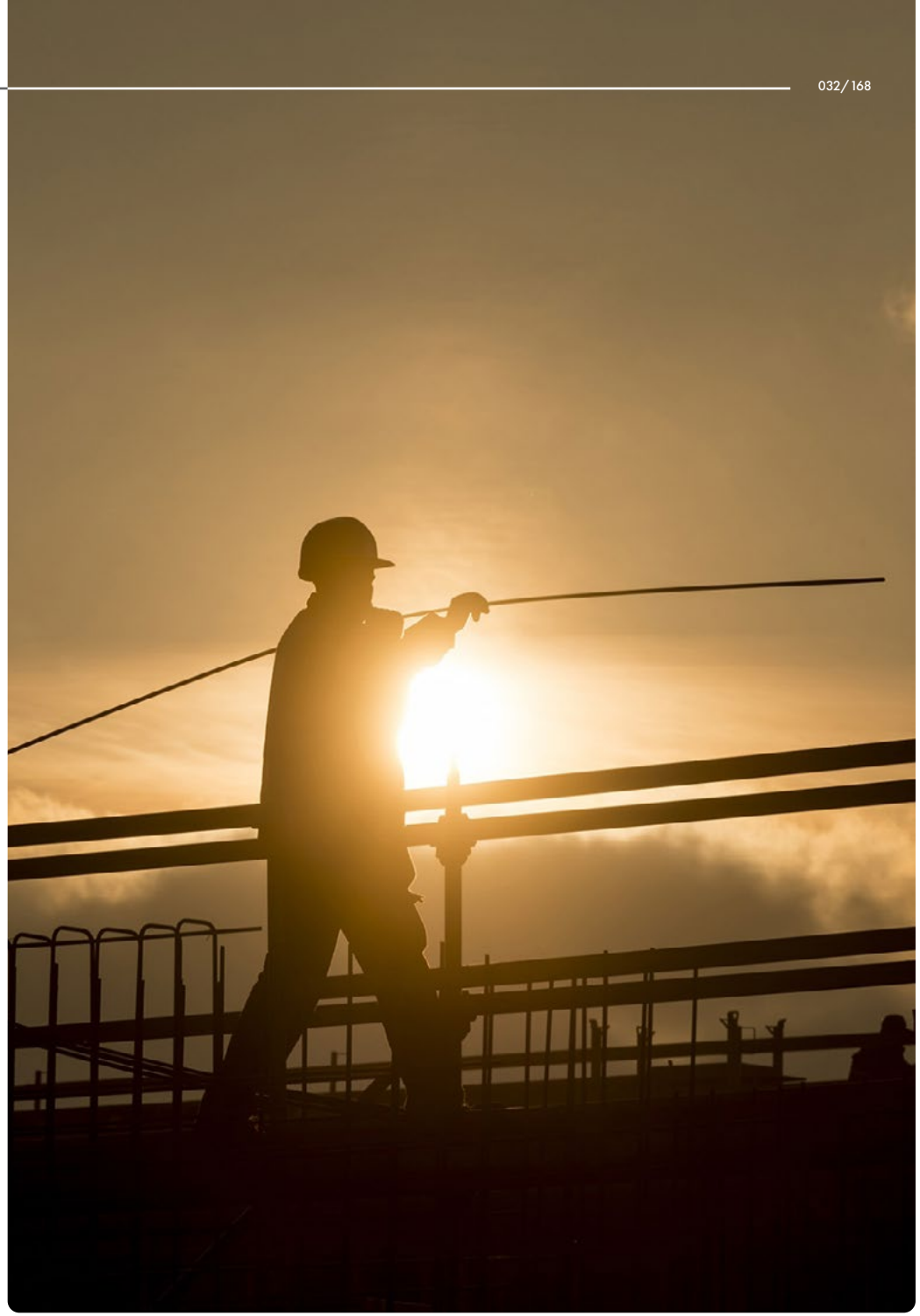
Market Group has already prioritised climate and environmental protection in the development of its sustainability strategy, as it is Hungary's leading building construction company and feels a responsibility to mitigate the negative environmental impacts associated with the construction industry. The climate and environmental crisis, which by now – perhaps it is no exaggeration to say that in a more and more obvious manner from year to year – directly or indirectly affects all aspects of our lives, can only be mitigated by working together. This is why the Market Group considers it important not only to reduce its own impact, but also to organize awareness-raising actions for its employees and partners, by which the sensitivity of society as a whole might be enhanced to the topic.

The effects of climate change are also clearly felt in Hungary. In the summer of 2022, almost the entire country was hit by months of severe drought on a scale not seen in decades, which not only disrupted the water supply of settlements, but also left widespread agricultural damage with a protracted effect behind. The impact of drought rippled through the economy and reached all people through the drastic increase in food prices, at the same time highlighting the weaknesses of domestic water management practices and the importance of climate adaptation.

Climate model simulations suggest that we could see more and more intense and longer summer heatwaves in the coming decades if current emissions levels remain unchanged or continue to increase. Only decisive and rapid emission reductions can limit future damage.

The increase in the number and intensity of heatwaves not only poses a health risk, but also changes expectations for buildings: designing to adapt to a changing climate is gradually becoming from opportunity to requirement. In addition to making their construction and operation more sustainable, buildings also need to cope with increasingly intense thunderstorms and prolonged heatwaves throughout their lifecycle.

Accordingly, the stricter regulations of the European Union place more and more expectations on the corporate sector, among which the Taxonomy Regulation also significantly affects the construction industry, as the core business must be transformed in the coming years in such a way that it can contribute as much as possible to EU environmental goals.



[GRI 3-3] [GRI 305-1] [GRI 305-2]
[GRI 305-4] [GRI 305-5] [GRI 305-6]

Atmospheric emissions

Globally, the stock of buildings and the construction industry are liable for 33% of greenhouse gas (GHG) emissions[26], and the industry's absolute emissions have continued to increase compared to 2019. For this reason, decarbonisation efforts in the sector are key to achieving not only the goals of the Paris Agreement, but also the UN Sustainable Development Goals.

The effective and as rapid as possible reduction of the Market Group's emissions is therefore the starting point of the Group's sustainability strategy. During the development of the strategy, the Market Group prepared its GHG inventory and formulated its emission reduction targets on this basis. The inventory was prepared using the GHG Protocol[27] standard, which divides emission sources into three distinct categories: Scope 1 (direct), Scope 2 (indirect) and Scope 3 (other indirect) emissions. Emissions have been defined in carbon dioxide equivalent, where the mass of each greenhouse gas emitted is taken into account by a value corrected for its heating potential exerted on the atmosphere.

Direct emissions (Scope 1) are those from sources owned or directly controlled by the Group. These include, inter alia, emissions from transport, process emissions and gas leaks. Indirect emissions (Scope 2) include emissions related to energy purchased by the Market Group. Other indirect emissions (Scope 3) are emissions related to the Group's activities, the sources of which are neither owned nor controlled. However, data on this are not yet available in sufficient quality, so they are not included in the report.

In 2023, in order to get a more complete picture of its direct emissions, the Market Group prepared its greenhouse gas inventory according to a refined methodology. In line with current international reporting requirements, the new Global Warming Potential (GWP)[28] has been applied to all data sets for methane (CH4) and nitrous oxide (N2O). As a consequence, the data of previous years have also been recalculated and slightly modified in order to maintain consistency. (Changed values are marked with an asterisk in the emission table.) Unlike last year, the Group extended the scope of the report to Property Market Ingatlanfejlesztő Kft. as well. In compiling the GHG inventory, the emission factors have been updated and clarified. In certain emission source categories (e.g. district heating), more detailed data were already available this year due to the improvement of the data collection process, which also helped to clarify the data for 2022 and previous years.

The Market Group's strategic goal is to reduce its overall direct (Scope 1) and indirect (Scope 2) GHG emissions by 30% by 2025 (base year: 2019). It will also assess its other indirect emissions (Scope 3) by 2025 and make commitments to reduce them.

The Group's direct (Scope 1) emissions in 2022 were 8,246 tCO2e at group level. A significant part of the emissions, 75 percent, related to two member companies, Market Építő Zrt. and OKM Építőipari és Szolgáltató Kft. In addition to fuels, emissions from refrigerants (HFCs) were also taken into account in the calculations, and there were no leaks from air conditioning systems in buildings in the year under review.

Another change compared to the previous year's report is that the 2022 data have also been displayed at member company level for more complete information.

[26] IEA (2022), Buildings, IEA, Paris https://www.iea.org/reports/buildings, License: CC BY 4.0

[27] https://ghgprotocol.org

[28] A GWP (Global Warming Potential) shows the heating potential of a given greenhouse gas relative to CO2 during its retention time in the atmosphere.

Evolution of direct GHG emissions from 2018 to 2022 (tCO2e)

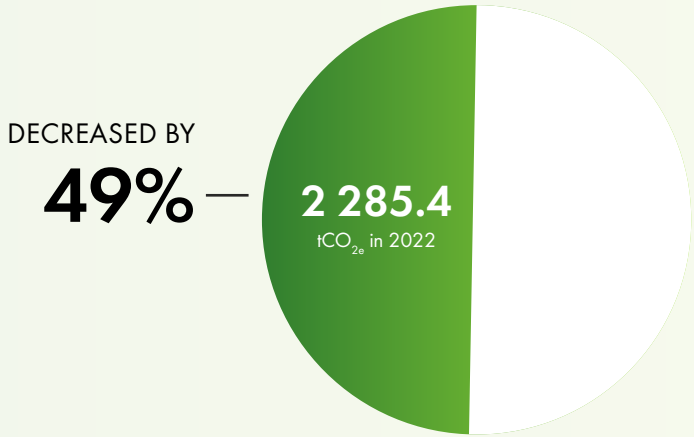
Aggregate emissions (the Market Group)	Unit	2018	2019	2020	2021	2022
Scope 1	tCO_{2e}	4543.0*	6910.3*	5144.6*	8287.6*	8246.2

Scope 1	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	14.2	15.0	19.1	21.3	30.5
Market Építő Zrt.	909.6	971.1	807.9	1480.6	1351.6
Market Épületszerviz Kft.	146.1	219.0	209.1	224.5	238.8
MCM Beton Kft.	28.3	75.1	117.6	289.3	345.1
Moratus Kft.	299.3	410.8	276.2	790.8	788.6
OKM Építőipari és Szolgáltató Kft.	3005.2	4922.9	3423.6	4876.5	4877.9
Prebeton Zrt.	0.0	0.0	87.8	270.1	306.9
Property Market Ingatlanfejlesztő Kft.	N/A	52.9	45.1	37.6	50.6
Vilati Szerelő Zrt.	140.3	243.5	158.3	297.0	256.2

*Scope 1 emission values differ from last year's sustainability report due to methodological change.

Locally-based indirect (Scope 2) emissions in 2022 amounted to 2,285.4 tCO2e at group level, 83 percent of which was related to the operation of Market Építő Zrt. and 7 percent to Prebeton Zrt. Compared to the previous year, emissions in this category decreased by 49%, mainly due to the fact that in 2022 the operation of the building that increased 2021 emissions did not continue.

Locally-based indirect (Scope 2) emissions in 2022

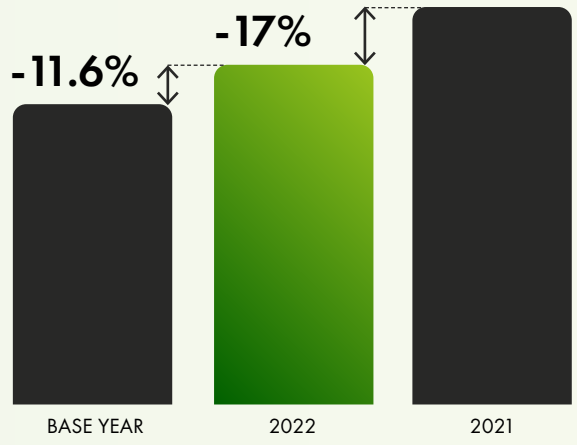


Like Scope 1 emissions, Scope 2 emissions in 2023 have also been recalculated using a refined methodology, resulting in changes to previous years' data. (Changed values are marked with an asterisk in the emission table.) Scope 2 emissions – also new compared to the previous year's report – were determined in two ways based on the recommendation of the GHG Protocol. The so-called location-based method is used as the basis for determining total output, while the market-based accounting method reflects how the group was able to regulate the market with its choice, taking into account the possibilities. Local and market-based emission values are also displayed at member company level. Although there is currently no significant difference between the two values, in the coming years, as the Market Group will increasingly cover its electricity use from green energy in line with its sustainability strategy, the emissions of market-based Scope 2 will decrease.

scope 2	tCO_{2e}	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	local	5.1	4.0	13.6	27.6	29.3
Lean Tech Mérnökiroda Kft.	market	5.2	4.1	14.3	27.8	29.5
Market Építő Zrt.	local	3310.3	2456.8	3158.1	4137.4	1910.0
Market Építő Zrt.	market	3392.4	2524.2	3348.2	4184.9	1935.4
Market Épületszerviz Kft.	local	8.6	7.7	6.0	6.8	6.7
Market Épületszerviz Kft.	market	8.9	8.0	6.6	6.9	6.8
MCM Beton Kft.	local	27.9	22.4	23.9	72.2	42.1
MCM Beton Kft.	market	28.8	23.2	26.0	73.6	42.8
Moratus Kft.	local	15.3	12.0	16.2	31.9	52.5
Moratus Kft.	market	15.7	12.4	17.2	32.2	53.2
OKM Építőipari és Szolgáltató Kft.	local	13.4	13.1	16.6	35.1	36.9
OKM Építőipari és Szolgáltató Kft.	market	13.7	13.6	17.6	35.4	37.3
Prebeton Zrt.	local	0.0	0.0	59.8	135.4	165.0
Prebeton Zrt.	market	0.0	0.0	65.3	137.9	168.1
Property Market Ingatlanfejlesztő Kft.	local	0.0	0.0	7.7	13.2	7.6
Property Market Ingatlanfejlesztő Kft.	market	0.0	0.0	8.0	13.3	7.7
Vilati Szerelő Zrt.	local	18.6	11.2	20.0	38.4	35.3
Vilati Szerelő Zrt.	market	19.1	11.5	21.2	38.7	35.6

Aggregate emissions (the Market Group)	Unit	2018	2019	2020	2021	2022
Scope 2 - on a local basis	tCO_{2e}	3399.2*	2527.2*	3321.8*	4497.9*	2285.4
Scope 2 - market-based	tCO_{2e}	3483.8	2597.0	3524.3	4550.7	2316.4

Due to the characteristics specific to the different projects, the Market Group's combined Scope 1 and Scope 2 emissions decreased significantly in 2022 by around 17 percent compared to 2021, but remain 11.6 percent higher than the base year, which is an excellent feedback to the Group: although the first steps have been taken, the hard work is still to come. Since the base year of 2019, the data sets examined have been extended to 2 member companies (Prebeton Zrt., Property Market Ingatlanfejlesztő Kft.), of which Prebeton Zrt. can be considered a significant emitter due to its core business. The output of the two "new" member companies therefore masks the emission reductions of the other member companies.

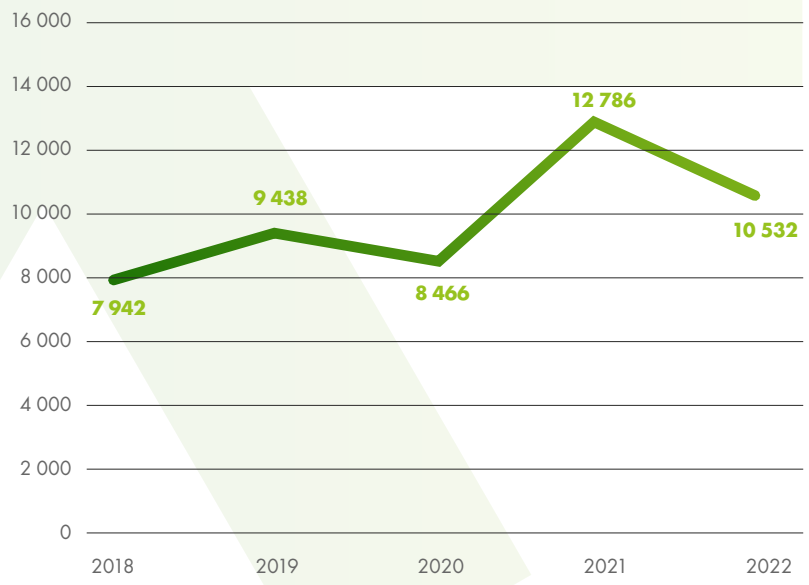


*The scope 2 emission values differ from last year's sustainability report due to methodological changes.

The Market Group's combined Scope 1 and Scope 2 emissions between 2018 and 2022

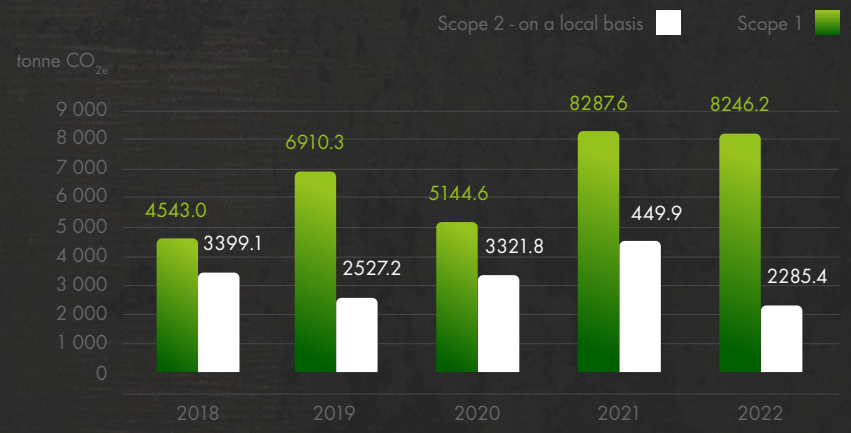
(tCO_{2e})	2018	2019	2020	2021	2022
Scope 1& 2 – on a local basis	7 942	9 438	8 466	12 786	10 532
Scope 1& 2 - market-based	8 027	9 507	8 669	12 838	10 563

Scope 1& 2 – local based



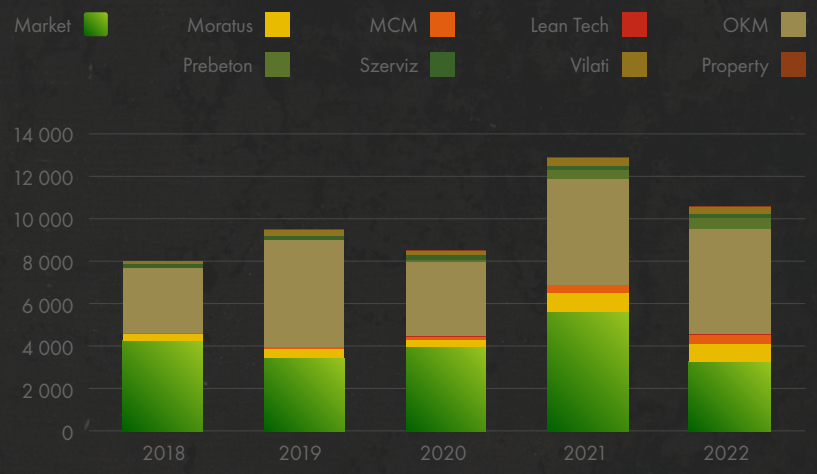
Development of direct and indirect GHG emissions at group level (t C_{O2e})

Development of direct and indirect GHG emissions of Market Group 2018-2022



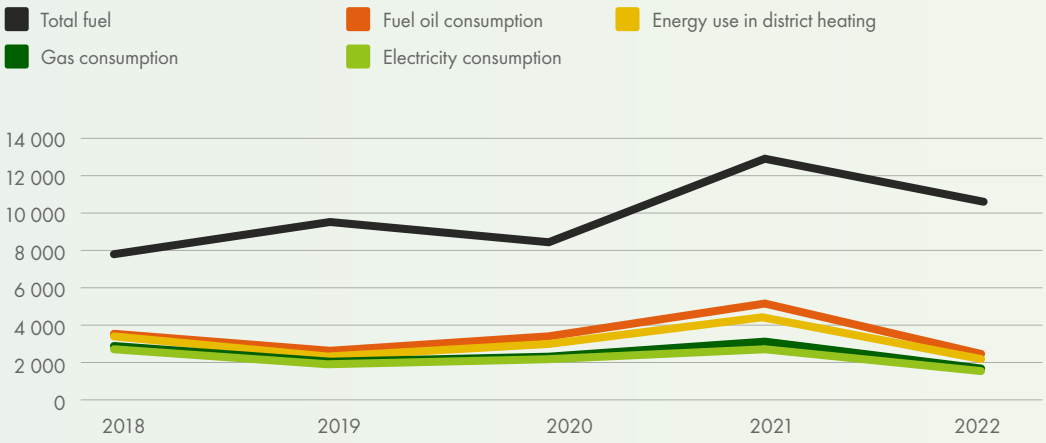
Evolution of direct and indirect emissions for each member company

Scope 1&2 GHG emissions - Market Group (tCO_{2e})



Evolution of GHG emissions at group level by source category

Evolution of GHG emissions at group level by source category (tCO_{2e})



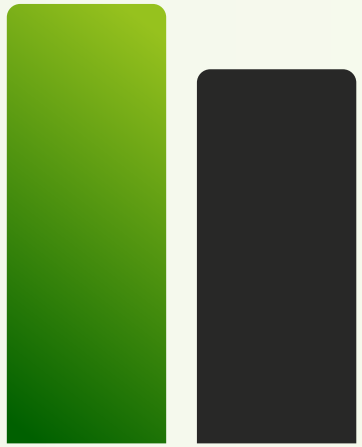
Source of GHG emissions at group level during the reporting period

[tCO_{2e}]	2018	2019	2020	2021	2022
Electricity consumption	2 837	1 926	2 210	2 860	1 682
Gas consumption	196	182	97	265	164
Energy use in district heating	563	602	1 112	1 638	603
Fuel oil consumption	0	0	0	491	13
Total fuel	4 347	6 729	5 048	7 533	8 069
- Fuel (petrol)	611	883	900	1 399	1 872
- Fuel (diesel)	3 736	5 846	4 148	6 134	6 197

Compared to 2021, the number of petrol-powered vehicles increased significantly, by around 30 percent at group level. A significant proportion of this increase was realized in the case of Market Építő Zrt., which was due to the fact that while previously the vehicles were purchased with a 4-year leasing contract, the leasing period was changed to 5 years in 2022. As a result, at the end of the 4-year cycle, several vehicles remained part of the fleet. The number of electric vehicles increased from 1 to 3, and the number of hybrid vehicles increased by 17 percent from 63 to 74. The number of diesel vehicles changed only slightly (their number decreased by 1). In 2022, a new accounting system was introduced for vehicles: vehicles used for passenger transport were separated from vehicles used for other purposes, and a monitoring system was established, which allows the collection of accurate data on average consumption from 2023.

HYBRID VEHICLES INCREASED BY

17%



As part of its sustainability strategy, the Group has set itself the objective to transform the vehicle fleet by 2025 in order to reduce direct emissions. However, this idea is currently aggravated by the macroeconomic situation, the exceptionally high inflation rate in the region and the general stagnation in the construction sector. The cost of electric vehicles significantly exceeds that of petrol-powered vehicles, so their procurement can only take place more slowly than previously planned.

Composition of the vehicle fleet in 2021 and 2022 (number of cars)

Member companies	Petrol 2021 / 2022	Diesel 2021 / 2022	Hybrid 2021 / 2022	Electric 2021 / 2022
Lean Tech Mérnökiroda Kft.	6 / 9	2 / 2	0 / 0	0 / 0
Market Építő Zrt.	172 / 224*	42 / 47	60 / 63	1 / 1
Market Épületszerviz Kft.	8 / 8	29 / 32	0 / 0	0 / 0
MCM Beton Kft.	4 / 6	14 / 4	0 / 0	0 / 0
Moratus Kft.	47 / 56	23 / 33	3 / 5	0 / 0
OKM Építőipari és Szolgáltató Kft.	56 / 77	87 / 72	2 / 1	0 / 0
Prebeton Zrt.	5 / 11	11 / 13	0 / 0	0 / 2
Property Market Ingatlanfejlesztő Kft.	10 / 10	5 / 5	0 / 0	0 / 0
Vilati Szerelő Zrt.	31 / 37	7 / 11	0 / 5	0 / 0
Total	339 / 438	220 / 219	65 / 74	1 / 3

*In the 2021 sustainability report, the number of petrol-powered vehicles of Market Építő Zrt. was incorrectly indicated. 172 instead of 112 is the correct value.

The composition of the vehicle fleet in 2022

During its construction projects, the Market Group also uses vans, trucks, owned and rented machinery and working tools, increasing diesel consumption of OKM Építőipari és Szolgáltató Kft. and Vilati Szerelő Zrt. significantly, resulting in a growth of this category at group level. %61 of the total fuel consumption is attributed to OKM Építőipari és Szolgáltató Kft., which performs comprehensive civil engineering tasks – infrastructure development – including eventually large-scale earthworks. Moratus Kft. also appears as a significant consumer among the member companies, which has 10 trucks under 3.5 tonnes and 9 trucks over 3.5 tonnes. In 3 ,2022 of them were classified as EURO V and 13 as EURO VI in the environmental classification system. Improving the environmental rating of trucks and thus operational eco-efficiency is an important objective of the company.

The Market Group's fuel consumption by member company

Fuel consumption (litres)	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	5 786	6 114	7 800	8 756	12 392
Market Építő Zrt.	300 228	334 348	319 588	366 425	539 864
Market Épületszerviz Kft.	52 761	80 656	76 586	82 709	89 137
MCM Beton Kft.	10 957	29 316	45 695	111 208	131 103
Moratus Kft.	116 403	158 710	112 395	307 357	307 658
OKM Építőipari és Szolgáltató Kft.	1 132 455	1 858 556	1 294 877	1 848 828	1 840 852
Prebeton Zrt.	-	-	22 717	56 809	77 593
Property Market Ingatlanfejlesztő Kft.	n.a	20 619	17 751	14 905	19 945
Vilati Szerelő Zrt.	39 504	77 289	39 947	95 227	90 767
Total	1 658 094	2 565 608	1 937 356	2 892 224	3 109 311

[GRI 3-3] [GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [302-5]

Energy

40% of the European Union's energy consumption comes from the operation of buildings[29]. Due to the dramatic increase in energy prices in recent years, it is increasingly important to increase energy efficiency of buildings in both the private and the public sector. A significant part of the Hungarian building stock is outdated from the energy efficiency point of view, so developments in this direction are essential not only to make the sector more sustainable, but also to meet Hungarian climate goals.

In its sector-specific report, the IPCC stresses that the benefits of energy efficiency measures in the construction sector often go far beyond direct cost savings. Benefits include increased energy security as dependence on fossil fuels decreases, reduced demand for government energy subsidies, increased value of infrastructure, and many health and environmental benefits. These are benefits that are expected to significantly increase the demand for energy-efficient buildings that can be powered by sustainably sourced energy in the coming years.

For the Market Group, this need has a twofold relevance: on the one hand, energy efficiency and green energy must be increasingly emphasized in the case of buildings built by it for its customers, and on the other hand, in the case of buildings used by the company itself. Accordingly, in the sustainability strategy, Market has undertaken to reduce the energy consumption of new buildings built within the framework of its own investment to below 80 kWh/m2/year by 2025. As for its own buildings, it started on-site solar power generation in 2022 and started implementing its green energy procurement project prepared in the course of the previous year for its own use at the beginning of 2023.

[29] https://commission.europa.eu/news/focus-energy-efficiency-buildings17-02-2020-_en

Energy

The energy consumption of the Group can basically be divided into two parts: direct energy consumption comes from the operation of own buildings, the production of raw materials for construction and construction activities, while indirect energy consumption comes from operation during the life cycle of completed projects. Data on indirect energy use are currently not available in sufficient quantity and quality and are therefore not reported by the Group.

Direct energy consumption basically consists of four items: electricity consumption, gas consumption, district heating and fuel oil consumption.

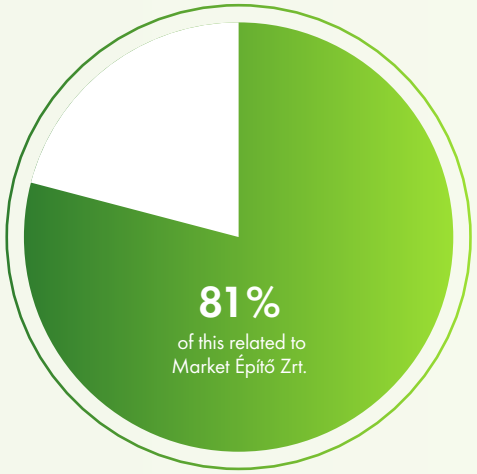
Itemised development of the Group's energy consumption during the reporting period[30]

Energy	2018	2019	2020	2021	2022
Electricity consumption [MWh]	8 415	6 934	8 738	10 486	6 289
Of which generated from renewable sources	-	-	-	-	122
Electricity consumption proportional to revenue [MWh/ 100m HUF]	4.7	2.9	3.7	2.8	1.6
Gas consumption [GJ]	3 487	3 255	1 727	4 710	2 916
Gas consumption [MWh]	969	904	480	1 308	810
Gas consumption proportional to revenue [MWh/100m HUF]	1.9	1.4	0.7	1.3	0.7
Energy consumption of district heating [GJ]	9 806	10 487	17 113	25 214	9 279
Fuel oil [litres]	N/A	N/A	N/A	185 286	5 002

[30]The scope of the report has changed (Property Market Ingatlanfejlesztő Kft.), therefore the related data have been retroactively amended.

The Group's electricity consumption was 6,289 MWh in 2022. 81 percent of this is related to Market Építő Zrt. In 2022, 221 MWh of energy was used for cooling at Market Headquarters, which is expected to increase in the coming years due to increasingly frequent heatwaves caused by climate change. The reason for the large drop in total electricity consumption was that operation of the building, which dramatically increased the consumption figures for 2021, was discontinued.

6 289 MWh
ELECTRICITY CONSUMPTION



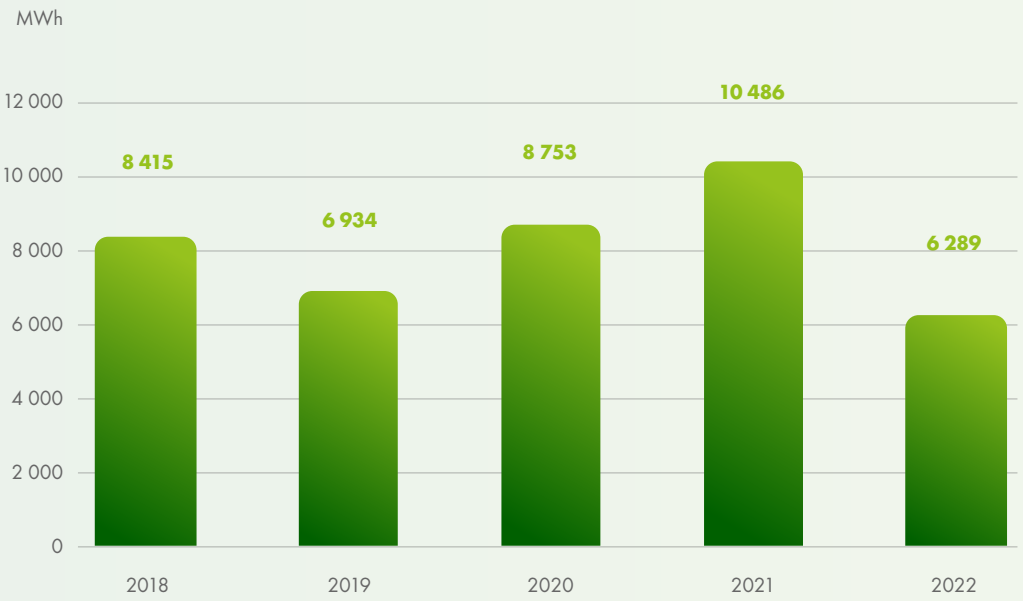
A significant part of gas consumption – amounting to 2,916 GJ at group level in 2022 – was used during the operation of Prebeton Zrt., OKM Építőipari és Szolgáltató Kft. and Vilati Szerelő Zrt. The 30% decrease compared to the previous year was also due to finishing operation of the buildings.

For district heating, the Market Group's energy consumption was 9,279 GJ in 2022. The vast majority of this was used by Market Headquarters. In addition, district heating is used by member companies OKM Építőipari és Szolgáltató Kft., Vilati Szerelő Zrt., LeanTech Mérnökiroda Kft. and Moratus Kft.

In 2022, 5,002 litres of fuel oil were used by the Group for heating at construction sites. (Data for years prior to 2021 are not available because the fuel oil data collection process was set for 2021.)

Change in group electricity consumption between 2018 and 2022 (MWh)

Electricity consumption

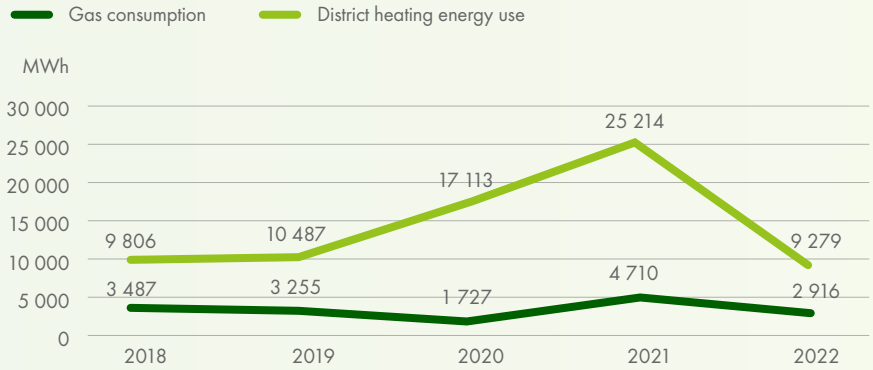


Change in GHG emissions related to electricity consumption

[tCO_{2e}]	2018	2019	2020	2021	2022
Local-based	2 836	1 926	2 210	2 860	1 682
Market-based	2 921	1 995	2 413	2 913	1 713

Change in gas consumption at group level and energy use in district heating between 2018 and 2022

Energy use related to gas consumption and district heating (GJ)



In summary, energy use at group level has been significantly reduced by almost half in 2022 compared to the figure in 2021. This reduction is due to a combination of the following factors:

- Several energy-intensive projects have been completed.
- On-site solar panels have been installed on the roof of Market Headquarters and of Prebeton's factory, as a result of which the Group is expected to be able to reduce its related emissions by 5% in 2023. (Average annual electricity production: 67.2 MWh, nominal output: 61.88 kWp)
- The operation of buildings which in 2021 resulted in a quantum leap in energy consumption figures, has this year been discontinued.

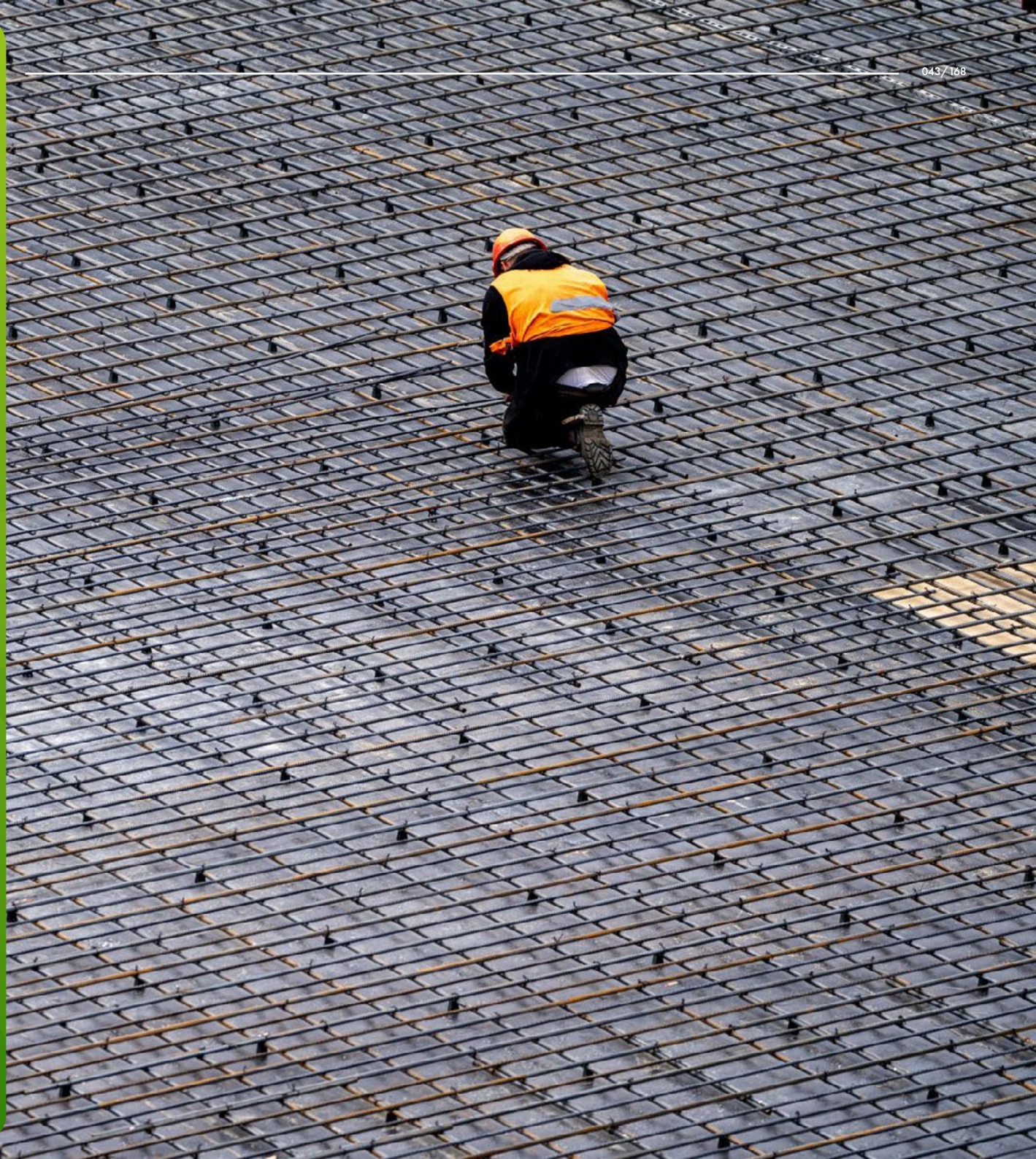
The Market Group also places great emphasis on increasing energy efficiency as part of its sustainability strategy, so different scenarios to reduce energy consumption in the future were developed.

- Use of fuel-efficient hybrid or electric cars: 2 more electric vehicles were purchased in 2022.
- Use of renewable energy sources: In 2022, 122 MWh of renewable energy was generated by on-site photovoltaic systems installed during the year, and the Group prepared its green energy procurement project.
- In all high-value machine purchases, preference is given to energy-efficient and low- or zero-carbon machinery.
- Continuous monitoring and optimization of consumption in the office building.

[GRI 3-3] [GRI 301-1] [GRI 301-2] [GRI 301-3]

Sustainable material use

During the operation of the Market Group, the use of building materials and the reduction of carbon dioxide emissions related to their production are of paramount importance. In the proprietary investment projects of the Group special efforts are made already in the design phase to solicit the use of as little building material as possible in the construction process. LeanTech Mérnökiroda Kft., the design office of the Group, designs clean, minimalist buildings that require less building materials to build. Significant material savings can be achieved by designing building materials according to the "design out" principle. Omission of various interior elements, such as suspended ceilings or drywall walls, and the application of unpainted concrete surfaces on indoor wall is a well-established common practice at LeanTech.



Reducing material consumption

In the proprietary investment projects of the Group special efforts are made already in the design phase to solicit the use of as little construction materials as possible during the construction works. LeanTech Mérnökiroda Kft., the design office of the Group, designs clean, minimalist buildings that require less building materials to build. Significant material savings can be achieved by designing building materials according to the "design out" principle. Omission of various interior elements, such as suspended ceilings or drywall walls, and the application of unpainted concrete surfaces on indoor wall is a well-established common practice at LeanTech.

With less use of materials, buildings built by the Market Group significantly reduce their carbon dioxide emissions. BREEAM Excellent or LEED Gold certification is required for all the Group's own investment projects, where material-relevant credits are always targeted. This means that all building materials must contain 20% recycled material in value. The approach also reduces the incorporated carbon footprint of the buildings. In addition, the Group obtains Environmental Product Declarations (EPDs) for 20 different products used in construction (e.g. drywall or insulation material), having made by the manufacturer using independent organisations. The purpose of requesting Life Cycle Analysis (LCA) declarations is to demonstrate the impact of production processes on the environment and at the same time encourage manufacturers to use cleaner and less polluting production technologies.

The Market Group started its partner programme in 2021, one of the aims of which is to establish mutual partnerships with 120 subcontractors who have worked on Market projects over the years. In the coming years, within the framework of its sustainability strategy, the Market Group would like to work with companies that consider environmental protection and social responsibility important. Within the framework of the partner programme, the Market Group provides assistance through knowledge sharing. The first such resource that Market shared with partners was the knowledge and toolkit available on BimForShare's platform, which entrepreneurs can use freely, moreover, it already integrates Market's previous experience. One of the main focuses of the application of BIM (Building Information Modelling) system is to increase the efficiency of material use. When using it, the amount of material to be ordered can be determined more accurately, avoiding the build-up of surpluses. During procurement, partners are expected to reduce waste and manufacturers to take back the packaging of building materials.

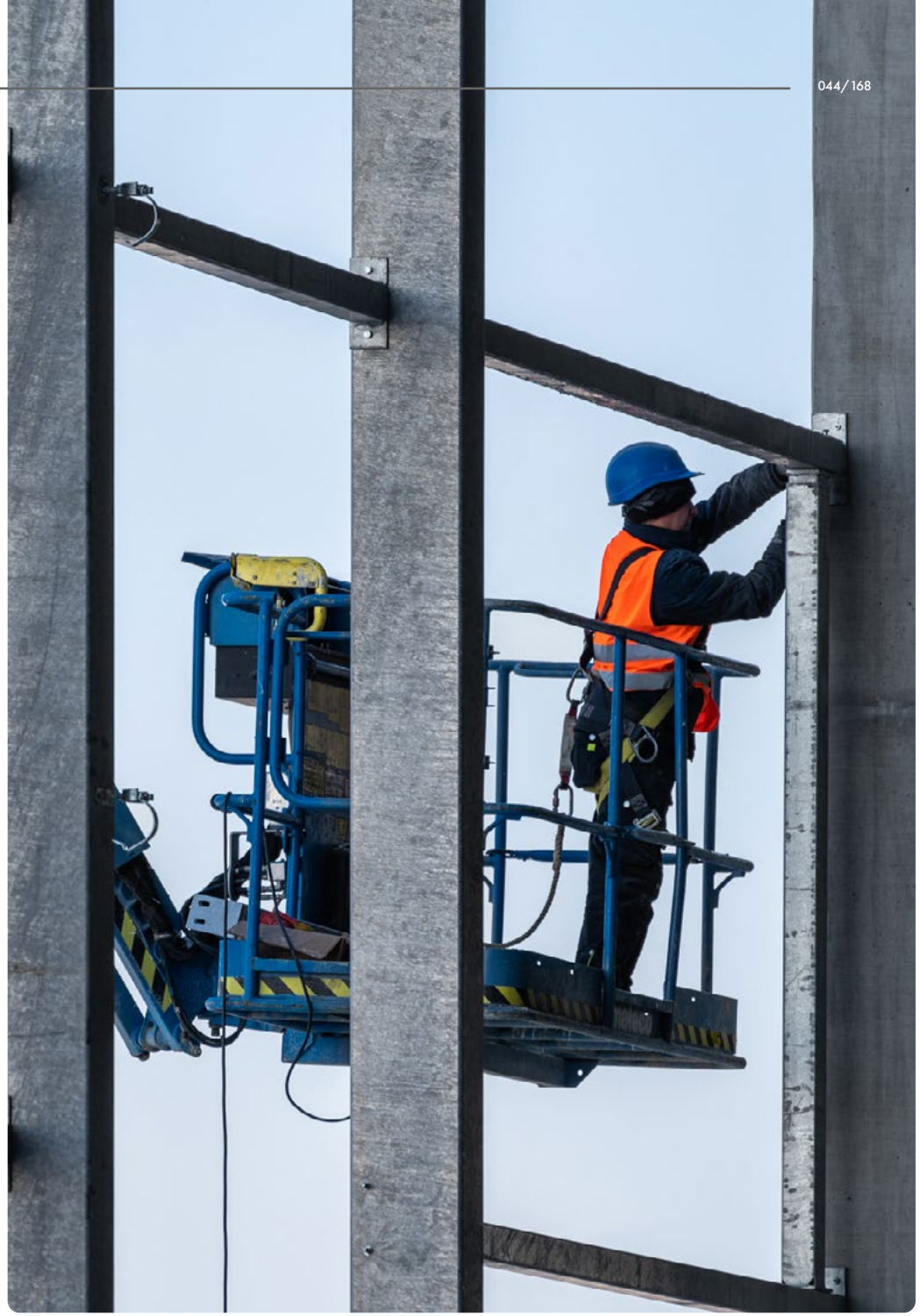
The Market Group also pays attention to material savings during the construction processes. Materials that are easily getting damaged due to weather conditions, such as drywall, various insulation materials, as well as wood-based materials are stored in a covered area. Most construction waste is made up of packaging materials. Returnable packaging materials (pallets, cable drums) are returned by subcontractors to manufacturers.

The Group also places great emphasis on high quality work. All subcontractors are expected to perform the specified work in good workmanship without repair or additional work right the first time around, so there is no need to use more building materials and poorly installed materials do not have to be removed from construction sites as waste.

On projects where demolition waste is generated, in most cases these are ground on site and some of them are used as road foundations or backfilling on nearby projects.

Materials left over from construction sites are sent to the central logistics warehouse, from where these materials are used for other projects. Upon project completion, office furniture and other equipment are stored in the logistics centre before being used for other projects.

Within the Group, an Innovative Building Materials Group has been formed consisting of members of the sustainability and design departments, who will help increase the wider use of sustainable building materials within the Group.



Material use

The building materials purchased come in various sizes and packaging according to their kind and type. Packaging or bundling of these products are carried out by the manufacturer or distributor of the given product. The Market Group sources all raw materials from external sources. The exception is represented by the reinforced concrete elements which are pre-cast by **Prebeton Zrt.**, as well as by the concrete produced by **MCM Concrete**.

For the production of our precast reinforced concrete products, Prebeton Zrt. mainly uses cement and limestone flour, gravel aggregate, additives and water.

In addition, rebar material and locksmith fittings are placed in the structures, occasionally insulation material and other accessories. In addition to the above, formwork material is required for the erection of the element.

During the operation process of the concrete plant, machine grease, gear oil, hydraulic oil and transmission oil are used. All materials are sourced from third parties.

One of the most important centrally sourced product is reinforcing steel. In 2022, we procured 28,205,788 tonnes of reinforcing steel bar material and 1873.64 tonnes of rebar coils at group level. The Group is moving towards a circular economy by producing all of these materials from recycled scrap metal. At project sites, scrap metal is collected selectively and is reworked into reinforcing steel or other steel products again.

In the case of **MCM Beton Kft.**, the main raw materials for the production of pumped transport concrete are washed sand, screened and classified gravel of various sizes (aggregate), cement and additives. All of these are obtained from external sources.

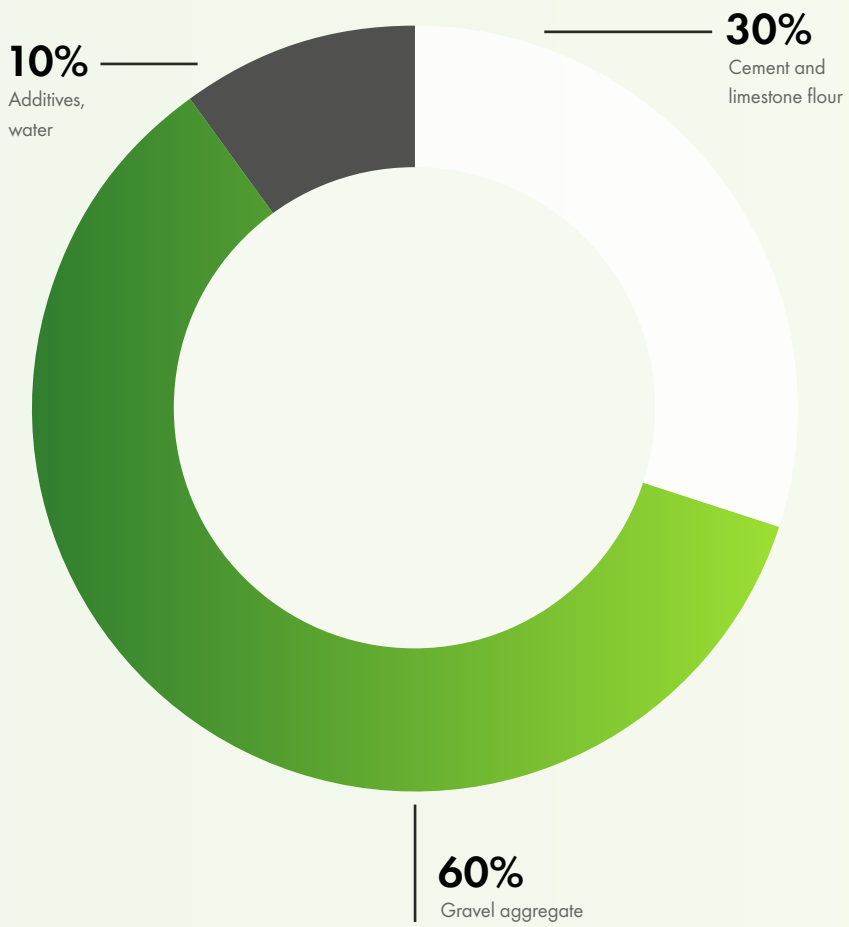
The aggregate materials are transported in bulk, the cement in a closed silo system, and the additive in 1000 litre IBC tanks, which are transferred into tanks owned by **MCM Beton Kft**. at the site. Used IBC tanks are then cleaned and refilled. No additional packaging material is used in connection with production and transport. In 2022, MCM Beton Kft. produced 165th m3 of concrete for Market Építő Zrt., these shipments were dispatched from the Company›s two stationary plants in Budapest and the mobile plant located in Ivánsca.

We cannot talk about recovered products with respect to concrete, however, it may happen that the concrete delivered and not used at the destination is returned to our own site. From the returned concrete we make fraction separating walls, while concrete already hardened is used for making concrete grist (broken concrete). The re-use of it is covered more extensively in the chapter Waste.

OKM Építőipari és Szolgáltató Kft. deals with utility and road construction. The company purchases construction materials from external partners. They can be considered as a mixture of raw materials and semi-finished products in the sense that they are used by the company in the construction service process during its building activities. None of these are recycled materials and do not have packaging. Products arriving on pallets which are deposit refundable packaging materials and are taken back by our partner.

OKM does not have its own service workshop, the machines used for the works are repaired by a subcontractor. The resulting waste (machine rag, waste oil, machine grease) is removed by the subcontractor.

The total material requirement for the production of 1 m³ of concrete is as follows:



[GRI 3-3] [GRI 303-1] [GRI 303-2] [303-3] [303-4] [303-5]

Water management

The Market Group has a massive impact on water. The increasingly extreme distribution of rainfall throughout Europe, including Hungary, makes it more and more necessary to spread responsible water management practices in the construction segment. For this reason, the Group's sustainability strategy includes defining guidelines for water use by 2025, developing water-saving solutions for its customers, identifying weaknesses in water consumption and creating a strategy to eliminate them.

Water

The Market Group fully complies with legal requirements related to water management and for all its projects, The Group applies for a water permit from the relevant official body.

Wastewater generated on construction sites is discharged into the existing network. In Budapest, the operator is the Budapest Sewage Works (FCSM), in the countryside the Group would approach the relevant sewer works and the municipalities concerned. Before obtaining permits, a calculation must be made to the authorities of the expected water use throughout the construction period. The calculation is based on the number of workers and the use of sanitary facilities. (We do not have a data collection process in place for the process water consumption at construction sites.)

It is typical of the Group as a whole that water use is continuously monitored, checked monthly and evaluated annually compared to the water use of the previous year.

The headquarters, subsidiary sites and offices (Market Építő Zrt., Moratus Kft., Vilati Szerelő Zrt., OKM Építőipari és Szolgáltató Kft.) have water use and wastewater discharge permits. Water consumption figures are recorded and checked monthly in offices.

Prebeton Zrt. and MCM Beton Kft. qualify as manufacturers. Accordingly, they have the necessary water permits and review their water use on a monthly basis. For the two member companies, the use of water depends on the amount of concrete production. Both Prebeton Zrt. and MCM Beton Kft. strive to use water efficiently, whereby the water generated from the washing of concrete tanks is reused in the production process.

In the case of OKM projects, groundwater may be released to the surface during soil extraction. Its amount cannot be regulated, it depends on the geological properties of the ground. If it is contaminated, it will be pumped out and removed, if not, it will infiltrate or have infiltrated.

A separate data collection process has been established in the field of water intake and sewage disposal for the two largest user member companies, Market Építő Zrt. and OKM Építőipari és Szolgáltató Kft. The use of the own building (headquarters or site) and the water intake and sewage disposal during the projects will be accounted for separately.

If the amount of water intended for the planned drainage is more than the permitted amount at any one time, the Market Group will ensure that it is retained and that the water right limits are complied with. The amount of rainwater from paved surfaces that will be discharged into drains on construction sites will be previously reported to the authorities. The rainwater run-off limits permitted by the authorities must be complied with during construction. For this reason, discharge in many cases must be delayed or part of the water be infiltrated into the ground.

All rainwater generated in the parking areas is run through an oil trap by the Group before being discharged into the sewer system. This practice ensures compliance with the pollution limit of 5 ml/litre for hydrocarbon pollution.

Reducing water use

The development of the Water Use Policy is part of the Group›s sustainability strategy. The permanent offices are already equipped with water-saving sanitary ware to reduce water use, and the on-site container offices are being renovated with water-saving sanitary ware.

Municipal water consumption for each member company in 2022 (m^3)

Offices / Locations	Water consumption (m^3)
Lean Tech Mérnökiroda Kft.	589
Market Építő Zrt. (iroda)	6 396
Market Építő Zrt. (projektek)	31 371
Prebeton Zrt.	11 406
MCM Beton Kft.	n.a.
OKM Építőipari és Szolgáltató Kft. (iroda)	739
OKM Építőipari és Szolgáltató Kft. (projektek)	12 992
Moratus Kft.	747
Market Épületszerviz Kft.	248
Property Market Ingatlanfejlesztő Kft.	133
Vilati Szerelő Zrt.	860
Total	65 481

Water as a common resource

In order to protect water bodies, the Market Group expects all subcontractors using fuel to make recovery trays available during projects. Only employees who have who have received environmental training are allowed to refuel small and big machines. The integration of environmental considerations into contracts with partners is currently being developed.

Among the member companies, MCM Beton Kft. and Prebeton Zrt. use major quantities of well water for concrete production. As water quality is of paramount importance for concrete production, 87% of the well water used is of drinking water quality. The Market Group does not use process water and does not carry out construction activities in areas affected by water shortages. In 2022, 5,031 litres of water were withdrawn from drilled wells for Prebeton Zrt. and 15,431 litres for MCM Beton Kft.

Stormwater management

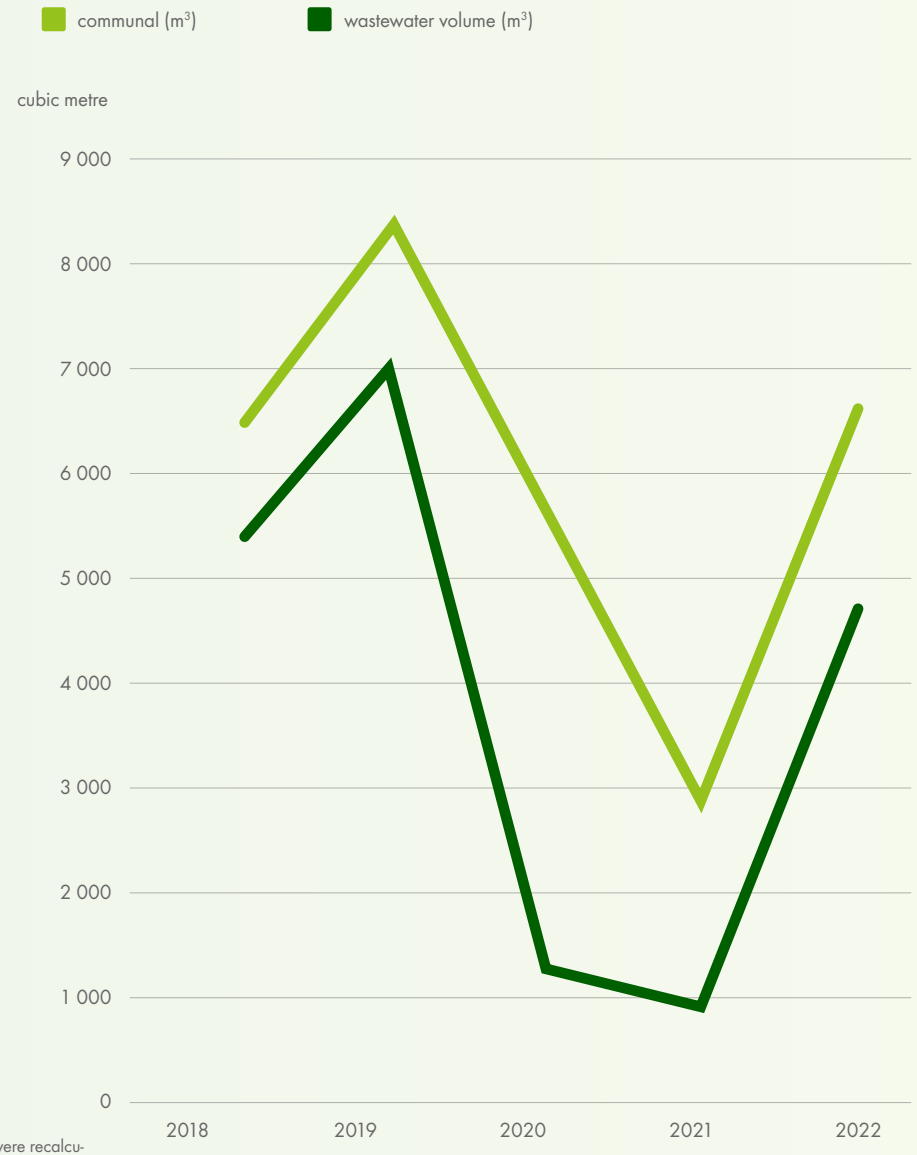
As a result of climate change, the annual distribution of precipitation and the intensity of individual rainfalls are changing. Therefore, stormwater management is of particular importance, and the Market Group will also pay special attention to it from 2021. This is basically a designer's competence, however, Market, as a contractor, is involved in awareness-raising with its specialist consultants, and gives preference to sustainable, water-retaining stormwater management in design reviews and professional forums as opposed to previous bad practices of rainfall run-off management. Thus, precipitation is "captured" by buildings already on the roof through green roofs. In 2022, the related planning processes were completed, so in the future the Group will use more and more rain gardens, urban tree planting systems enabling proper water management, and so-called Sponge City solutions (e.g. BudaPart). The first rain gardens will be completed in spring 2023.

Market Group's total water use decreased by 47 percent between 2018 and 2022, due to different water requirements in each project.

The Group's water use during the reporting period[31]

Water	2018	2019	2020	2021	2022
Communal [m³]	64 617	83 722	55 553	29 254	65 481
Volume of waste water [m³]	54 224	70 313	12 628	9 347	45 761

Volumes of communal water use and wastewater generation between 2018 and 2022 cubic metre, communal (m³), wastewater volume (m³)



[31] In the 2022 sustainability report, the scope of the report was extended to Property Market Ingatlanfejlesztő Kft. as well, therefore the values for 2020 and 2021 were recalculated retrospectively. In addition, the data of MCM Beton Kft. have been modified retrospectively, because in the previous report the process water consumption was incorrectly indicated in the category of municipal water consumption.

[GRI 3-3] [GRI 304-1] [GRI 304-2]
[GRI 304-3] [GRI 304-4]

Protection of biodiversity

Climate change and human activity are rapidly transforming natural habitats, so a serious global ecological crisis is unfolding. The construction industry and the production of building materials have a significant impact on natural habitats and often negatively affect the life activities of native flora and fauna. With this in mind, the Market Group places great emphasis on biodiversity protection and is determined to reduce its negative impact on natural habitats.

Currently, the most significant negative impact is represented by the Group's greenfield investments which fundamentally transform the existing environment by building on land that was previously undisturbed or used for agriculture. In such cases usually the entire infrastructure usually has to be built, with the associated noise, vibration, earthmoving and dust emissions. In the case of a greenfield project, the preliminary assessment and, if necessary, the protection of the wildlife in the area is beyond Market's competence. As a rule, a preliminary test documentation (EVD) for wildlife is usually get prepared well before construction – this being the responsibility of the Client – as part of the tender announcement phase. At the same time, the Market Group in the case of greenfield investments is in the process of preparing a protocol that will provide for the assessment, transplantation or at least gathering into a seed bank of any more valuable, protected plant species that may be present in the area. Greenfield investment projects of the Group include, but are not limited to, the Iváncsa SKI project, the logistics centre of Jysk and Lidl in Ecser, and the investment in Maglód, to build a logistics hall. Almost half of the 65 ongoing projects are greenfield investments.

Another negative effect is the potential introduction of invasive species, which may occur when customers request the supply of various trees and ornamental plants from abroad, possibly causing the domestic proliferation of non-native insect species.

Market Group strives to eliminate or, if it is not possible, reduce these negative impacts in its projects. During the design review process, the Group's specialist consultant filters out invasive species, has them deleted from the plans right from the beginning, and tries instead to plant native, domestic species and varieties in the affected areas. The consultant also does his/her best to raise awareness among designers, and the competent special consultants of the Group share their knowledge about this with the participants of the project, thus shaping attitudes. In doing so, the Market Group also draws attention to the concrete steps to be taken to conserve biodiversity and acts accordingly.

In the areas affected by the construction, the Group will try to use the displaced humus topsoil within the area partly during redesign (working design) - thus reducing the environmental impact of transport. If this is not possible, efforts are made to use it at another construction site or to stockpile at the Soroksár site for further suitable use. The properties and usability of the humus topsoil will be examined by an external expert and used for horticultural purposes.

From 2021, Market Építő Zrt. started to test the fertile soil stripped off the ground during construction activities - in addition to preparing the usual soil test report - based on new aspects. In the past, the quality parameters of the topsoil used in horticultural construction, which is the basis for green infrastructure in urban or industrial environments, were not tested, as there are no regulations or standards for this. However, the quality of the green space created depends on it. The origin and long-term survival of the plants that are planted depend on it, which is why Market Építő Zrt. has contracted an external soil testing and nutrient management expert in 2021 to have the soil tested on each project.

Prior to the afforestation works, Market Group will seek the advice of the local forestry on the species of trees and other technical issues appropriate to the area (soft landscape works) and will also entrust the implementation of the afforestation to them.

In order to offset the Group's emissions and to preserve biodiversity, a tree planting project has been launched, with the basic objective of planting twice the contracted amount of trees at its own cost for each project. If the location of the project allows, the Group will plant a biodiverse mini-forest. If there is not enough land available at the project site, a small-footprint, fast-growing, native species Miyawaki Forest will be established in an urban environment in consultation with local governments.

The creation of biodiverse mini forests was completed in early 2022, the preparation of the afforestation (16,885 trees on 2.11 hectares) was completed at the end of 2022, and the implementation has already been postponed to spring 2023.

Ecser – Lidl miniforest

A roughly 30 m wide woodland strip is planned parallel to the northern boundary of the site, parallel to the site boundary This will create approximately one hectare of extra green space over a length of 300 m, consisting of at least three levels of trees, shrubs and perennials, all of which will be planted in an extensifying and environmentally compatible manner. The primary role of this biodiverse area is not to provide an outstanding aesthetic experience, but to create a habitat where plant species can survive without intensive maintenance, provide habitat, food and shelter for insect species, small mammals and birdlife, and, thanks to their ecological service capacity, produce oxygen through their active foliage, trap particulate matter and carbon dioxide. The perennial patches, planted as islands on the edges of the site, are also bee-pastures. Tree species and shrubs such as Turkestan elm, rowan, ornamental apple, bird cherry, native dwarf almond, or cherry ivy, which tolerate harsh conditions, can be found in the area, while the hardwood grove forest consists of a plant complex containing an oak-ash-elm association.

Protection of birds

The Group pays special attention to the protection of birds. Various types of nesting boxes are provided for a number of projects. The vegetation planted by the Group also has a number of advantages: thorny shrubs provide ideal and protected nesting sites for certain species of birds, and the fruits and berries of many plants provide food, which is particularly important in winter, when birds have a harder time surviving (e.g. the edible fruits of ornamental apples, pears, ornamental hawthorns, etc., which survive the winter). Insect-pollinated plants are predominantly planted, with the flowers of some species particularly attracting a wide variety of pollinators. There are some projects where the Market Group has already deliberately planted a "bee-pasture", a wildflower meadow (e.g. Sárvár Hotel), but even without this designation, many perennial beds and other flowering vegetation perform the function of bee-pasture for many months. Some species are the only source of "food" (e.g. nectar and pollen) for early awakening insects, with their very early winter flowering, and their planting is of particular importance and positive impact on insect diversity and survival (e.g. Salix species, i.e. willows).

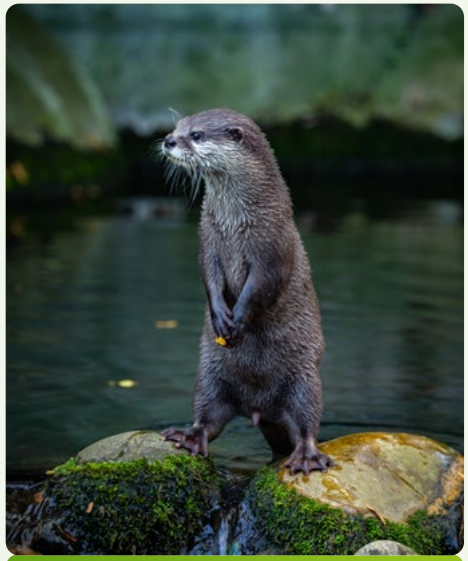
Areas of biodiversity value, species concerned

The Market Group does not operate, own, lease or manage a site in an area of biodiversity value or in the immediate vicinity of such an area. (Its Soroksár site is located in a former mining pit, a former landfill site on the outskirts of the capital, in an area of low biodiversity value.)

In 2022, the Market Group did not invest or carry out any other activities in Natura 2000 sites only in the neighbourhood of them as a maximum. The Citadella (Citadel) project, located in the Gellérthegy (Gellért Hill) Nature Reserve, is a nature conservation site and is also an archaeological site, a highly protected monument and a World Heritage Site. The project covers an area of approximately 31 560 m². The works will increase the green area to one and a half times of the original, to 20,000 square metres. A 6,000 m² public park will also be created within the fortress wall, which will include a pond for visitors. The project area itself is under the authority of the Danube-Ipoly National Park Directorate, they will come out periodically to monitor the progress of the work and ensure that the construction is being carried out in accordance with the regulations.

During the activities of the Market Group, no data collection was required on species in the IUCN Red list of Threatened Species and on nationally protected species, such habitat surveys are typically carried out by the developer/client prior to the construction phase. No such data will be disclosed to the company.

At the same time, Market is aware that some of the project sites may contain – but are not limited to – the protected species listed below, and will do its utmost to protect them (e.g. habitat construction: bird protection, bat boxes, hedgehog garages, swallow hotels, feeding and watering stations, etc.):



Animal species

- Eastern hedgehog
- Bank martin
- Bee-eater
- Lark
- Brown toad (and other amphibians)
- Great bittern (Botaurus stellaris)
- Water snake (and other reptiles)
- Pannonian lizard
- Mammoth wasp (Megascolia maculata)
- Bat species
- Otter
- Gopher

Plant species

- Ephedra vulgaris (Gellért Hill)
- yellow catchfly (Silene flavescens) (Gellért Hill)
- lady orchid (Orchis purpurea)
- yellow oxeye (Telekia speciosa)
- yellow flag iris (Iris pseudacorus)
- tufted sedge (Carex elata)
- summer snowflake (Leucojum vernum)
- snake's head (Fritillaria meleagris)
- white-seeded Saw-wort (Seseli leucospermum)
- soft silver tree (Jurinea mollis)

[GRI 3-3] [GRI 306-1] [GRI 306-2]
[GRI 306-4] [GRI 306-5]

Wastes

The core business of Market Group requires a large amount of building materials, which goes hand in hand with waste generation. Aware of the fact the Group pays special attention to waste management and is constantly looking for ways to reduce waste. The strategic goal is to achieve such a goal on pro rata basis.

In its own projects, its member company, Lean Tech Mérnökiroda Kft. performs the design tasks, keeping in mind that the principle of using the least possible quantities of materials prevailed in all cases. The most effective way to reduce waste is to minimise the use of materials, which can significantly reduce the amount of waste generated throughout the construction process.

A related strategic goal is for the Group to reduce the amount of waste generated during its operations by 10% by 2025 and to recycle 50% of the waste generated by demolition work at other sites. To integrate a zero waste approach into its corporate culture, as a priority both in its office operations and in its projects, and to further develop its hazardous waste inventory system.

Types of waste generated

Four main types of waste are generated during construction:

Materials generated by earthworks

Excavation of foundations for buildings and structures generates a quantity of extracted earth material the amount of which cannot be reduced. However, 100% reuse of this material is feasible and is standard practice in the Market Group. The storage, testing and transport of humus soil to projects is handled by a dedicated environmental expert within the Group.

Demolition waste

Demolition waste is generated during the demolition of buildings. It can only be reduced if the investor reuses the structure of an existing building. On projects where demolition waste is generated, in most cases it is ground on site and a certain part is used as road cover and backfill on the given or nearby projects. In Hungary, it is not yet widespread to use recycled inert materials in concrete mixes. This is due to material quality certification reasons, which would affect the structural warranty of the building. The use of recycled inert materials (insoluble in water, non-combustible or otherwise physically or chemically non-reactive, non-biodegradable) is expected to become more feasible in the future with the increased use of circular construction.

Construction waste

Construction waste is generated during the construction process. Most of it comes from the packaging of materials. Packaging is necessary to protect products during transport and storage. The main refundable packaging materials are returned by subcontractors to manufacturers for recycling. Examples of such packaging materials include pallets, cable drums and metal structures used to transport flat glass. Currently, packaging materials that cannot be returned to manufacturers are shipped from projects as mixed waste together with construction and demolition waste. The waste management company further separates mixed demolition and construction waste at its site for recycling.

The second largest amount of waste is generated by cutting materials to size and sizing the surfaces to be prepared for the plan. Market Group sees an opportunity to reduce this type of waste in the future, both at the design phase and through collaboration with material manufacturers.

For example, drywall cutting as a type of waste would disappear if the height of wall surfaces can be customised to the size of the plasterboard drywall. The use of modular elements during construction would also reduce construction waste. Materials that are not stored properly and thus lose their shelf life can also increase waste. Therefore, on construction sites, great attention should be paid to the transport of materials on a "just-in-time" basis and to storage, which can avoid the generation of significant amounts of waste.

On projects located in and around Budapest – accounting for approximately 80% of all the Group's work – construction and demolition waste is handled by a dedicated subcontractor partner. For the remaining rural projects, local waste management companies are contracted.

Municipal waste

Municipal waste is typically generated on construction sites and from office use at the headquarters. Selective waste collection is implemented both at the headquarters and at the construction offices.

The largest type of waste generated and at the same time recycled in the case of OKM Építőipari és Szolgáltató Kft. is subsoil, which can be used as backfill material once it is extracted from the waste stream. In 2022, this volume amounted to 55,200 tonnes.

Occasionally, the Market Group also uses crushed concrete at construction projects originating from the break-up of concrete, but the quantity of this material can only be given approximately. Crushed concrete can be reused at Kopaszi-dam with the machines of OKM Építőipari és Szolgáltató Kft. Materials classified as hazardous waste (around 59 tonnes generated at group level in 2022) (oil derivatives or highly contaminated soil) are not treated or recovered by the Group, they have always disposed of by third parties.

Waste management

Partner companies (specialist companies) responsible for waste management in the Market Group undergo the following checks:

1. Waste capacity control
2. Soliciting price offers
3. Requesting waste transportation and waste management permits
4. Requesting/Verification of ISO 14001 certificates
5. Occasional site audits
6. Checking the process of waste related data collection and tracking.

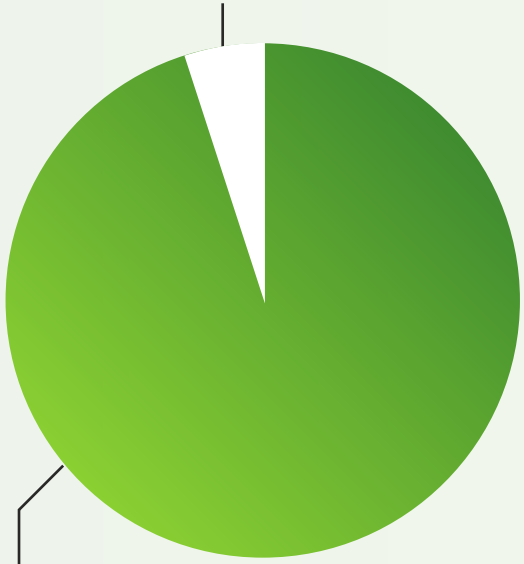
In addition, the Group receives monthly data from companies that manage demolition and construction waste.

Regarding the member companies, large amounts of waste are generated during the operation of Market Építő Zrt. (waste of subcontractors is also accounted for here) and OKM Építőipari és Szolgáltató Kft. (due to earthworks). The waste generated by the other member companies can therefore be considered marginal in terms of quantity, so that a comparative presentation is not justified.

Waste that cannot be recycled on the various projects is handed over by Market Group to waste transportation companies for removal and/or disposal. If a given quantity cannot be recycled, it will be deposited on a landfill site.

In 2022, 5.46 percent of the Market Group's total waste volume was dumped on a landfill, equivalent to 13,915 tonnes.

13 915 t
WAS DUMPED ON A LANDFILL



241 072 t
RECYCLED

Distribution of the mass of non-hazardous waste and recycling rate for each member company

	Quantity of non-hazardous waste (tonnes)	Recycling rate (%)
Lean Tech Mérnökiroda Kft.	-	-
Market Építő Zrt.	57 153	76
Market Épületszerviz Kft.	95	12
MCM Beton Kft.	-	-
Moratus Kft.	61	7
OKM Építőipari és Szolgáltató Kft.	196 664	100
Prebeton Zrt.	993	100
Vilati Szerelő Zrt.	29	100
Property Market Ingatlanfejlesztő Kft.	N/A	N/A
Total	254 995	94.54

market
WE LOVE TO BUILD

Stakeholders

07

The Market Group defines stakeholders as those groups that have an influence on, or an interest in, the achievement of the company's objectives or affected by it. As a first step in the development of its sustainability strategy, the Market Group conducted a comprehensive survey to identify their views and gather their recommendations for its sustainability activities. The main stakeholders considered are customers, employees, suppliers and partners, NGOs and members of the future generation.

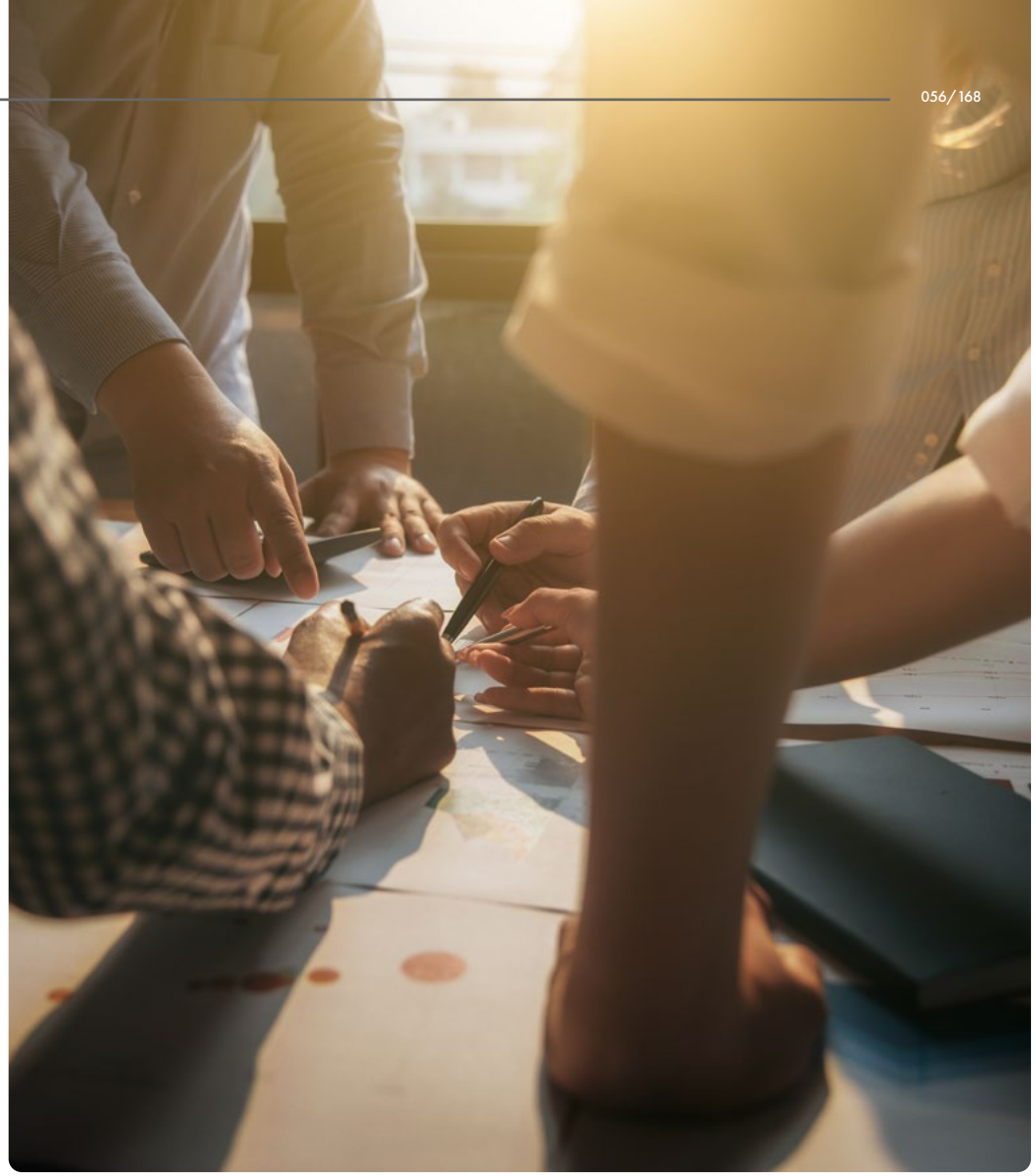
Stakeholder survey

In addition to direct contacts, stakeholder engagement took place through a stakeholder survey on sustainability in the summer of 2021. Thereafter, the Market Group will repeat the survey periodically (every two years) to monitor changes in stakeholders' expectations of the Group.

In mapping the material topics required for the sustainability report, in addition to the industry expectations arising from its core business and the strategic objectives of the Group, Market also took into account the focal points identified by its stakeholders. They had the opportunity to express their views on various sustainability topics through an online anonymous survey. In the survey, Market wanted to know how its various stakeholders assess the sustainability performance of the Group and what recommendations they have for making the company's operations more sustainable.

The survey shows that for the majority of Market Group stakeholders, sustainable use of raw materials, resource efficiency and waste management are key environmental priorities. Among social topics, customer satisfaction, continuous training and awareness raising of employees, health and safety at work, employee involvement in corporate social responsibility, as well as cooperation on environmental and social topics were highlighted. In terms of corporate governance, making the supply chain more sustainable was considered important.

Stakeholders found that the Market Group can best contribute to SDG9: Industry, Innovation and Infrastructure, SDG 6: Clean Water and Public Health, SDG11: Sustainable Cities and Communities, SDG4: Quality Education and SDG12: Responsible Consumption and Production. With the exception of SDG 6: Clean Water and Public Health, Market contributes to all of these goals in its operations. (These can be viewed in the UN Sustainable Development Goal Focuses.)



The Group intends to continue to think and cooperate with its stakeholders and encourages everyone to share their comments, ideas and opinions at the dedicated address:

fenntarthatosag@market.hu

[GRI 2-7] [GRI 2-8] [GRI 401-1]
[GRI 401-2] [GRI 401-3]

Staff

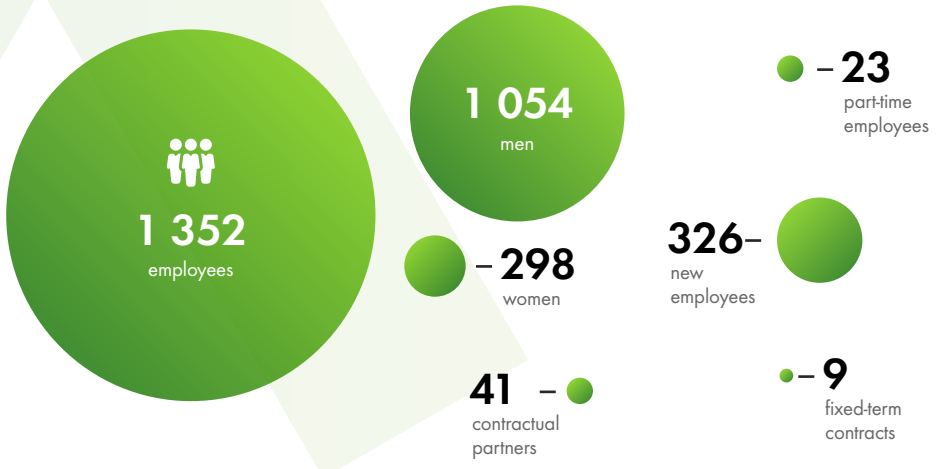
Work environment

The Group has always strived to build the best possible relationship with its employees, knowing that its success is down to them. Accordingly, it values all employees and strives to provide each of them with the opportunity for continuous personal and professional development. It places particular emphasis on providing its employees with a range of opportunities that contribute to improving their health and well-being.

At the end of 2022, the Market Group had 1352 employees. This includes full-time and part-time employees, as well as colleagues on fixed-term and open-ended contracts. Of these, 1,054 are men (%78 of the total workforce) and 298 are women (%22 of the total workforce). Compared to the total number of employees, the proportion of fixed-term and part-time employees is not significant. In 23 ,2022 colleagues worked part-time and 9 employees had fixed-term contracts. In addition, Market worked with 41 contractual partners who were not employees of the company.

A total of 337 new employees started their careers with the Group during the year. Market›s equal opportunities policy does not discriminate between male and female employees in determining remuneration, which is always based on position and professional skills. Newly hired colleagues are assisted in their integration through an onboarding process. This will familiarise newcomers with the Group, its internal processes, colleagues, the benefits system, and provide them with the tools and training they need to do their job. The Market Group also continuously monitors turnover trends in its member companies. In 2022, the turnover rate was the highest for Prebeton Zrt.

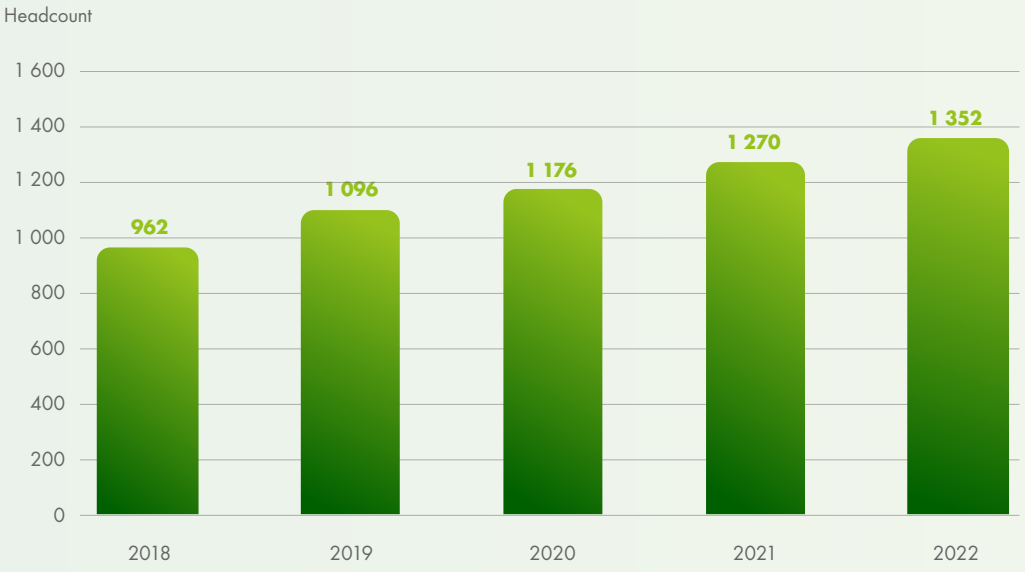
Of the 35 colleagues of the Market Group who were absent for a long time due to maternity leave or childcare, 7 returned in 2022. Market counts it a success that all of those who returned were still working for the Group after 12 months.



Gender distribution of employees by member company

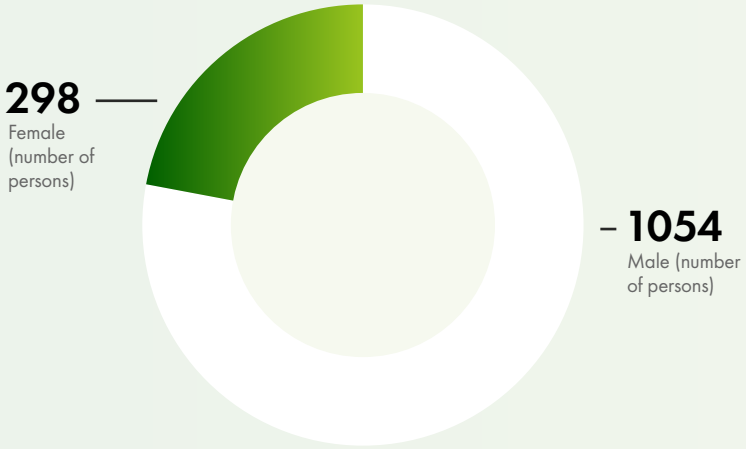
	Male (person)	Male (%)	Female (person)	Female (%)	Total
Lean Tech Mérnökiroda Kft.	15	54	13	46	28
Market Építő Zrt.	353	67	175	33	528
Market Épületszerviz Kft.	80	91	8	9	88
MCM Beton Kft.	27	93	2	7	29
Moratus Kft.	136	86	22	14	158
OKM Építőipari és Szolgáltató Kft.	250	89	30	11	280
Prebeton Zrt.	102	83	21	17	123
Property Market Ingatlanfejlesztő Kft.	23	52	21	48	44
Vilati Szerelő Zrt.	68	92	6	8	74
Total	1 054	78	298	22	1 352

Trends in the number of employees between 2018 and 2022



Market Építő Zrt. and Prebeton Zrt. saw the largest increases in the number of full-time employees compared to 2021. For Market Építő Zrt., the increase in headcount was mainly due to the growing number and volume of projects, with a significant share of the new employees joining the core business activities of the company. In the case of Prebeton Zrt., the commissioning of the new factory necessitated the increase in staff.

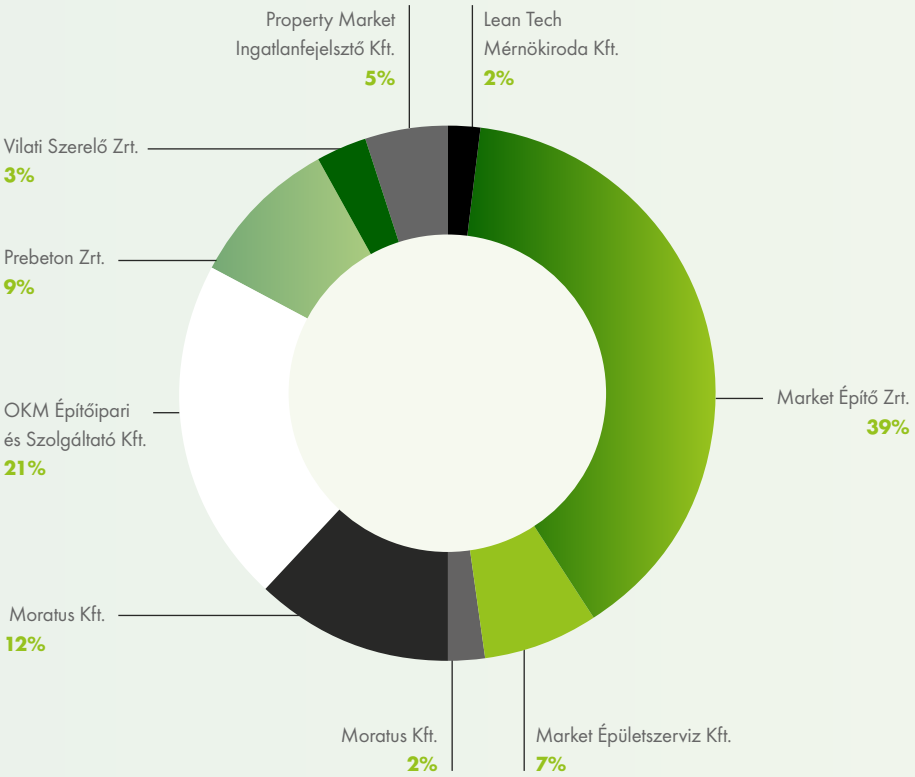
Gender distribution of staff at group level



Evolution of the number of full-time employees (persons)

	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	13	15	16	20	27
Market Építő Zrt.	355	421	430	482	509
Market Épületszerviz Kft.	67	73	75	82	87
MCM Beton Kft.	5	9	11	28	29
Moratus Kft.	182	175	169	159	156
OKM Építőipari és Szolgáltató Kft.	234	282	274	285	274
Prebeton Zrt.	0	4	81	84	121
Property Market Ingatlanfejlesztő Kft.	33	39	45	36	39
Vilati Szerelő Zrt.	60	61	60	73	71
Total	949	1 079	1 161	1 249	1 313

Ratio of full-time employees in the Group in 2022



Contractual partners are employees who are not directly employed by the Group. The Market Group classifies the following positions in this category: elected officials, engagement contract, temporary agency. Compared to 2021, their number has changed only slightly, and Market Építő Zrt. continues to have the highest number of employees working as contractual partners among its member companies.

Evolution of the number of contractual partners (not employed permanently by the Group)

	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	2	2	2	3	0
Market Építő Zrt.	21	27	101	27	29
Market Épületszerviz Kft.	1	0	0	0	0
MCM Beton Kft.	0	1	0	0	0
Moratus Kft.	25	29	3	6	6
OKM Építőipari és Szolgáltató Kft.	6	10	3	2	4
Prebeton Zrt.	0	1	1	2	1
Property Market Ingatlanfejlesztő Kft.*	N/A	N/A	N/A	N/A	0
Vilati Szerelő Zrt.	0	0	0	0	1
Total	55	70	110	40	41

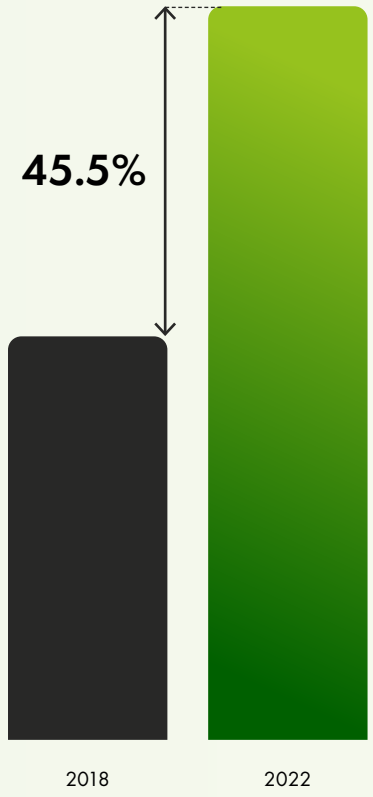
*No historical data are available for Property Market Ingatlanfejlesztő Kft.

There has been a methodological change in the calculation of turnover data. For 2021 and previous years, Market Group used an average of monthly turnover figures. Monthly turnover is the ratio of the number of employees leaving the company in a given month compared to the average statistical headcount. However, from 2022 onwards, monthly turnover figures are no longer averaged, the Group takes into account the ratio of the number of employees leaving the company in a given year to the annual average statistical headcount. The change in methodology has also been applied by Market Group on a time series basis, resulting in all previous years' data being updated. It has caused a significant change in all values. In 2022, the aggregate turnover rate in the Group was 17.81%.

Employee turnover (%)

	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	8.35%	7.29%	23.86%	5.40%	17.46%
Market Építő Zrt.	9.52%	15.17%	13.99%	9.46%	10.06%
Market Épületszerviz Kft.	13.30%	9.82%	6.70%	1.29%	4.77%
MCM Beton Kft.	173.42%	147.04%	53.69%	7.37%	21.38%
Moratus Kft.	71.52%	61.16%	27.98%	25.01%	20.47%
OKM Építőipari és Szolgáltató Kft.	32.00%	23.28%	20.84%	20.49%	22.68%
Prebeton Zrt.	N/A	0.00%	115.64%	50.26%	43.45%
Property Market Ingatlanfejlesztő Kft.	15.89%	19.70%	17.58%	73.06%	23.14%
Vilati Szerelő Zrt.	12.95%	6.26%	9.88%	8.73%	25.07%

Over the past years, Market Group has focused on expanding its workforce and is consciously building on that. The professionalism that the Market Group expects of itself and the complexity of the projects have made it necessary to increase the headcount of both Market Építő Zrt. and its subsidiaries year on year. The number of full-time employees has increased by 45.5 percent since 2018. In line with the long-term business strategy, the Group has grown to a higher level with the addition of new member companies and colleagues. Synergistic effects are being utilised to the maximum, the companies within the Group are strengthening each other. The recent development involved the need for new types of competences, and the Market Group has expanded accordingly, in new areas such as BIM design, digitalisation and data analytics. These new areas also require skilled manpower, so the growth of the Group is not only quantitative but also qualitative.



[GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-4] [GRI 403-5] [GRI 403-6] [GRI 403-7] [GRI 403-8] [GRI 403-9] [GRI 403-10]

Employee health and safety

Safety at work is critical for the Market Group. Construction work processes have a number of potential hazards, which must be identified and managed during the execution of the projects. Therefore, in addition to legal compliance, Market Group continuously monitors industry trends and adopts best practices to ensure the safety of its employees at all times. The Market Group's strategic objective is to maximise the number of working days lost due to accidents at 700 days/year.
This was 464 in 2022, well within the target.

Safety at work

The Group fully complies with occupational safety legislation and the requirements of the OHSMS (Occupational Health and Safety Management System) standard. In hazardous work processes and technologies, where prevention is not sufficient, Market provides its employees with personal protective equipment to protect them against the hazards and to reduce the harmful effects. In all cases, employees are obliged to use the protective equipment issued to them in accordance with its intended purpose and to check its quality and protective capacity on an ongoing basis. If work equipment, when used as intended, poses a direct risk to the health and safety of workers or could lead to an accident at work, it must be subject to an immediate inspection by the local manager.

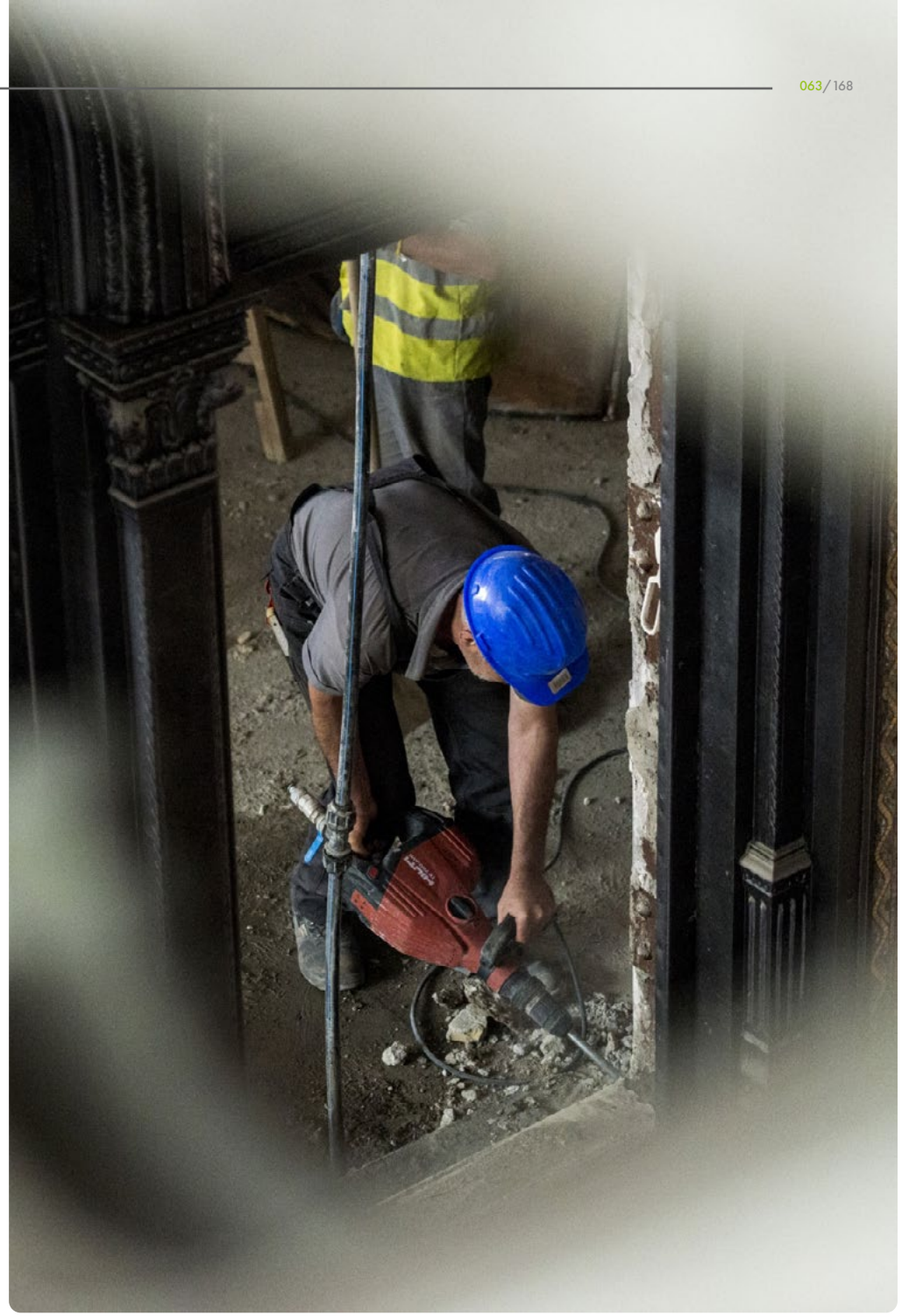
Safety on construction sites

At its construction sites, Market Group provides:

- Individual risk assessment for each work site
- Development of a health and safety plan
- Occupational health and safety inspections, provision of an occupational health and safety coordinator in the work area
- Security guarding and access control (checking of the medical certificate)
- Verification of OSH training certificate

During their health and safety inspections, the occupational safety coordinators assigned by Market draw up daily safety reports (protocols) on the defects/deficiencies they found, and those are sent to the construction management, who draw the attention of the subcontractors concerned to the need to remedy such deficiencies.

Proportioning the number of defects found in the reports, Market produces statistical indicators that are used to monitor the occupational safety performance of construction sites on a continuous basis.

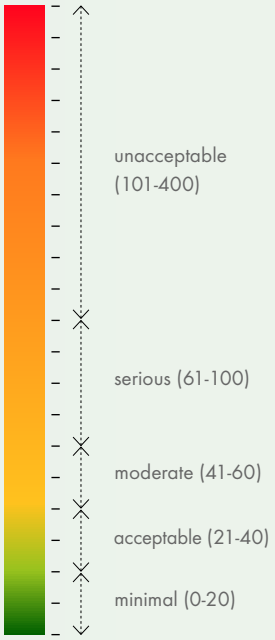


Managing occupational health and safety risks

During the construction activities on the site, Market Group assesses the risks during all work processes. The occupational health service provider is also involved in the process. Risk is calculated by multiplying the severity of an accident by the probability of its occurrence. The level of risk is assessed on a scale of 0 to 400. If the risk is minimal, acceptable, moderate or significant, work may only be started after appropriate protective equipment and training has been provided. If the level of risk is unacceptable, the work must not be started.

Risk scale

Level of risk: (K)



The risk management process

The Group expects all employees to stop work immediately if an emergency or danger (malfunction) is detected and to report the emergency to the manager. However, such an employee must eliminate or seek to reduce the emergency as far as he is reasonably expected to do. He must promptly report any accident at work which he has suffered or observed to his immediate superior. Therefore, the employee must not suffer any disadvantage within the Group.

An accident at work is investigated jointly by the manager of the workplace and the head of health and safety. The investigation includes a review of the site, the work equipment, the working conditions, the behaviour of the injured person and his/her fellow workers, the technical specifications and instructions for the activity.

As a result of the investigation, the causes of the accident, the circumstances and behaviours that caused and contributed to the accident must be identified, and the employer's actions to prevent similar accidents must be determined. The workers concerned shall be informed by means of refresher training.

In the Market Group[32], typically the following hazards pose the greatest risks: traffic on uneven ground, walking on stairs, using hand tools and cutting implements, and the hazards of manual handling.

- Risk management
- Identification of a hazard
- Rules, actions and safeguards to be followed to reduce
- Identification of the person(s) responsible for the action
- Identification of the person(s) responsible for control

Occupational Health and Safety Management System

The following member companies are ISO 45001 certified: Market Építő Zrt., OKM, Vilati, Épületszerviz, Prebeton. The standard is regularly renewed and member companies are audited annually for compliance by a third party.

Certain rules also apply to employees of partners on construction sites (it is necessary to demonstrate medical fitness, checking the employee's ability to work by security, presence of appropriate personal protective equipment, presence of appropriate protection measures in the work areas taken over).

Moratus plans to introduce the use of the OHSMS standard in 2023. In the case of Lean Tech Mérnökiroda Kft., the implementation of the standard is not of great importance, as they are doing design work

Occupational health and safety advocacy

In compliance with the Occupational Health and Safety Act, Market Group ensures the reconciliation of interests in the field of occupational health and safety and the protection of employees' interests in the field of occupational health and safety. The Group's representatives for occupational safety and health are entitled to use the services of an expert in matters relating to safe and healthy working conditions, subject to prior agreement with the employer, and to discuss such matters with the occupational safety and health authority.

Occupational health and safety trainings

Market Group provides compulsory occupational safety and fire safety training for all new employees and, in addition it helps their integration through an onboarding process and provides information about relevant learning materials. The participants take a short exam to report on what they have learned during the training. Those who do not achieve a satisfactory grade must review the training package and retake the exam.

Every year, all workers are required to repeat labour and fire safety training annually. If additional training (e.g. fire safety exam) is required to safely perform a work process, this will always be provided by the company.

Occupational health care

Job aptitude tests are carried out by the Group annually, or, if the occupational physician finds a limiting factor, he or she will determine the date for the next test (which must be within one year). All colleagues are entitled to a biennial glasses allowance from the contracted partner, and receive an additional permanent discount on all glasses and lenses. Screenings are carried out annually and eye screenings every two years at the headquarters, which all employees can attend. Confidential medical documents and data are handled in accordance with the GDPR.

There is no risk of occupational disease in the Market Group, and therefore no cases occurred during the reporting period. Welding is also carried out at Prebeton's locksmith plant, where air quality testing is carried out regularly.

[32] The Group has no records of accidents at work sites involving non-employees.

ISO 45001
(Market Építő Zrt., OKM Építőipari és Szolgáltató Kft., Vilati Szerelő Zrt., Market Épületszerviz Kft., Prebeton Zrt.)

29 122
workers on construction sites

2 404 613
hours worked

– 0
fatal accidents

Number of accidents at work* per member company

	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	0	0	0	0	0
Market Építő Zrt.	2	2	0	1	3
Market Épületszerviz Kft.	0	0	1	3	2
MCM Beton Kft.	0	1	1	1	1
Moratus Kft.	4	6	4	5	3
OKM Építőipari és Szolgáltató Kft.	3	2	3	2	2
Prebeton Zrt.	0	0	1	2	5
Property Market Ingatlanfejlesztő Kft.*	0	0	0	0	0
Vilati Szerelő Zrt.	1	0	1	0	0
Total	10	11	11	14	16
Number of accidents per 1 person	0.010	0.010	0.009	0.011	0.012
Comparison by revenue share (number of accidents / 100 M HUF)	0.006	0.005	0.005	0.004	0.004

No data are available on accidents at works sites not involving Market Group's own employees.

* Accidents resulting the loss of more than 3 working days.
In 2022, there were no accidents involving 1-3 working days lost.

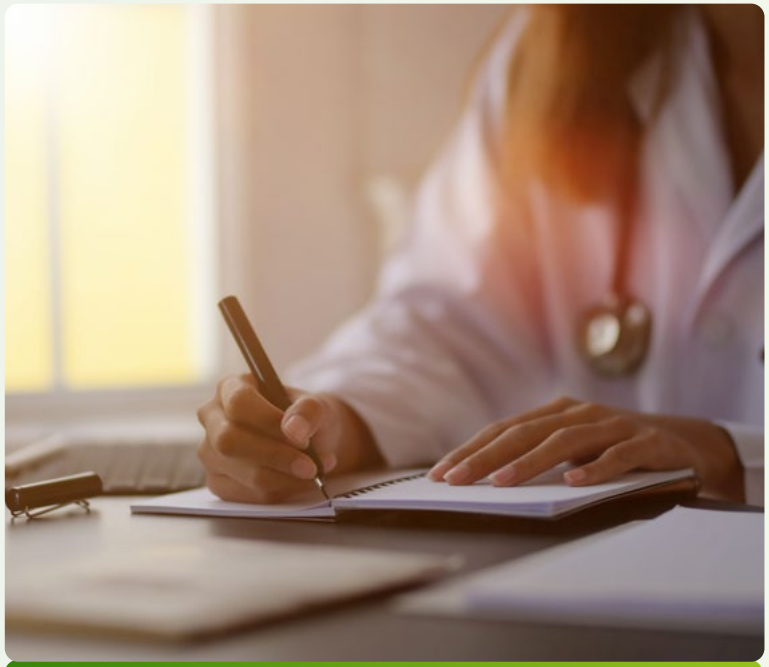
Employees' health and well-being

The Market Group, in cooperation with Colonnade Insurance and Dr. Rose Private Hospital, has taken out a group health insurance policy for its employees, with the basic function to provide outstanding protection for it employees in the event of illness, thereby reducing the time spent on sick leave.

Dr. Rose Private Hospital's care management significantly shortens patient journeys, while their fast and professional care helps employees recover more efficiently and stress-free. In contrast to waiting lists of up to several months in the public care system, Dr. Rose organizes the provision of health care services within a maximum of 10 working days from the date of application.

In addition to the group health insurance, there are compulsory annual check-ups, such as ophthalmology (free of charge) and non-compulsory screening tests (dermatology, laboratory, ultrasound), which are covered by Market at half the cost. An online stress management course is also available to colleagues, which anyone can join and which the Group launched in response to the increased demand following the coronavirus epidemic.

The Market Health Programme initiative has been a great success - for five years now. Colleagues can get medical check-ups on the spot, during working hours, without queuing and without a referral. These will be implemented partly with full support and partly with 50% support. In addition, the Group provided a free spine health check for office workers, after which they have the opportunity to take part in a spinal gymnastics programme.



Under the Work-Life Balance programme, several well-being programmes have been implemented for Market Group employees in 2022:

- melanoma screening
- outpatient ophthalmological examination
- ultrasound scan
- blood sampling laboratory test
- good nutrition questionnaire and advice

Market Group also offers employees a number of opportunities to participate in sports activities free of charge:

- Fitness room in the Headquarters
- Any employee can apply for an All you can move card
- Tennis court rental at the Római Tennis Court (RTA)
- Swimming at the TVE swimming pool
- Participation in BSI events (e.g. Vivicitta, Balaton cross swimming)
- Market Skiing in Murau
- NN Ultrabalaton

[GRI 3-3] [GRI 404-1] [GRI 404-2] [GRI 404-3]

Training and education

Market Group is constantly striving to use new approaches and techniques to help the self-improvement of colleagues. It offers a wide range of learning opportunities and is committed to expanding its offer. In the construction industry, it is essential to constantly evolve, innovate and integrate innovation into our core business. The obsolescence of employees› knowledge can be perceived as a serious risk and education and skills development are therefore essential. Increasing the number of training hours is also a goal in the sustainability strategy: by 2025, the Group aims to reach 30 training hours per person per year. The average number of training hours per person has increased from 4.5 in 2021 to 7 in 2022.

Market Group seeks to develop its employees in a wide range of competencies, depending on their needs and areas of development. Our colleagues have access to training opportunities at all employee levels in the company.

Market Építő Zrt. offers its employees the opportunity to expand their language skills in 4 different languages. These are English, German, Mandarin and Korean.

The company also offers non-industry related opportunities such as basic IT classes, spreadsheet, office software and stress management. It is open to the concept of lifelong learning and strives to provide a wide range of learning opportunities for its colleagues.

Market's workshops help colleagues to improve their communication skills and other soft skills in trainings. Market Építő Zrt. also strives to ensure that as the company grows, it develops skilled leaders who possess the leadership skills that will drive the company forward while fostering a safe and productive work environment for their employees. To ensure this, it runs a Leadership Academy consisting of 12 modules focused on providing soon-to-be leaders with the tools they need to lead their teams.

Those already in senior management positions receive leadership skills and competence training. Those who want to become leaders or who are identified as leadership candidates can take part in a series of training courses to help them prepare for leadership. These include the Market Leadership Academy and the Management and Organisation. The Leadership Academy is a series of modules consisting of development sessions to designated prospective managers or current ones. It covers a wide range of topics (e.g. communication, self-knowledge, project management), all of which have in common that they are related to leadership competencies. Management and Organisation is a series of lectures for top managers with expert guests. The themes of the presentations are also varied with topics on market, social and organisational management topics.

The Group also supports the development of colleagues within their fields of expertise by sending them to conferences, external training courses or even to study in the post-secondary education system. It has also set up a knowledge-sharing scheme, whereby every Monday a presentation on a particular topic is given, which the colleagues can attend.

In 2022 – as every year – various communication training sessions were organised: some general, others focused on a specific area of communication science (negotiation and argumentation techniques, communication with colleagues and clients).

In addition to the above-mentioned training courses, colleagues were also trained in conflict management, time management, presentation and stress management. For those who find it difficult to cope with stress and the difficulties of everyday life, Market also provides mindfulness training.

Through the "This is me" competence development programme, our colleagues can identify their strengths and weaknesses and get tips and tricks for self-development.

Under the career programme, Market Group helps its colleagues in changing positions through training, coaching and coaching support.

In 2022, the number of training hours per capita increased significantly at group level, from 4.5 to 7. The largest increases occurred in the case of Lean Tech Mérnökiroda Kft., Market Építő Zrt. and Prebeton Zrt.

Performance appraisals are carried out twice a year, during which colleagues receive suggestions on areas where there is room for improvement. In each case, Market provides them with individual, personalized advice, whether it is a professional or competence development proposal. Managers can request development training for their team throughout the year, which can consist of presentations, training, team building and individual sessions.

Market Group also offers the possibility for employees to contact their superiors when they have individual training needs, either in-school or out-of-school. The company offers them study contracts, subject to the approval of their managers.

Number of training hours per employee per member company in 2021 and 2022

Member companies	2021	2022
Lean Tech Mérnökiroda Kft.	4.1	16.6
Market Építő Zrt.	6.5	10.9
Market Épületszerviz Kft.	3.5	2.9
MCM Beton Kft.	N/A*	N/A*
Moratus Kft.	3.7	1.2
OKM Építőipari és Szolgáltató Kft.	2.2	2.3
Prebeton Zrt.	2.5	12.3
Property Market Ingatlanfejlesztő Kft.	N/A*	N/A*
Vilati Szerelő Zrt.	6.9	3
Market Group	4.5	7

* The number of training hours for MCM Beton Kft. and Property Market Ingatlanfejlesztő Kft. was not kept on record until 2023, as there were no criteria that would have made this necessary. In 2023, systematic collection of data on this issue has started.

[GRI 3-3] [GRI 405-1] [GRI 405-2] [GRI 406-1]

Diversity and equal opportunities

Market Group values the diversity of its employees and rejects all forms of discrimination. At the same time, it is important to highlight the fact that the construction sector is characterised by a sector-specific predominance of male employees. Although the real estate development sector has become somewhat more attractive to women in recent years, there is still a significant male predominance. This is also evident to the Group: in 2022, the share of male top executives (defined by the number of Board and top executives) at group level was 92.1%. However, it is also worth highlighting that this represents an increase in the proportion of female managers from 3.9% in 2021 to 7.9%. Among the member companies, Market Építő Zrt. employs the largest number of women, their vast majority in office positions.

Gender and age group distribution of employees in each of the member companies

Member Company	Total headcount	Men	Women	Under 30 years	Between 30-50	Over 50
Lean Tech Mérnökiroda Kft.	28	15	13	6	19	3
Market Építő Zrt.	528	353	175	102	345	81
Market Épületszerviz Kft.	88	80	8	11	47	30
MCM Beton Kft.	29	27	2	2	15	12
Moratus Kft.	158	136	22	29	93	36
OKM Építőipari és Szolgáltató Kft.	280	250	30	49	116	115
Prebeton Zrt.	123	102	21	25	74	24
Property Market Ingatlanfejlesztő Kft.	44	23	21	9	29	6
Vilati Szerelő Zrt.	74	68	6	12	46	16
Total	1 352	1 054	298	245	784	323

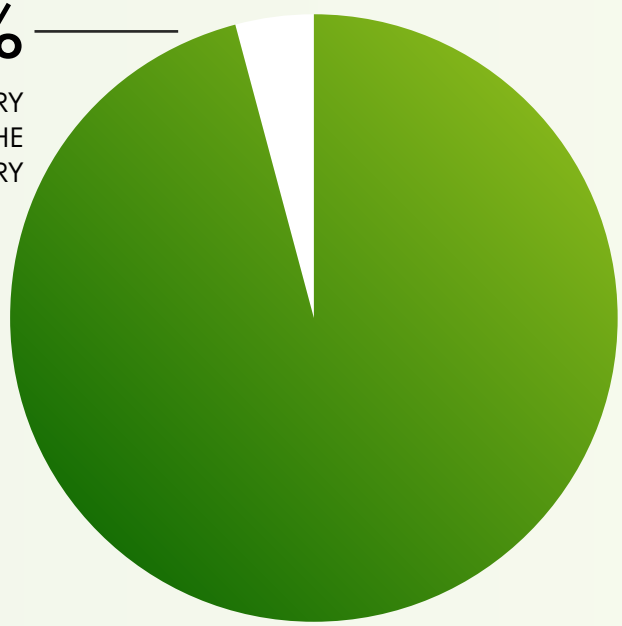
Number of managers on the boards of member companies by gender and age group *

Member Company	Total headcount	Men	Women	Under 30 years	Between 30-50	Over 50
Lean Tech Mérnökiroda Kft.	2	2	0	0	0	2
Market Építő Zrt.	10	10	0	0	1	9
Market Épületszerviz Kft.	1	1	0	0	1	0
MCM Beton Kft.	1	1	0	0	1	0
Moratus Kft.	2	2	0	0	1	1
OKM Építőipari és Szolgáltató Kft.	2	2	0	0	2	0
Prebeton Zrt.	4	4	0	0	3	1
Property Market Ingatlanfejlesztő Kft.	1	1	0	0	1	0
Vilati Szerelő Zrt.	1	1	0	0	1	0

The Market Group differentiates between female and male employees in the same position solely on the basis of professional experience. For new applicants, the decision to hire is always based on the skills required for the position. At the same time, the Market Group aims to gradually close the pay gap across the Group. In 2022, the average female salary as a percentage of the average male salary was 96.38% at group level.

96.38%

AVERAGE FEMALE SALARY AS A PERCENTAGE OF THE AVERAGE MALE SALARY



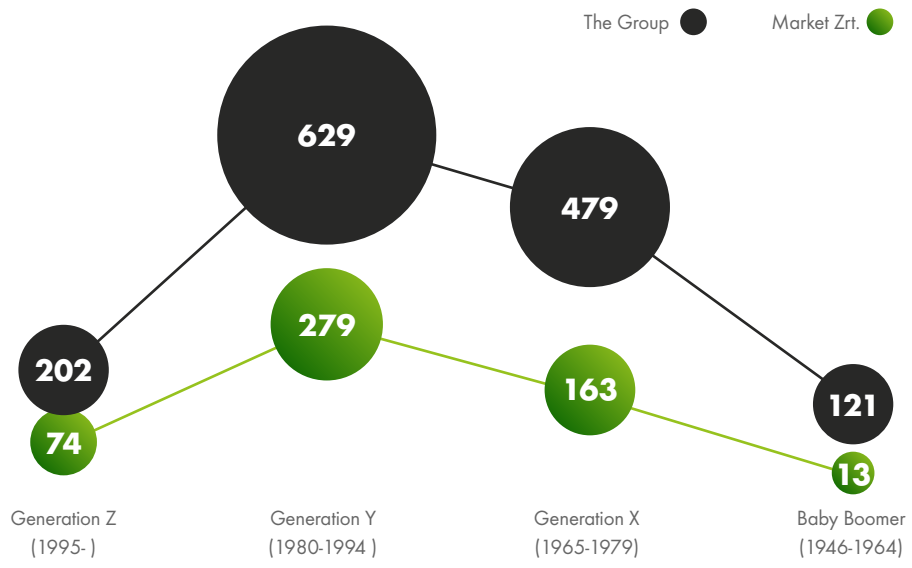
Average female salary as a percentage of average male salary (%)

	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	76	84	98.9	93.2	92.7
Market Építő Zrt.	76.7	81.6	103.3	99.7	97.2
Market Épületszerviz Kft.	88.7	71.5	78.8	82.2	-*
MCM Beton Kft.	-*	37	-*	132.7	-*
Moratus Kft.	88.6	93.3	93.1	88.3	108.6
OKM Építőipari és Szolgáltató Kft.	113.1	114.6	102	95.3	95.1
Prebeton Zrt.	-*	-*	88.3	91.8	88.2
Property Market Ingatlanfejlesztő Kft.	-*	149%	89.1	86.6	85.9
Vilati Szerelő Zrt.	65.1	72.7	92	99.1	98.2

*No basis for comparison in the given year: men and women in the same job.

Generations meeting

The Market Group pays special attention to exploiting intergenerational differences. It constantly measures the number of generations and works to align the 4 generations present in the Group. It also strives to ensure that all four generations can find something to suit their interests when designing programmes and events.



Family friendly atmosphere

Several Group's measures, introduced in 2021 and continued in 2022, were aimed at creating a family-friendly workplace that better supports the reconciliation of family, personal and work commitments. An integral part of this is the flexible work organisation system, one element of which is flexible working hours, which divides the working day into 6 hours of core time and 2 hours of marginal time. The marginal hours allow employees to organise their private lives. Colleagues on maternity leave are provided with the possibility of teleworking and, they can be employed on a part-time basis on request.

Based on their internal recommendation system, family members and friends of employees can also apply for open positions, if they meet the requirements set out in the vacancy notice.

[GRI 3-3] [GRI 416-1] [GRI 416-2]

Clients

As a key player in the domestic construction sector, Market Group works simultaneously with a number of clients, each of whom has specific requirements. Therefore, meeting customer expectations at all times is a complex task. However, it is fair to say that since its foundation, as a result of decades of work, Market's name has become synonymous with reliability and high quality.

As part of its sustainability strategy, the Market Group is progressively transforming its offerings and prioritising the sustainable use of materials. It offers Clients options that require higher energy efficiency and a smaller environmental footprint over the life cycle of their buildings. Part of the process is also about raising awareness and engaging Market's clients: the Group provides ongoing professional assistance on sustainability issues as they arise, during the planning and co-design process.

Priority projects

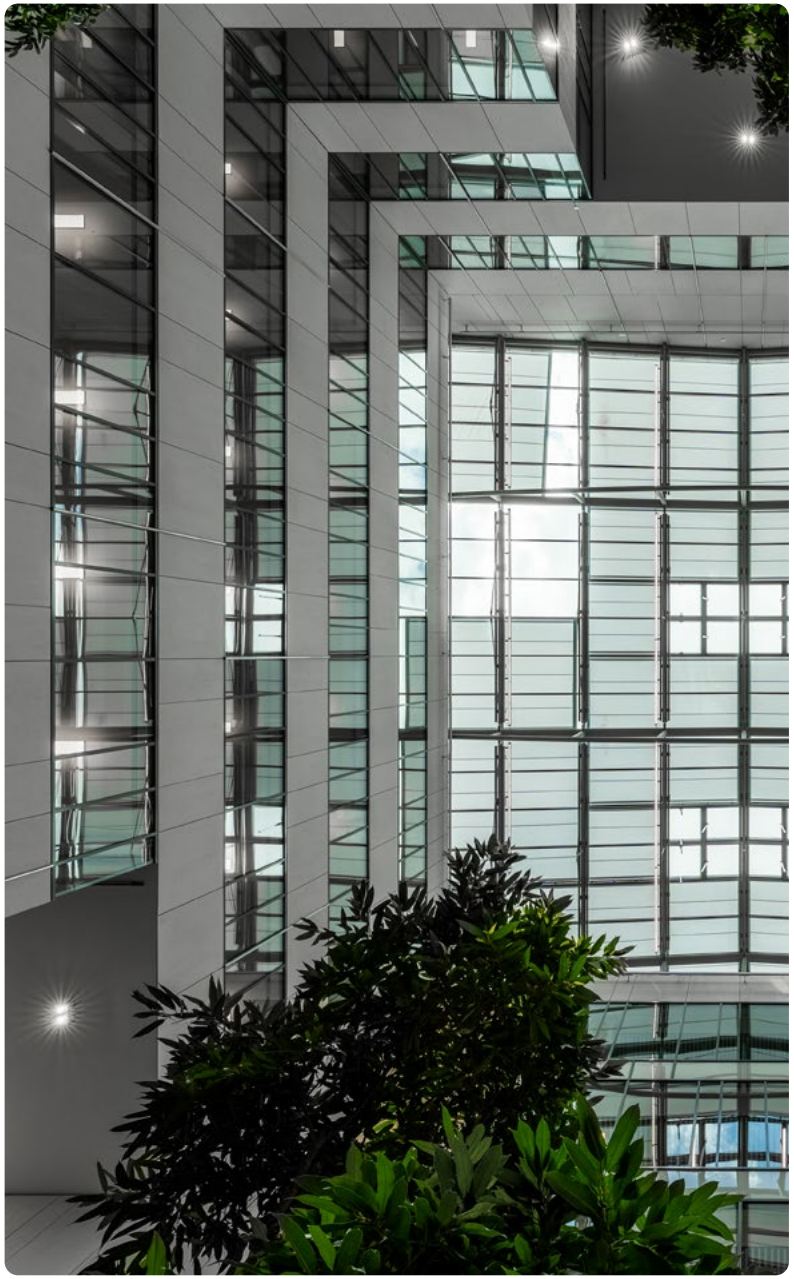
The simultaneous construction of three iconic office buildings by the Market Group in 2022 is a professional feat in the Hungarian construction industry. The volumes and scales characteristic of the buildings underpin the performance: MOL Campus enriched the domestic office market with 86,000 m², BOSCH with 90,000 m² and OTP M12 with around 84,000 m². This represents a total of 260,000 m² of office space, with the final and finishing works of each completed in 2022. It required extra attention, professional organisation and efficiency on the part of Market to complete all three buildings on time, which was achieved.

MOL Campus

It was implemented in the general construction of Market in BudaPart. The building is 143 metres high, with 4 levels below ground and 28 office levels above ground, with a floor area of 86,000 m² and a completely unique spatial design, requiring extremely complex technology even by international standards, and is the first high-rise building in Hungary. The MOL Campus rivals Europe's most modern office buildings: few other smart buildings on the continent have such advanced and complex technologies in terms of energy and operational performance. The building's environmentally conscious, human-centred, technological solutions are exemplary in terms of design, interior architecture and sustainable operation. The building has the highest **BREEAM Excellent** and **LEED Platinum** certifications in sustainability available.

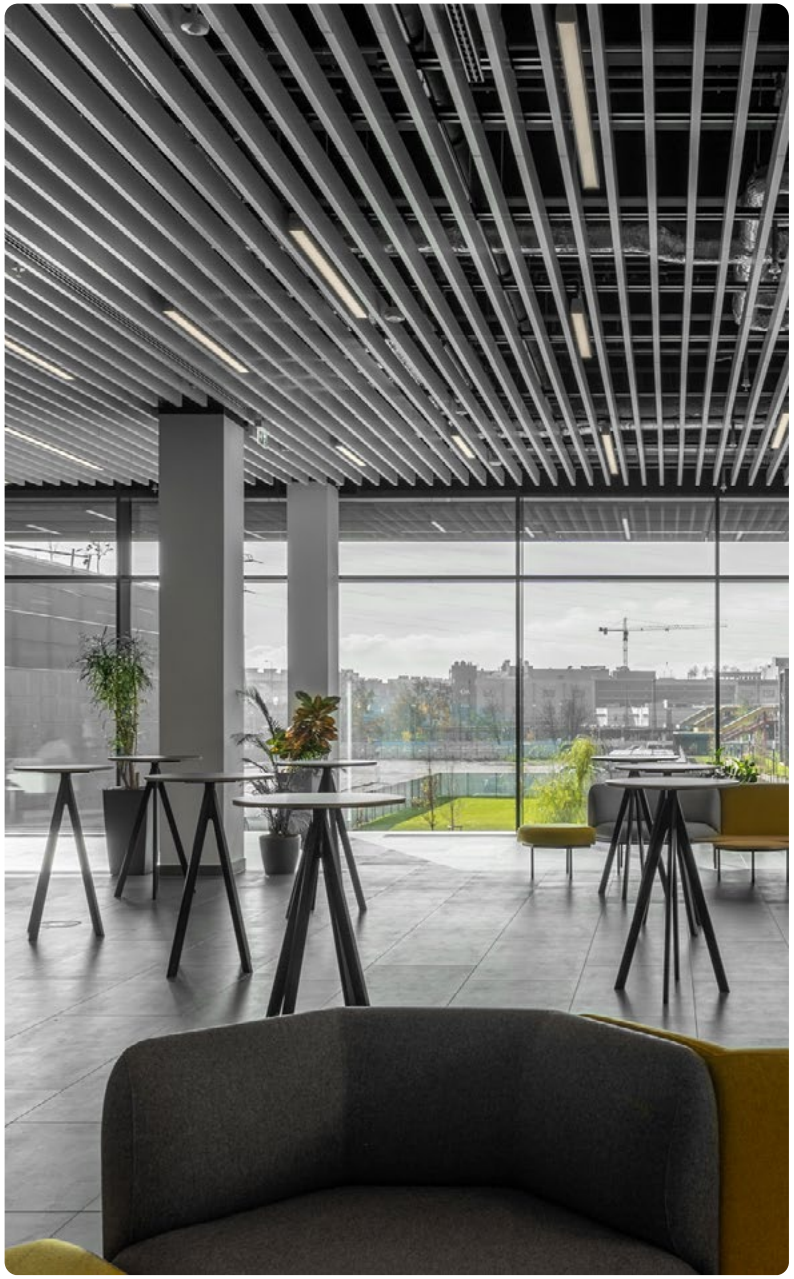
OTP Bank Head Office, OTP M12

The more than 84,000-square-metre complex in Budapest, which has been designed with a number of innovative solutions, has been awarded **LEED Gold** certification. The OTP M12 is unique not only in terms of its volume, but also of its interior design and gardening solutions, it is prominent among the best examples of office building architecture in Hungary. The building is designed with a subdued façade and, at the same time attracts attention with great ideas, façade recesses and pleasant details. A real challenge was the construction of the 1,300 square metre glass roof, supported by a 45-tonne steel roof structure. The planting of the vegetation required special attention and expertise, as more than 200 large trees, 6-7 metres tall, had to be planted in the building. Special solutions had to be devised to lift-in the vegetation on the façades of the inner court-yard and in the passages. The biophilic design featured here is really unique.



Bosch Budapest Innovation Campus

The large-scale development project was completed in 2022. In addition to the eight-storey main building, the project also included a parking garage, two laboratory buildings and an energy centre. The new building will play an important role in the development of automated and electric mobility, and will also be one of the Bosch Group's most important research, development and test centres for automotive electronics.



Client health and safety

As one of Market Group's fundamental objectives is to preserve the health and safety of our Clients and persons who actually use the buildings constructed for them, no fines, penalties or internal warnings were imposed in connection with this topic during the reporting period.

The safety of the buildings constructed by the Group is ensured by, among other things, full compliance with legal requirements, built-in process controls and the professionalism of its staff.

Market Group will continue to make every effort to ensure that no sanctions are imposed and, more importantly that the protection of human life and health during construction and in relation to the construction work is ensured at all times.

The Group takes great care to incorporate materials that are not harmful to health and safety. When using paints, varnishes, adhesives, preference is given to products with a low VOC and formaldehyde content. Air handling systems are installed to ensure that sufficient fresh air enters the buildings guaranteeing proper air quality. Market always uses integrated plumbing systems that do not release harmful substances even in the long run. In the design process, it is always a priority to maximise the amount of natural light entering the interior and to design the buildings in such a way that the users/residents prefer the use of stairs instead of the lifts. In addition, as described in the chapter Climate and Environmental Protection, Market devotes special attention to the creation of green areas and surfaces (gardens, roof gardens, interior gardens). This not only helps to promote biodiversity, but also has a positive impact on people's mental health.

[GRI 3-3] [GRI 308-1] [GRI 308-2] [GRI 414-1] [GRI 414-2]

Suppliers

It is a specific feature of the construction sector that the environmental footprint of the raw materials used in construction is often realised in the supply chain rather than by the property developers. Therefore, efforts should be made to promote responsible and sustainable business practices not only within the Group but also beyond the company. Accordingly, the reduction of Market Group's socio-environmental impacts along the supply chain will be a key focus, as part of the sustainability strategy in the coming years. The Group will extend its policies to its suppliers and partners. It will develop tender due diligence processes to assess its suppliers against sustainability criteria from 2025.

Market Group's expectations towards suppliers are currently set at two levels: on the one hand, there are group-level requirements that are expected of all suppliers and, on the other hand, the member companies also have their own supplier policies for certain cases.

At group level, Market typically relies on its existing industry contacts to select suppliers, and mostly works with stable, reliable partners. The company prefers domestic production and, by focusing on sustainability guidelines, seeks to implement its projects with the smallest possible ecological footprint, that is sourcing as close as possible to the place of use. This is checked by querying CE documents (manufacturer's declaration of conformity required by the product law) and the supplier's declaration of conformity.

In all cases, subcontracts have an annex explicitly referring to compliance with occupational safety regulations. A Health and Safety Plan is drawn up for each work site and its acceptance is mandatory for subcontractors.

The assessment of suppliers and the risks associated with them is carried out at subsidiary level, in addition to group-level measures. This is due to the diversity of subsidiaries and the consequent multiplicity of suppliers. At present, no comprehensive environmental and social assessment is carried out for any of the member companies, but a complex set of sustainability criteria will be developed as part of the new sustainability strategy by 2025.

Moratus selects its suppliers of pine lumber and wood-based plywood on the basis of whether the products they sell are Forest Stewardship Council (FSC) certified, meaning that the raw materials come from sustainably managed forests.

Due to its role in the group, **Market Épületszerviz Kft.** cooperates mainly with those suppliers who have been involved in the construction processes of the projects in question, because these companies have the necessary professional and on-site knowledge for the given works. Looking to the future, the recently launched DIGMA (Digital Market) database will greatly contribute to supporting the due diligence and selection processes.

Partner Programme

In September 2021, after careful preparations, the Market Group launched the Partner Program, an initiative aimed at increasing the efficiency of the sector and helping key partners. Currently, the programme involves 120 partners with regular events, trainings and programmes aimed at vertical development of the industry.

Future generations

The future of the Market Group lies in the young talents studying in higher education. For this reason, it is important for the Group that, as part of university education, young people can acquire current and usable professional knowledge with which they can help the development of the construction sector as they enter the labour market. From 2021, the Group has started to work more closely with schools and universities. Not only did it participate in job fairs, but colleagues also gave classes at several universities. It is also working closely with the Chamber on the implementation of the new VET 4.0 dual training system.

Cooperation with MOME - Challenging Futures exhibition supported by Market

Between 20 September and 2 October 2022, the works of outstanding talents of the Moholy-Nagy University of Art and Design (MOME) who won the university's Stefan Lengyel Excellence Scholarship were exhibited for the first time. The Foundation for the Moholy-Nagy University of Art and Design established the Stefan Lengyel Excellence Scholarship in 2020, which, in addition to performance-based support, focuses on expanding students' up-to-date industry competencies and professional integration. The scholarship programme, named after internationally renowned Hungarian designer Stefan Lengyel, symbolizes MOME's identity, embodies the innovative character of the university and provides meaningful support to high-performing students. The Challenging Futures - Designing for a Challenging Future exhibition aims to showcase the work of recent scholarship students and their current responses to the challenges of our time. The winners of the Stefan Lengyel Excellence Scholarship, among other things, explore ways to address the sustainability of urbanisation, bridging social gaps and critically interpreting the past through the tools of design, while also looking for directions for the development of the creative industry. The works of students from MOME's Institute of Design, Theory, Architecture and Media explore inescapable questions and possible solutions that can help shape the future ecosystem and the design profession by engaging

the visitor in a shared reflection. In 2022, sixteen outstanding MOME students won the scholarship for the third time. With the cooperation of Market Építő Zrt., as a partner of MOME, they can also acquire competitive practical knowledge in the field of architecture through project-based research and development courses.

Source: https://miazablogger.hu/challenging-futures-design-egy-kihivasokkal-teli-jovohoz/

BKSZC Schulek Frigyes Bilingual Construction Industry Technical Secondary School - 21st century educational environment was born with the cooperation of the Market Group

The Group undertook the complete renovation of the IT training room by the start of the school year in this metropolitan institution, which plays an important role to ensure replacement in the construction industry.

In September 2022, the IT classroom renovated by Market Építő Zrt. and its subsidiaries was handed over at the BKSZC Schulek Frigyes Bilingual Construction Industry Technical Secondary School in District VIII, which is at the forefront of training young construction professionals.

The relationship between Market Építő Zrt. and the technical secondary school is not a new one, the company's social responsibility programme has prioritised the support of young people in the construction industry for years, and pays special attention to the development of students oriented towards the profession. In 2021, Market took an active role in the technical secondary school's career orientation day, and also supported the school's work with audiovisual tools and video materials. In 2022, Market was delighted to take the opportunity to transform one of the school's IT classrooms, which can accommodate 21 students, into an experiential learning environment.

During the renovation work, Market Építő Zrt. and several of its subsidiaries mobilized their forces for success. Market Épületszerviz Kft., LeanTech Mérnökiroda Kft. and Vilati Szerelő Zrt. together, with an average of 5 people carried out the professional works in 28 days, during an 8-hour working day: painting and wallpapering of the room; painting and replacement of wall stops; puttying and complete renovation of doors and windows; the construction of a gypsum-board drywall; renewal of a cork board, construction of the electrical network; replacement of electrical switches, sockets and power poles; renovation of the parquet, painting of heat dissipating devices and cleanliness painting of the school corridor.

Light, the source of light, is the most important element in shaping the atmosphere of a room. With Be Light!, new, modern lighting equipment provides the right light source in the classroom. The Market Group's donation package also includes 21 desktop computers, 21 monitors, 21 keyboards, 24 student chairs, a felt-tip board and a projection screen with console.

The learning environment created by Market conveys playfulness, demandingness, creativity and love of the construction profession to students.

Tudásépítő Team

The Tudásépítő Team sectoral training centre was established in 2022 to train construction professionals who can create lasting value in the construction industry using cutting-edge technologies. Participants in the training receive a monthly apprenticeship wage of even up to HUF 100,000 net, and the Tudásépítő Team also provides a contribution towards meals and appropriate work clothing for the apprentices during the training sessions. More information about the project can be found in the Industry Associations subsection.

Non-governmental organisations

As a responsible company, the Market Group strives to build good relations with the key civil society organisations in Hungary. Their opinions and comments were assessed in the stakeholder survey in 2021 and taken into account in the formulation of the sustainability strategy. In addition to professional cooperation the Group also contributes to their operation through donations and financial support. The focus of its cooperation is on NGOs of social orientation. (For more details on cooperation with NGOs, see the chapter on Social engagement.)

market
WE LOVE TO BUILD

08 Social engagement

[GRI 3-3] [GRI 413-1]

An integral part of the Market Group's values is commitment to society, the environment and the improvement of people's living conditions. To this end, it provides support to NGOs, ranging from simple tangible assets and construction materials to multi-million donations, equipment and strategic partnerships. In addition, it participates in industry associations that contribute to the development and sustainability of the domestic construction sector.

Funding, sponsorship

As a key player in the Hungarian economy, since the very beginning the Market Group has put great emphasis on supporting initiatives that have a positive impact on the Hungarian society. In its support and sponsorship activities, it is increasingly involved in helping organisations in its local area (the 3rd district in the capital and the area around its construction projects).

The objectives of the Group's support policy are wide-ranging. On the one hand, it believes that responsibility goes beyond marketing communication, therefore it is fully committed to creating social value. On the other hand, it strives to make as many profitable processes of the Group as possible socially and ecologically sustainable. Its aim is to educate its partners and employees, thereby promoting a shift towards responsible operations and behaviour.

The Group tries to involve its employees in as many layers of corporate responsibility as possible, thus strengthening the social responsibility and culture within the Group. In recent years, the Market Group employees have had the opportunity to participate in monetary and material fundraising on several occasions, as well as to participate as volunteers in renovation and landscaping works. By setting a good example, Market also wants to ensure that the personnel have a high chance of recognizing cases in their own lives where they can otherwise provide great help to someone in need with little effort.

The Market Group does not support any initiative or organisation that

- discriminates on the basis of religion, ethnicity, nationality, age, gender or sexual orientation;
- violates public morality;
- disproportionately damages the environment;
- discriminates against any group of people with disabilities;
- the recognisable purpose of which is to avoid the financial bankruptcy of the applicant (e.g. a company in liquidation);
- aims to support a political programme, party or organisation associated or affiliated with them, or any event organised by them.

The Market Group prioritises the following value-creating activities in its funding policy decisions:

- Preservation of universal values, protection of cultural values of the built environment
- Health institutions with a special focus on supporting healthcare workers
- Promoting equal opportunities (helping the disadvantaged, those living in poverty)
- Recognition of professional knowledge related to the construction industry
- Supporting the talents of the rising generations connected to the construction industry, embracing the next generation
- Sponsorship to initiatives in the neighbourhood or affecting the projects
- Supporting cultural initiatives, helping contemporary Hungarian artists
- Welfare, healthy lifestyle, sports (wellbeing)
- Commitment to sustainable development and environmental protection

Strategic partnerships

Bátor Tábor Foundation

In 2006, Market Group was among the first companies to commit itself to the work of the Bátor Tábor Foundation, and in 2021 it signed a new long-term support agreement with the organisation. In the framework of the strategic partnership, various construction, renovation, maintenance and construction works in the amount of HUF 57.5 million will be implemented up to 31 December 2023 to provide assistance to seriously ill children and their families through the support of the public benefit organisation. In addition, we have committed a further HUF 35 million per year for three years. In 2022, the Foundation has earmarked the grant to ensure that its activities are as environmentally conscious and sustainable as possible.

With the involvement of various child health care institutions in the Central European region, the Bátor Tábor Foundation organises experiential therapy programmes annually for more than a thousand seriously ill children and their family members at its campsite in Hatvan, in health care and other institutions, as well as online. All the facilities of the camp in Hatvan, such as the fully accessible houses that function as accommodation for children, the child-friendly medical building and the central building of the camp, were built by Market. During the later years of the long-term cooperation, volunteer accommodation, an indoor hall, an artificial turf football pitch and an indoor riding arena were also built.

Long awaited renovations and maintenance, such as the complex replacement of 11 boilers, the production and installation of powder-coated pleating mosquito nets or the maintenance of doors and windows, were also carried out year after year with the help of the Group. Taking a step further, in 2022 the goal set was to build seven children's houses with solar thermal systems, which could be implemented with the support of Market. Replacing heat consumption with solar panels saves the camp more than 35% per year. Thanks to the continuous support of Market over the years, today a modern camp welcomes visitors in Hatvan that meets 21st century standards and the strictest health conditions alike.

"We are grateful to Market Építő Zrt. for standing by us for many years, and with their support in 2022 we were able to carry out another development at our campsite. This year, an old dream of ours came true and we were able to equip the children's houses with solar collectors, which took another step towards the sustainability goals of the Bátor Tábor Foundation and made us a little greener and more sustainable again" – said Tamás Knecht, managing director of the Bátor Tábor Foundation.

Camp Bátor Tábor is committed to sustainable development, which has led to the introduction of a number of energy efficiency measures in recent years. The foundation has set the ambitious goal of achieving climate neutrality in its operations by 2030.

Mosoly (Smile) Foundation

The Mosoly Foundation and Market Építő Zrt. have been working together for many years for the smiles of sick children. The Mosoly Foundation, which will be 25 years old in 2022, has come a long way since its foundation. Providing an exciting experience for chronically and seriously ill children at the start, the Foundation has grown over the last quarter of a century to become a recognised therapeutic professional organisation.

Market has been a committed strategic supporter of Mosoly for nearly 6 years and in 2022 was the first company to place further trust in the organisation as a key strategic partner by supporting the work of Mosoly with HUF 10,000,000 per year for 4 years.

In 2022 the Foundation had to face new challenges, but despite the difficulties caused by the economic crisis and the war raging for more than a year, the Foundation closed a successful year in which the long-term support provided by Market played a major role.

2022 results in the therapeutic field

1. Therapy numbers have been stabilised after the COVID-19 epidemic almost doubled.
2. The presence of the Foundation could be increased at the Pécs Paediatric Psychiatric Centre and in Debrecen, and therapists started to work again in some departments in Pécs where they were unable to return a year earlier due to the lockdowns after the coronavirus epidemic.
3. The number of long-term face-to-face and online sessions has increased
4. The 3rd volume of the Smile Therapies series has been completed under the title Dancing Trees. The professional publication presents the therapeutic methods and experiences gathered during the 25 years of operation of Mosoly, as well as the case studies of Mosoly therapists.

The Art-Craft-Design Auction, the support event of the Mosoly Foundation, was held for the 7th time in 2022, of which Market was also the main sponsor. The success of the event is evidenced by the fact that 30% of the Foundation's annual revenue came from sponsorship of the event and auction funds.

The 2022 results in figures:	2020	2021	2022
Number of therapy sessions	437	784	763
Number of participants	1082	1873	1844
Groups - online and face-to-face - number of sessions – (approx. 22 sessions/ group/ year)	4	11	17
Number of therapy sessions per week	14	21	22

Participation in the fundraising campaign of

the Hungarian Interchurch Aid Organization called Continuation Fund

The institutions of Interchurch Aid help thousands of families in need and in crisis, providing food, shelter and opportunities to those in need. The multiplication of energy prices and skyrocketing food prices made the work of the organisation extremely difficult. A so-called "Continuation Fund" was created, to which Market joined in 2022 with HUF 5 million and committed to HUF 5 million in support for 2023 as well.

BKSZC Schulek Frigyes Bilingual Construction Industry Technical Secondary School

– A 21st century educational environment was born with the help of the Market Group

For a detailed description of the cooperation see the chapter Stakeholders – Future Generations.

Rom Vándor (Ruin Rover) Programme

An exciting and pioneering initiative was launched at Market in May 2021. As a key player in the construction industry, the company intended to develop a complex corporate social responsibility programme that

- is connected to the construction industry;
- fits in Market's "We love to build" credo;
- creates value and enriches our environmental heritage;
- it is not a local initiative, but can be extended to the entire domestic horizon;
- pioneering idea, unique idea;
- sustainable in the long term,
- provides an opportunity to implement it with the involvement of Market's employees.

There are hundreds of historical ruins all over the country, which enrich the cultural map of our surroundings as mystical signs. Most of the ruins are places to visit thanks to their magical atmosphere, attracting hikers and explorers. The aim of the Ruin Rover Programme is to protect, highlight, represent, nurture, preserve values and retune this architectural heritage in order to offer an alternative to a quality leisure programme addressing the most diverse age groups.

At every intervention, the Market Group respectfully approaches the ruins, all additions are designed and implemented befittingly to the historical legacy, with a proportional, stylish architectural gesture, respecting the whole of the inherited details of the building. Honest efforts are made to create a renewed aesthetics as a whole that ensures the rehabilitation and survival of these spaces with an unrepeatable atmosphere.

Background to the programme

Ruin Rover (ROM Vándor) is Market Építő Zrt.'s social responsibility programme spanning several years, which promotes the quality rehabilitation of these spaces with an unrepeatable atmosphere. The company has created a complex CSR programme that is linked to its business, aligned with its credo, creates value, enriches our built environmental heritage and can be extended nationwide.

A special interest and value of the programme is that during the implementation, in addition to the involvement of renowned experts, the related tasks – from preparation to implementation – are carried out with the involvement of volunteer employees of Market Építő Zrt.

The aim of the programme

The aim of the Ruin Rover programme is to discover, preserve and popularise our lesser-known domestic, primarily sacral monuments. During the initiative, priority is the preservation and conservation of monuments and the renewal of the environment of (classified) ruin monuments. All this is also done in order to ensure that these special places provide an opportunity for interesting leisure programmes for different age groups, especially the youngest generations, and become more popular destinations for domestic and international hiking and pilgrimage movements. The programme also fits into popular trends of recent years, such as ecotourism, microcation, zero waste, the slow or the urbex movement.

The professional team

The Ruin Rover programme works with a number of expert companies and recognised experts whose knowledge and many years of experience guarantee the professionalism of the programme.

The first completed project: the Tök Ruin Church (2022)

Within the framework of the Ruin Rover programme, we carried out conservation and landscaping works on site. In addition to strengthening and preserving the remaining medieval wall fabric and repairing some of the masonry of the millennium renovations, we also settled the surroundings of the ruin, creating a two-way access to the monument. The renewed masonry was built using stones preserved and collected nearby.

Supporting local communities

Civil Impact Közhasznú Nonprofit Kft.

The organisation approached companies operating in District III in 2022 that are open to the issue of sustainability and CSR, which are socially responsible and support causes dedicated to the betterment of the district, including Market Építő Zrt.

The company participated as the host of the joint programme of the Municipality of Óbuda-Békásmegyer and Civil Impact (Civil Business School). As a host, Market provided the venue and modest catering for the meeting, while Balázs Báthory delivered a presentation on the benefits of the good and sustainably functioning civil-corporate relationship to Market Építő Zrt., why the company considers sustainability important, how it is established and what criteria are used to select an NGO and/or eligible cause.

Green Walk - International Green Building Week 2022 kicked off at Market headquarters

The 6.0 headquarters of Market Építő Zrt. in Óbuda hosted the opening ceremony of the International Green Building Week in 2022, where the company's office building built with sustainable solutions was presented within the framework of a Green Walk green building tour.

One of the main objectives of the five-day series of events was to show the answers through implemented examples and good practices to one of today's most important questions: what is worth doing in order that we could all live in a more sustainable and future-conscious built environment.

The event was opened by Balázs Regő Lánszki, State Secretary for Architecture of the Ministry of Architecture and Investment, National Chief Architect and patron of the event. The event was also attended and a talk held by Zsombor Barta, sustainability expert, President of HuGBC, as well as Sándor Scheer, CEO of Market Építő Zrt. and Balázs Báthory, Deputy CEO responsible for innovation. In addition to embodying all the company's professional knowledge and experience, it is clear that Market Headquarters 6.0 has put sustainable and environmentally conscious solutions at the forefront at every point. The 5,500 square metre headquarters was built at Market's typical pace, in just 8 months, with the aim of creating a unique building with extraordinary efficiency.

At the opening ceremony, Sándor Scheer, CEO of Market Zrt., emphasized that the company is examining itself in all areas and roles of the construction industry - as an investor, designer and contractor - to see which innovations and technologies can serve a more sustainable future. They have already introduced many sustainable elements into their own operations and are constantly exploring new opportunities.

Other supports

Kham Drom Roma Integration Association

In cooperation with the association, the Market Group has raised awareness of the need to protect against Covid and to vaccinate. The aim of the series of events, run between 25 October 2021 and 31 December 2022, is to educate the poorest, Hungarian-speaking, typically Roma population in Hungary and in the Hungarian-inhabited areas of Hungary's neighbouring countries about the need and opportunities to protect themselves against the Covid epidemic.

[GRI 2-28]

Industry associations

National Federation of Hungarian Building Contractors

The National Federation of Hungarian Building Contractors (ÉVOSZ) was established in October 1989. Currently, it has about 210 member organisations – including Market Építő Zrt. ÉVOSZ is a key player in the domestic construction sector, in addition to the most significant construction companies of Hungary, members include also several small and medium-sized enterprises. Tasks of the organisation include the representation of the domestic and international interests of Hungarian construction contractors, liaising and exchanging information between member organisations and domestic and international organisations (chambers, associations, authorities). Provides reviews and opinions on legislation and initiatives in the field of construction and informs member organisations about the possibilities of taking advantage of the opportunities offered by the European Union.

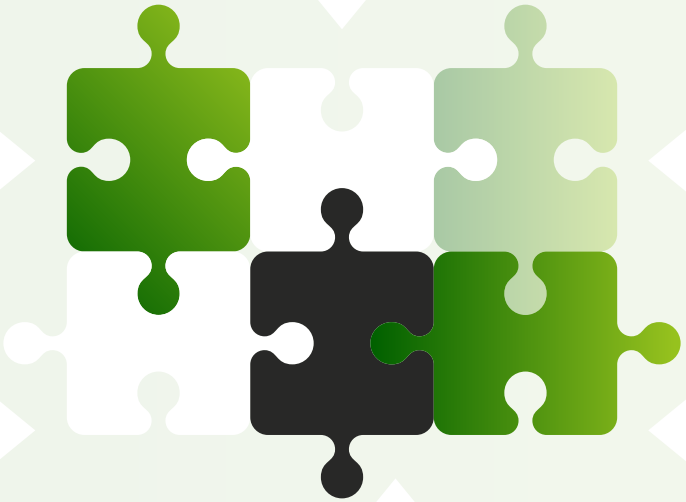
Sándor Scheer, founder-co-owner and CEO of Market Építő Zrt. serves as a member on the board of the association.

Építéstudományi Egyesület (ÉTE) - Scientific Society for Building

The objective of the Society, of which Market Építő Zrt. is also a member, is to inform members and expand their knowledge on professional topics, and at the same time to be a professional platform in order to achieve joint thinking on issues affecting the construction industry.

Tudásépítő Team

The Market Group, through Market Építő Zrt., is the owner of Tudásépítő Ágazati Képzőközpont Nonprofit Zrt. (Knowledge Building Team Sectoral Training Centre Nonprofit Zrt.), which is an organisation established by the cooperation of Market Építő Zrt., Bayer Construct Zrt. and KÉSZ Group. Its mission is the vocational training of students and the professional training of adults. In addition to the transfer of modern technological knowledge, studies are also supported by a student salary of HUF 100,000, meal contributions and work clothes. Training starts after the conclusion of the vocational education and training (VET) employment contract, in the course of which students need to attend vocational training sessions, acquire the necessary professional knowledge, and then pass a professional examination. After a successful professional exam, qualified students are supported by job offers, helping them find employment and professional fulfilment.



Business Council for Sustainable Development in Hungary (BCSDH)

The Business Council for Sustainable Development in Hungary (BCSDH) is a sub-organisation of the World Business Council for Sustainable Development. The Hungarian organisation was founded in 2007 and its members include 124 companies – including Market Építő Zrt. The Business Council for Sustainable Development in Hungary wishes to actively promote the implementation and application of the three pillars of sustainable development among its member companies: economic efficiency, ecological balance and social quality of life, thereby increasing their competitiveness with new and innovative solutions, and at the same time contribute to the sustainable development of the Hungarian economy and society.

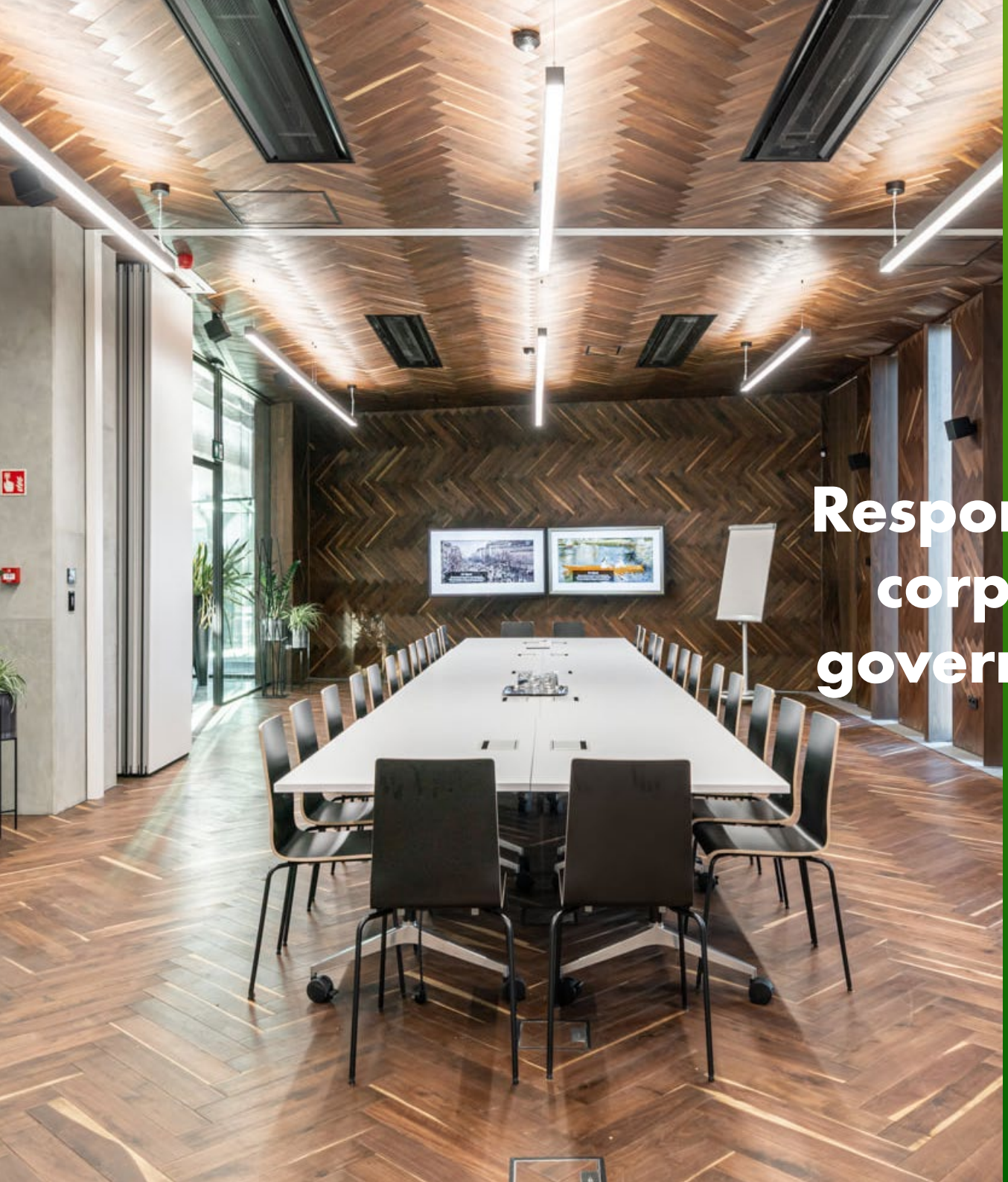
Circular Economy Technology Platform

The Circular Economy Technology Platform is a new professional, consulting and advocacy forum led by the National Research, Development and Innovation Office (NKFIH) under ITM, but with the broad involvement of economic actors. The main objective of the platform is to accelerate the transition to a circular economy in Hungary in line with Hungarian and European strategies.

Sándor Scheer, CEO of Market Építő Zrt. is a member of the board of the platform.

Magyar Környezettudatos Építés Egyesülete - Hungary Green Building Council (HuGBC)

The Group is a member of the Hungary Green Building Council Hungary (HuGBC), which is a professional platform and community covering all areas of construction economics. It provides professional interest representation in current and future-shaping issues aimed at the realization of the sustainable built environment, and as a member of the World Green Building Council, based on forward-looking international practices and the knowledge, experience and innovative solutions of our members, carries out awareness-raising and educational activities and provides knowledge base.



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WE LOVE TO BUILD

Responsible corporate governance

09

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GRI 2-13] [GRI 2-16] [GRI 3-3] [GRI 205-1] [GRI 205-2] [GRI 205-3] [GRI 2-19] [GRI 2-24] [GRI 2-26] [GRI 3-3] [GRI 408-1] [GRI 409-1] [GRI 418-1]

The Market Group is committed to responsible and transparent governance and the strengthening of fair business practices. In addition to the efficient organisational structure already in place, well-defined responsibilities and compliance with legal requirements, Market has also integrated sustainability into the corporate governance processes. This includes making the company's operations more transparent and publishing an annual sustainability report in line with GRI Standards from 2022 to provide more comprehensive information to stakeholders.

Corporate governance structure

[GRI 2-9] [GRI 2-10] [GRI 2-11]

The governance structure of **Market Építő Zrt**. is described in the company's Articles of Association and its Rules of Organisation and Operation, last renewed in August 2020. The due revision of the latter document started in 2022 and the group-wide process is expected to be completed in the first half of 2024.

The **General Meeting** is the highest governance body of the company, which exercises the supervisory and decision-making rights of the owners in a unified manner.

The **Board of Directors** is the management body of the company, directs the company's economic management and defines its business concept. The Board of Directors is composed of three members, and the Chairman of the Board also performs operational tasks as CEO. The members of the Board are selected by the General Meeting on the basis of their professional qualifications and experience. In 2022, the respective positions were held by Sándor Scheer (owner, Chairman of the Board of Directors, CEO), Péter Csicsáky (independent) and Zsolt Ikrényi (independent). There are no dedicated areas of expertise in the Board of Directors, decisions are always made by three people.

The **Supervisory Board** controls the management of the company. In this context, the Supervisory Board is obliged to examine proposals submitted to the General Meeting and to present its position on them at the General Meeting. The members of the Supervisory Board are independent and do not include Market employees. In 2022, the positions were held by dr. Péter Telek, László Tamássy and Zsolt Bencze.

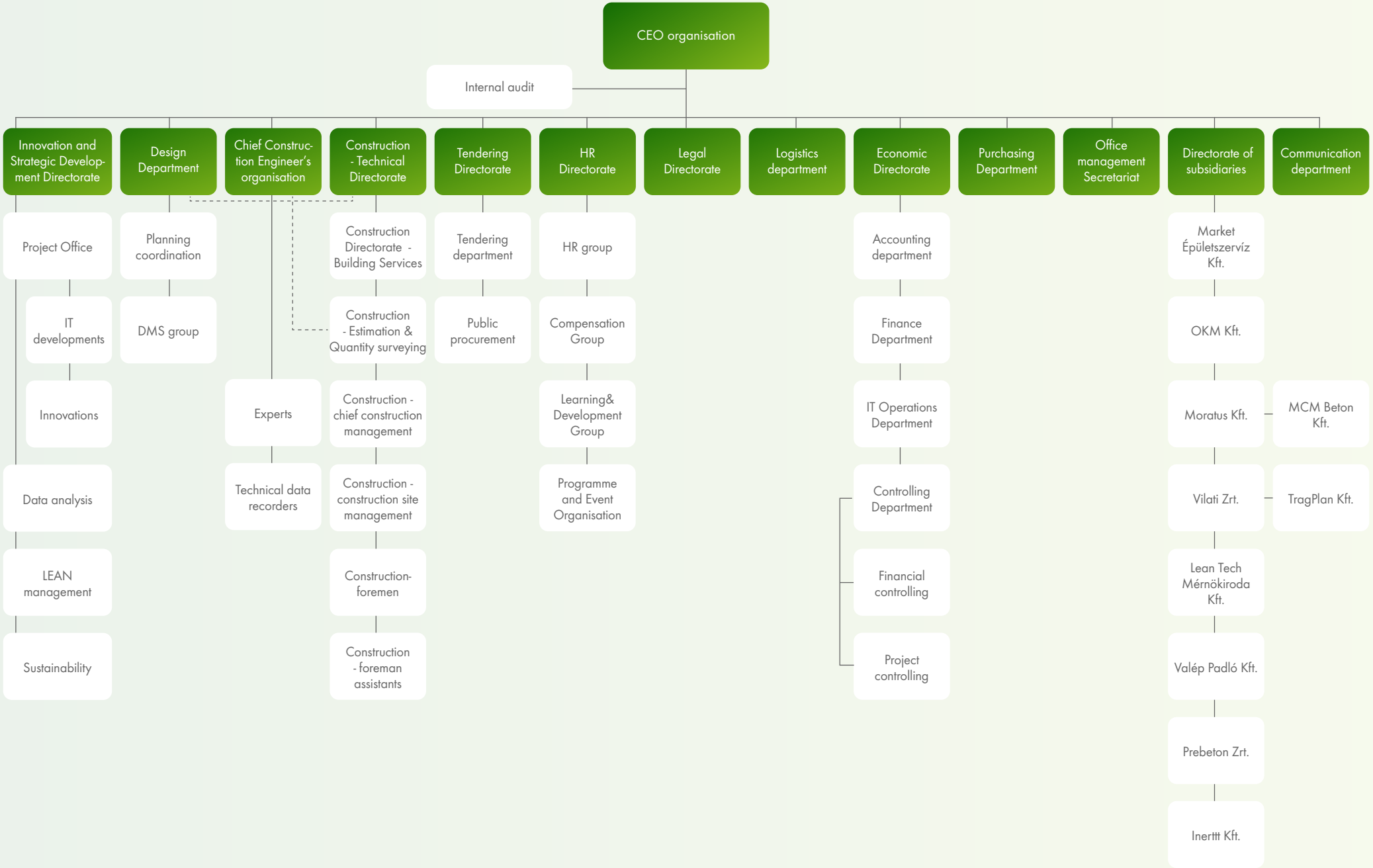
The company is managed by the CEO, who is also the Chairman of the Board of Directors. He exercises his rights and duties within the limits of the law and the Articles of Association and in accordance with the decisions of the General Meeting and the Board of Directors. The Chief Executive Officer is the operational manager of the operations and is responsible, together with the Board of Directors, for reviewing and taking decisions on the economic, environmental and social impacts of the company's activities. The CEO is assisted in this function by the Chief Financial Officer and the Deputy CEO for Innovation and Strategic Development.

Subsidiaries like **Moratus Kft.**, **OKM Építőipari és Szolgáltató Kft.** and **Vilati Szerelő Zrt**. are also governed by the Organisational and Operational Rules and set the governance structure in the same way, but the difference is that in their case the general meeting constitutes the highest governance body, which exercises the owner's supervision and decision-making rights uniformly.

The companies are managed and controlled by the managing directors and the deputy CEO responsible for subsidiaries, who are the operative managers of the activities. The managing directors of each subsidiary are selected by the Board of Directors of Market Építő Zrt. based on their professional qualifications and experience.

The member companies do not have a supervisory board, but the supervisory board of the majority owner Market Építő Zrt. controls the management of each company. The internal auditor of Market Építő Zrt. is also competent to control their operation.

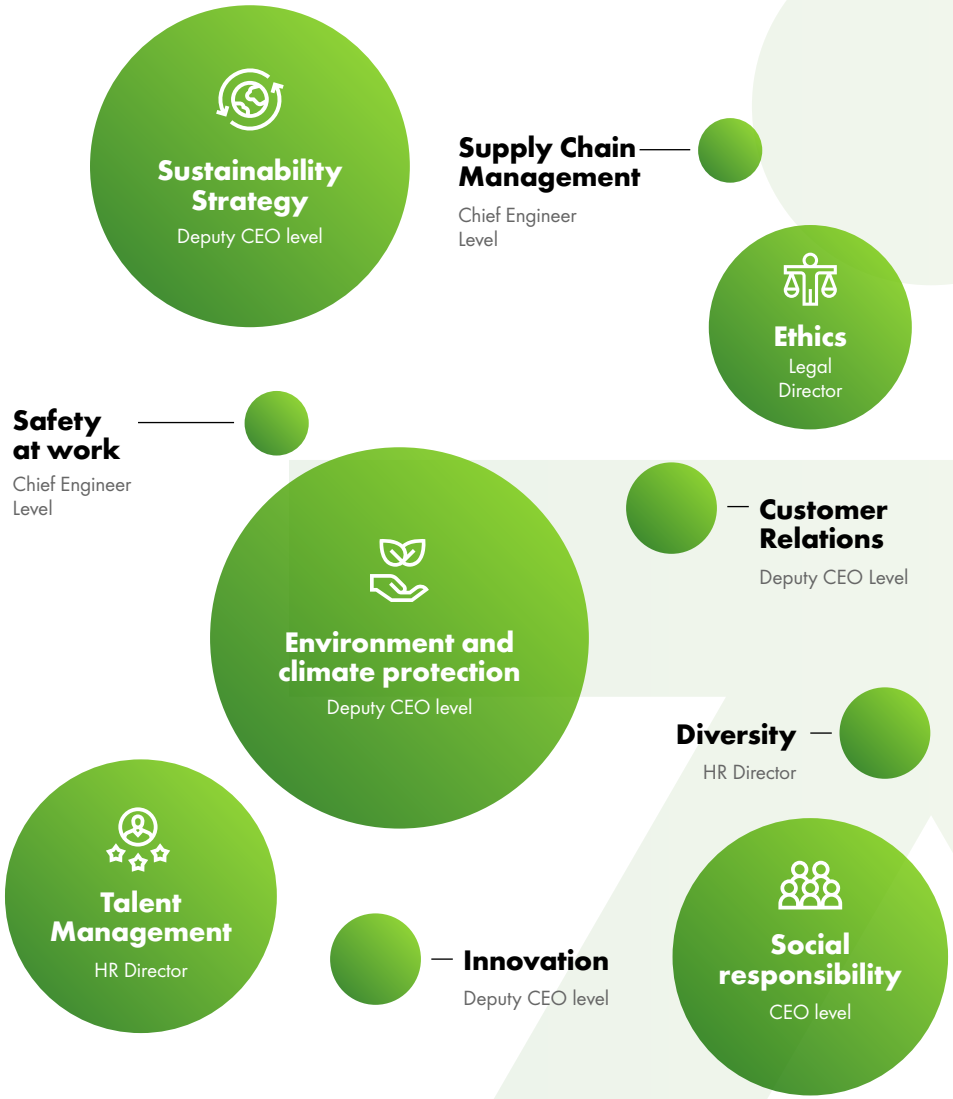
The Organisational and Operational Rules have not been issued at other member companies of the Market Group, and in respect of these subsidiaries, the articles of association of the companies regulate the organisational structure of the companies in a general manner within the framework provided for in the provisions of the Civil Code, with Market Építő Zrt. playing an important role as the owner in the development of the respective corporate strategy and in the control of operations in their case as well.


CEO organisation
Internal audit
Innovation and Strategic Develop-ment Directorate
Design Department
Chief Construc-tion Engineer's organisation
Construction - Technical Directorate
Tendering Directorate
HR Directorate
Legal Directorate
Logistics department
Economic Directorate
Purchasing Department
Office management Secretariat
Directorate of subsidiaries
Communication department
Project Office
IT developments
Innovations
Data analysis
LEAN management
Sustainability
Planning coordination
DMS group
Experts
Technical data recorders
Construction Directorate - Building Services
Construction - Estimation & Quantity surveying
Construction - chief construction management
Construction - construction site management
Construction-foremen
Construction - foreman assistants
Tendering department
Public procurement
HR group
Compensation Group
Learning& Development Group
Programme and Event Organisation
Accounting department
Finance Department
IT Operations Department
Controlling Department
Financial controlling
Project controlling
Market Épületszervíz Kft.
OKM Kft.
Moratus Kft.
MCM Beton Kft.
Vilati Zrt.
TragPlan Kft.
Lean Tech Mérnökiroda Kft.
Valép Padló Kft.
Prebeton Zrt.
Inerttt Kft.

[GRI 2-12] [GRI 2-13] [GRI 2-16]

Addressing economic, environmental and social impacts

In managing the economic, environmental and social impacts of the Market Group, the highest level of decision-making power is vested in the executive top management. For each sustainability-related area, responsibilities are decentralised. Sustainability is addressed at the highest level of corporate governance by the Board of Directors on the basis of quarterly reports. Sustainability topics are presented to the executive senior management on a monthly basis, which are managed by the Deputy Chief Executive Officer for Development and Innovation.



As part of its sustainability strategy, the Group is committed to start the assessment of industry-specific climate risks in 2023 and identify areas where intervention may be needed in the coming years, whether in terms of its operational processes or real estate development activities.

Business ethics

The Code of Ethics serves as a kind of map of the internal regulations in force at the Group, while supplementing their content with the general expectations required in everyday work. Accordingly, most chapters of the Code of Ethics include a reference to the internal regulations relevant to the given topic, which contain detailed information about the specific expectations of the Market Group. In all cases, the Code of Ethics also names those organisational units that have the most comprehensive knowledge in the relevant field and can thus assist in the interpretation and implementation of the Code of Ethics and related regulations.

The explicit goal of the new Code of Ethics is to expose a greater number of ethical violations detected by employees, therefore the Group placed great emphasis on reviewing and simplifying the whistleblowing procedure. Accordingly, from 1 December 2021, a lawyer for the protection of whistleblowers will assist in detecting ethical violations, to whom employees may write even if they do not wish to disclose their identity to the Market Group. The whistleblower protection lawyer acts on behalf of Market Építő Zrt., but handles the personal data of employees as attorney-client privileged information confidentially. There have been no reports in 2022.

Compliance with the Code of Ethics is monitored by the four-member Ethical Council, whose permanent members are the Chairman of the Board of Directors, the internal auditor of the Group, the Legal Director of the Market Group and the HR Director of the Group.

The person responsible for the regular review of the Code of Ethics is the Legal Director, but its priority review may also be initiated at any time by the Ethical Council and the senior executives of the Group.

The main topics covered in the Code of Ethics are as follows:

- Conduct towards business partners and other third parties
- Rights granted to employees and their limits
- Sustainable development
- Fair and lawful market conduct
- The role of managers in the enforcement of the Code of Ethics

Anti-corruption action

[GRI 3-3] [GRI 205-1] [GRI 205-2] [GRI 205-3]

The Market Group condemns all forms of active and passive corruption. The principles of its anti-corruption policy are laid down in internal regulations and in the Code of Ethics.

Taking into account that the selection of partners performing activities on a given project is in principle decentralised (the technical director leading the given project decides which subcontractor should perform the given work) within Market, the Group sees the greatest risk in the fact that the partners offer an undue advantage to their colleagues in exchange for accepting a favourable set of contractual conditions. Accordingly, the internal regulations require employees of the Market Group to report gifts worth more than HUF 55,000 (or EUR 150) to the holder of the employer's authority for prior approval. Similarly, if any employee of the Market Group contracts with our partner, he or she must also notify us.

In 2022, members of management organisations or other employees of the Market Group did not receive anti-corruption training. Employees received such training as part of a training related to the implementation of the new Code of Ethics held in January 2023, which was attended by 98.7% of those employees who possess a computer.

Policy implementation

[GRI 2-24] [GRI 2-26]

Market Group considers it important that the adopted policies are actually implemented within the deadlines set, and always provides the appropriate human and material resources for this.

The Group's commitments are laid down in binding internal regulations and CEO's directives. These regulations are available to all employees and employees are obliged to take them into account in the course of performance of their duties.

The Market Group provides several trainings for its employees to learn and apply operating principles (policies) in practice. The staff of the Legal Department holds regular legal training, and the IT Department regularly trains colleagues on the technical conditions of secure data and information management and on acts endangering data security.

The Group regularly reviews the success and implementation of new policies (regulations). A review period for regulations is also usually set, which is typically 1-2 years.

Remuneration policy

[GRI 2-19]

When determining the remuneration of colleagues, the Market Group does not differentiate between male and female colleagues, it determines it solely on the basis of professional experience, based on internal wage brackets.

Executive top management realizes fixed and additional premium remuneration. Except wage-benefits, no other types of fringe benefits are in place at the time being. The variable rate of the wages is high, its amount depends on the performance of the individual and of the Group. The bonus/malus system based on sustainability performance has not yet been implemented, it is part of the Group's longer-term plans.

The Board of Directors receive fixed remuneration.

[GRI 3-3] [GRI 408-1] [GRI 409-1]

Respect for human rights

The Market Group respects human rights enshrined in the Fundamental Law and international legal conventions. The Group does not contract with a company that fails to ensure compliance with these constitutional principles for its employees or contributors. At the same time, within the framework of its social responsibility, it actively supports the national and international expansion of the rights to which we are all entitled by way of civic right.

Special attention is paid to quality of life at work. Employees are granted to work in a relaxed working environment, free from distractions, discrimination and practices that violate their privacy rights. The Market Group has confirmed that commitment in the Code of Ethics.

Market believes that the principle of "Nothing about you without you!" must apply in all aspects of our lives, including work, the essence of which is that measures, developments or other processes related to people with disabilities should only be carried out with their involvement.

Market has no area of operation or a supplier where there is a risk of child labour, exposure of young workers to hazardous labour or even forced labour. Almost all partners of the Group are companies operating in the territory of the European Union.

[GRI 3-3] [GRI 207-1] [GRI 207-2]

Tax policy

The Market Group attaches great importance to the prompt and complete settlement of tax liabilities in accordance with applicable laws, directives, contracts and court judgments. The Accounting Department is responsible for filing tax returns, liaising with tax authorities and other relevant organisations in tax matters. The Chief Financial Officer represents the highest management level in the tax field within the Group, directs and controls tax-related activities, and is responsible for the proper practical application of professional knowledge and changes in law.

Market has a group-wide risk management process that includes effective and appropriate management of tax risks. This ensures that tax risks are identified, analysed, evaluated, monitored and minimized. The processes in force in the tax field are regularly monitored to ensure that all areas that are indispensable for the daily operation are familiar with tax-related legislation and its possible changes.

The Market Group's relationship with the tax authority has been well-balanced for years. The Group is treated as a special taxpayer, which means that it has a personal contact person at the Tax Authority with whom it is possible to discuss all tax-related matters. It is important to point out that this relationship is two-way, the Authority can reach Market through the Chief Accountant should there be any issues emerging.

Taxation is basically dealt with by the Accounting Department, but there are special issues related to controlling. Tax issues related to Customers are handled directly at the level of the Chief Accountant. Suppliers of the Group may forward questions and tax related inquiries to the accounting area through their technical contact persons, where in most cases further processes are also carried out according to the guidelines of the Chief Accountant.

According to Hungarian tax legislation, there is a real-time connection between the Authority and taxpayers ensured through the invoicing systems, which also works in the case of Market. In addition, the usual declaration schemes are submitted and processed electronically between the actors.

Market Group's operations are fully transparent to the Authority, which can be verified through comprehensive investigations.

[GRI 418-1] [GRI 3-3]

Data protection

Market Group processes personal data to a limited extent only, as its clients are almost exclusively companies. Accordingly, the personal data available to the Group are primarily employee data and data of the access control system at the construction site.

The member companies act as joint data controllers, the details of which are set out in a separate agreement between the parties. The list of companies concerned is available at the following link:

https://www.market.hu/adatkezeles

Although the Market Group is not obliged to appoint a Data Protection Official, a Data Protection Officer has been appointed to ensure compliance with national and Community law (primarily the GDPR). The Group has created a separate e-mail address (gdpr@market.hu) to receive requests and reports related to data processing, no complaints were received in 2022.

Within the Market Group, several regulations deal with the topic of data processing, and data management information is distributed to employees. Information on data management at the construction site can be downloaded from the https://www.market.hu/dokumentumkategoria/2/aszf website, but a signboard with the same content has also been placed at the entry points.

In 2022, the National Authority for Data Protection and Information Security did not initiate any proceedings in which the Market Group was involved. During the reporting period, a data protection incident occurred, during which the correspondence of an employee of Market Építő Zrt. reached unauthorised persons as a result of a virus attack. The incident was reported to the National Authority for Data Protection and Information Security.

GRI content index

10

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 2: General disclosures	GRI 2-1 Organisational Details	About Market Group	003	The headquarters of Market Group (Market Építő Zrt.) is located in Budapest. (1037 Budapest, Bojtár u. 51.) Area of operation: Hungary.	-
	GRI 2-2 Entities included in the organisation's sustainability reporting	About the report	013	Companies covered by this report: • Lean Tech Mérnökiroda Kft. • Market Építő Zrt. • Market Épületszerviz Kft. • MCM Beton Kft. • Moratus Kft. • OKM Építőipari és Szolgáltató Kft. • Prebeton Zrt. • Property Market Ingatlanfejlesztő Kft. • Vilati Szerelő Zrt. In the sustainability report, the activities of the companies covered by the report were presented at group level. Where we had information at member company level that helps us better understand the Group's operations and impacts, or may be relevant to our stakeholders, we have included it separately. At the same time, we basically tried to publish the relevant data by member company in all topics where this was not possible, the justification can be found in a note. The objectives of the sustainability strategy and the material topics have been defined at group level. Market Építő Zrt. has a majority or exclusive ownership stake, thus having an operational influence on all companies covered by the report.	-
	GRI 2-3 Reporting period, frequency and contact point	About the report	013	Coverage: Market Group Reporting period: 01.01.2022 – 31.12.2022 Reporting standard: GRI Standards 2021 – Reporting period: Annual Information and contact: fenntarthatosag@market.hu Market Építő Zrt. published its financial report entitled „Consolidated Financial Statement and Independent Auditors' Report" on June 29, 2023. The company's financial (business) year covers the period from 1 January to31 December, the reporting period is 1 January, 2022 – 31 December, 2022. Date of issue of the 2022 Sustainability Report: November 2023	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-4 Restatements of information	-	-	Market Group's 2022 Sustainability Report provides clarification on several topics for previous periods. These are always indicated in the chapters as well as in the GRI content index.	-
	GRI 2-5 External assurance	-	-	In order to ensure the credibility and transparency of our sustainability report, this year we engaged an experienced and respected external independent third party to rate it. The purpose of the certification process is to determine the appropriateness, credibility, completeness, structure, substantiation and traceability of the content of the sustainability report. Our report was audited by Deloitte Könyvvizsgáló és Tanácsadó Kft. and it declared the reliability of the information contained therein. The qualification process was designed and implemented on the basis of ISAE3000 standards issued by the International Federation of Accountants. In addition to GRI 1, GRI 2 and GRI 3 compliance, GRI 2 indicators and 3 focus themes were also examined as follows: • Scope 1-2 emissions (direct and indirect) (GRI 305-1 and GRI 305-2) • New employee hires and employee turnover (GRI 401-1) • Work-related injuries (GRI 403-9)	-
	GRI 2-6 Activities, value chain and other business relationships	About the Market Group	-	In terms of its activities, the Market Group belongs to the construction sector. Through its operation so far, it has grown into one of the key players of the domestic construction industry, combining professionalism, dedication and the strength of experience. In the construction industry, including the Market Group, the supply chain is structured in the usual way: manufacturer – distributor – dealer – end user. In most cases, building materials in the classical sense are not worth transporting from more than a certain km, the vast majority of our purchase value comes from Hungary. In terms of raw material production / production of building materials, there are manufacturers / distributors for practically every type of product in the country, be it reinforcing steel, paving stone or insulation materials. We strive to reduce our carbon footprint when purchasing materials, but there are cases when it is worth purchasing certain materials even from thousands of kilometres away. It depends on the specific market situation and, most importantly, on supply and demand.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer
	GRI 2-7 Employees and other workers	Stakeholders – staff members	-	Total number of employees in the Market Group: 1352.[33]

Distribution of employees among member companies, broken down by gender

	Market Építő Zrt.	Market Épületszerviz Kft.	OKM	Moratus Kft.	Vilati	MCM Beton Kft.	Property Market Ingatlanfejlesztő Kft.	Lean Tech Mérnökiroda Kft.	Prebeton Zrt.	**MARKET GROUP**
Male (person)	353	80	250	136	68	27	23	15	102	**1 054**
Male (%)	67%	91%	89%	86%	92%	93%	52%	54%	83%	**78%**
Female (person)	175	8	30	22	6	2	21	13	21	**298**
Female (%)	33%	9%	11%	14%	8%	7%	48%	46%	17%	**22%**
Total	528	88	280	158	74	29	44	28	123	**1 352**

Number of employees on fixed-term and open-ended contracts at group level, broken down by gender

	Man	Woman	**Total**
Fixed-term	3	6	**9**
Indefinite	1051	292	**1343**

Number of part-time and full-time workers at group level, broken down by gender

	Man	Woman	**Total**
Part-time	5	20	**25**
Full-time	1049	278	**1327**

[33] Summaries of employees are indicated throughout the report – including the GRI Content Index – in terms of persons.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer

Non-typical forms of employment broken down by gender by member companies

Member Company	Fixed-term contract		Part-time	
	Man	Woman	Man	Woman
Lean Tech Mérnökiroda Kft.	0	0	0	1
Market Építő Zrt.	3	4	5	11
Market Épületszerviz Kft.	0	0	0	1
MCM Beton Kft.	0	0	0	0
Moratus Kft.	0	0	0	1
OKM Építőipari és Szolgáltató Kft.	0	1	0	3
Prebeton Zrt.	0	0	0	0
Property Market Ingatlanfejlesztő Kft.	0	0	0	3
Vilati Szerelő Zrt.	0	1	0	0
Total	3	6	5	20

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer
	GRI 2-8 Workers who are not employees	Stakeholders - People	058	**Number of employees who are not employed by the company**

Member Company	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	2	2	2	3	0
Market Építő Zrt.	21	27	101	27	29
Market Épületszerviz Kft.	1	0	0	0	
MCM Beton Kft.	0	1	0	0	0
Moratus Kft.	25	29	3	6	6
OKM Építőipari és Szolgáltató Kft.	6	10	3	2	4
Prebeton Zrt.	0	1	1	2	1
Property Market Ingatlanfejlesztő Kft.*	n.a	n.a	n.a	n.a	0
Vilati Szerelő Zrt.	0	0	0	0	1
Total	55	70	110	40	41

The legal relationships counted are as follows:

- elected official
- engagement contract
- temporary agency work

The Market Group had 32 men and 9 women working in such jobs in 2022.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-9 Governance structure and composition	Responsible corporate governance – Corporate governance structure	091-092	The governance structure of **Market Építő Zrt.** is described in the company's Articles of Association and its Organisational and Operational Rules, last renewed on 1 August 2020. The General Meeting is the highest governance body of the company, which exercises the supervisory and decision-making rights of the owners in a unified manner. The Board of Directors is the management body of the company, directs the company's economic management and defines its business concept. The Board of Directors is composed of three members, and the Chairman of the Board also performs operational tasks as CEO. The members of the Board are selected on the basis of their professional qualifications and experience. The Supervisory Board controls the management of the company. In this context, the Supervisory Board is obliged to examine proposals submitted to the General Meeting and present its position on them at the meeting. The company is managed by the CEO, who is also the Chairman of the Board of Directors. He exercises his rights and duties within the limits of the law and the Articles of Association and in accordance with the decisions of the General Meeting and the Board of Directors. The Chief Executive Officer is the operational manager of the operations and is responsible, together with the Board of Directors, for reviewing and making decisions on the economic, environmental and social impacts of the company's activities. The CEO is assisted in this function by the Chief Financial Officer and the Deputy CEO for Innovation and Strategic Development. Other deputy CEOs and directors also play an active role in the management of the company, acting as senior level employees. Members of the Governing Board are appointed for an indefinite period. The Organisational and Operational Rules were also issued for Moratus Kft., OKM Építőipari és Szolgáltató Kft. and Vilati Szerelő Zrt. (Not published in other members of the Group.) Market Zrt. exercises majority or exclusive ownership rights over the other companies of the Market Group. The member companies are managed and controlled by the managing directors and the Deputy CEO responsible for subsidiaries, who are the executive managers of the operation. The managing directors of each subsidiary are selected by the Board of Directors of Market Építő Zrt. based on their professional qualifications and experience.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-10 Selection and nomination of the Highest Governance Body	Responsible corporate governance - Corporate governance structure	091	The composition of the Board of Directors has remained unchanged since the end of 2014. Members are delegated by the owners. The most important selection criteria are the presence of appropriate competences and trust.	-
	GRI 2-11 Chairman of the Highest Governance Body	Responsible corporate governance - Corporate governance structure	091	The Chairman of the Board of Directors is founder and CEO, Sándor Scheer. In management, he also concentrates the managerial, entrepreneurial and technical management functions. As founder of Market Építő Zrt., Sándor Scheer has a 49 percent stake in the company.	-
	GRI 2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	Responsible corporate governance - Corporate governance structure; Addressing economic, environmental and social impacts	091, 093	The Board of Directors functions as a strategic decision-making body and has no operational tasks. Its tasks shall be governed by the Rules of Procedure of the Board. These mainly focus on the regulated, planned, measurable and controllable operation of the Group, in addition to the control of risks, high-value, special expenses and investments. The operational management is responsible for ensuring the regulated, legal and efficient operation of the Group as defined in the business plans adopted by the Board of Directors. The top management of Market can be divided into two dimensions in terms of functionality. The strategic tasks are carried out by the Board of Directors and the Supervisory Board, while the CEO and deputy CEOs are responsible for executive operations. Deputy CEOs include: • **Róbert Mikusi**, Deputy CEO responsible for tendering – in charge of participating in tenders and obtaining jobs. • **András Wolf**, Chief Technical Officer – in charge of construction projects. • **János Suga**, Deputy CEO responsible for subsidiaries – in charge of the control and operation of subsidiaries. • **Balázs Báthory**, Deputy Chief Development and Innovation Officer – in charge of sustainability, development and innovation. • **Balázs Sütő**, Chief Financial Officer – responsible for the general operation of the company and economic tasks. The highest governing body has absolute decision-making rights in matters concerning the operation of the sustainability area, and the approval of the CEO is always required for the launch of related projects. The CEO also participates in the work of the sustainability field, proposing initiatives and courses of action. For the CEO, the Head of the Directorate for Innovation and Strategic Development reports quarterly on the progress of the sustainability strategy.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-13 Delegation of responsibility for managing impacts	Responsible corporate governance - Addressing economic, environmental and social impacts	093	In managing the economic, environmental and social impacts of the Market Group, the highest level of decision-making power rests with the executive top management. For each sustainability-related area, responsibilities are decentralised. Sustainability is addressed at the highest level of corporate governance by the Board on the basis of quarterly and monthly reports. Sustainability topics are presented to the executive top management on a weekly basis, which are tackled by the Deputy Chief Executive Officer for Development and Innovation.	-
	GRI 2-14 The role of the Highest Governance Body in Sustainability Reporting	Responsible corporate governance - Addressing economic, environmental and social impacts	-	In 2022, the overview of sustainability activities was carried out by the responsible Deputy CEO in consultation with the top management. In 2022, Market Építő Zrt. established a governing body responsible for reviewing information related to sustainability and defining relevant topics. This document has been approved by them.	-
	GRI 2-15 Conflicts of interest	Responsible corporate governance - Business ethics	-	The Board of Directors receives monthly reports on the transactions of the so-called critical actors and the range of actors. These reports also cover members of the Board of Directors and other interests of the owners.	-
	GRI 2-16 Communication of critical concerns to the Highest Governance Body	Responsible corporate governance - Addressing economic, environmental and social impacts	093	If there is a material problem or concern, it almost immediately reaches senior management level if could not been resolved locally. No exact data are available about the possible nature and number instances occurred, but are always treated as a priority. Eventual damages or complaints can be reported by anybody to Market's official complaint reporting e-mail address, where they will be handled by the competent colleagues.	-
	GRI 2-17 Collective knowledge of the Highest Governance Body on sustainability issues	-	-	Members of the Board of Directors and senior management attend lectures on sustainability regularly, and sustainability presentations are delivered to them on a quarterly basis. The lectures are held by external experts, and the topics are developed according to demand, but they are always related to sustainability and environmental protection. A presentation is understood as a slide show in a length of approximately one hour that thoroughly introduces a particular topic.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-18 Evaluation of the performance of the Highest Governance Body	-	-	The performance of the Highest Governance Body is currently not assessed against environmental, economic and social criteria. If the sustainability strategic goals are met, the assessment will be implemented in the coming years, primarily at the level of the Deputy CEOs.	-
	GRI 2-19 Remuneration policies	Responsible corporate governance - Business ethics	094	The Board of Directors have fixed remuneration. Executive top management realizes a fixed income and variable wage/premium remuneration in addition. Except wage-like payments no other benefits are available at the time being. The proportion of the variable salary is high, its amount depends on the performance of the individual and the Group. When assessing the activities of the responsible top manager, his performance of tasks related to sustainability issues is also taken into account.	-
	GRI 2-20 The process to determine remuneration	-	-	The CEO makes the decision on remuneration issues taking into account the proposal of the HR department. Provided it is relevant with respect of a position, the comments and interests of stakeholders are also taken into account during the determination of remuneration. No external experts are involved in the process.	-
	GRI 2-21 Annual total compensation ratio	-	-		-

Member Company	Total annual remuneration rate	Annual growth rate of total remuneration rate
Lean Tech Mérnökiroda Kft.	2063%	193%
Market Építő Zrt.	450%	60%
Market Épületszerviz Kft.	722%	114%
MCM Beton Kft.	413%	91%
Moratus Kft.	666%	158%
OKM Építőipari és Szolgáltató Kft.	569%	107%
Prebeton Zrt.	318%	146%
Property Market Ingatlanfejlesztő Kft.	186%	73%
Vilati Szerelő Zrt.	648%	64%

The total annual remuneration rate shows the ratio of the highest paid top manager and the median of total remuneration of all employees for 2022.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-22 Statements on Sustainable Development Strategy	CEO's welcome; Sustainability strategy	010, 017- 024	-	-
	GRI 2-23 Policy commitments	-	-	The Market Group sets out its general and specific policy expectations for responsible and sustainable business activity, binding on its employees, in internal regulations and CEO's directives. Among these, the Code of Ethics plays a prominent role, which is published on the internal network of the Group. The Market Group communicates its internal regulations to third parties only on an occasional and exceptional basis, however, they are accessible to their employees on the internal network without restriction. Market Group ensures respect for fundamental human rights for its employees and partners in accordance with the relevant chapter of the Code of Ethics. The extension of group-wide policies to suppliers or partners will take place during the strategy period.	-
	GRI 2-24 Embedding policy commitments	Responsible corporate governance - Business ethics	094	Market Group's commitments are laid down in binding internal regulations and CEO's directives. These regulations are available to all employees and employees are obliged to take them into account in the performance of their duties. This is the obligation of our colleagues under their employment contract, which can be held accountable by their immediate superiors and the person exercising the employer's authority. Market Group provides several trainings for its employees to learn and apply operating principles (policies) in practice. The staff of the Legal Department holds regular legal training, just as our IT Department trains our colleagues regularly about the technical conditions needed to secure data and information management and about acts endangering data security.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-25 Processes to remediate negative impacts	-	-	Market Group pays special attention to creating value in its activities and avoiding any form of damage. Accordingly, the negative (e.g. environmental) impacts associated with its activities never exceed the limits required by legal regulations or industry standards. In cases where, for any reason, third parties are damaged for reasons attributable to the Market Group, it will make every effort to repair the negative effects or restore the original condition. Market Group has created separate e-mail addresses and internet interfaces for reporting damage at construction sites: https://www.market.hu/karjelento, and karesemeny@market.hu. In this way, it is ensured that the competent employees of the Market Group are directly informed about the negative impacts (damage events) and that claims adjustment could be started as soon as possible. Market Group continuously develops these processes, taking into account changes in the legal environment (e.g. new data protection expectations) and the feedback and complaints of injured parties.	-
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Responsible corporate governance - Business ethics	094	Market Group considers it important that the adopted policies are actually implemented within the deadlines set, and always provides the appropriate human and material resources for this. Market Group undertakes to investigate ethical violations if reporting is made in writing, revealing the personal identity of the whistleblower. Ethical violations can be reported to the person exercising the authorisation of employer or to the legal representative of the given organisation (1), to the heads of support departments (HR, Internal Audit, Law) (2), the Director of Security (3) and by sending a request to the e-mail address etikaikodex@market.hu (4). If the reporting person does not wish to disclose his/her identity to the Market Group, he/she may also report to the Market Group's law engaged in the protection of whistleblowers (5), who will not disclose the identity of the whistleblower in lack of a specific consent to this effect. In all cases, the person receiving the report shall forward the request without delay to the Legal Director, who in turn will keep the HR Director fully informed. The Legal Director shall coordinate the investigation of the report. Investigators shall keep confidential information on the content of the report and the persons concerned by the report until the investigation is concluded or formal impeachment is initiated as a result of the investigation, and shall disclose it only if it is essential for the investigation of the facts. The report will be investigated by Market Group within 30 days, which procedural deadline may be extended by a maximum of 60 days in justified cases.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 2-27 Compliance with laws and regulations	-	-	During the reporting period, the Market Group operated in accordance with legal and other statutory requirements, and no circumstances arose in connection with its activities that could call into question its lawful operation.	-
	GRI 2-28 Membership associations	Social responsibility - Industry associations	089	• National Federation of Hungarian Building Contractors (ÉVOSZ) • Tudásépítő Team Ágazati Képzőközpont • Business Council for Sustainable Development in Hungary (BCSDH) • Hungary Environmental Building Association HuGBC • Scientific Society for Building (ÉTE) • Circular Economy Technology Platform • Hungarian CIO Association (VISZ) • Chamber of Engineers in Bács-Kiskun County • Chamber of Engineers in Békés County • Chamber of Architects in Budapest • Chamber of Engineers in Budapest and Pest County • Chamber of Architects in Pest County • Chamber of Engineers in Szabolcs-Szatmár-Bereg County • Chamber of Engineers in Veszprém County • Chamber of Engineers in Fejér County • Chamber of Engineers in Komárom-Esztergom County • Hungarian Association of General Contractors	-
	GRI 2-29 Approach to stakeholder engagement	Stakeholders – Stakeholder survey	054	In 2021, the Market Group also conducted an online survey with stakeholders to support the preparation of the sustainability report. The identification of appropriate target groups was carried out through multiple consultations. During the process, the following groups were identified: employees, clients, NGOs, and members of the future generation. The research was carried out among the identified relevant stakeholder organisations and interested parties. The stakeholder groups were involved and their opinions on sustainability were explored with the aim of taking into account the interests and suggestions of the affected groups in Market's future sustainability efforts.	-
	GRI 2-30 Collective Bargaining Agreements	-	-	The employees of the Market Group are subject to a collective bargaining agreement in the construction sector, which can be accessed from the following link: https://www.evosz.hu/hirek/2-bejegyzesek/62-epitoipari-agazati-kollektiv-szerzodes-eaksz	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 3 Material topics	GRI 3-1 - Process to determine material topics	Material topics	015	-	-
GRI 3 Material topics	GRI 3-2 - List of material topics, where to find indicators in the report	Material topics	015	-	-
GRI 201: Economic performance	GRI 201-1: Direct Economic Value Generated and Distributed	About the Market Group	005, 160	-	-
	GRI 201-2: Financial implications and other risks and opportunities due to climate change	-	-	The Market Group is not yet able to provide information on this because it has not yet conducted a climate risk analysis for the Group. However, by the second half of 2023, it plans to carry out a climate risk assessment at group level with the involvement of an external company.	The Market Group does not currently have a data collection process in place.
	GRI 201-3: Defined benefit plan obligations and other retirement plans	-	-	The Market Group continuously analyses the age of its employees in order to plan the retirement costs of those who reach retirement age within a few years. There are no benefits related to pension fund membership or health fund membership in the Group. In order to preserve the health of employees, it is possible to use the necessary medical services in a private clinic within the framework of a health insurance benefit.	-
	GRI 201-4: Financial assistance received from government	-	164	-	-
GRI 202: Market presence	GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage	-	-	Unlike the minimum wage, the Market Group employs its employees with a significantly higher base salary. The wages of entrants are determined with a view to the wages of the employees employed in the given job, with respect to the internal wage structure. The principle of equal pay for equal work is always taken into account. There is no gender distinction between new entrants, an internal wage bracket determines the offer.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 202-2: Proportion of senior management hired from the local community	-	-	The top managers of the Market Group are exclusively Hungarian citizens in all member companies. The Group does not define who is considered "local" or what percentage of senior managers must be Hungarian citizens. Top managers include the current Board members, the CEO and the deputy CEOs.	-
GRI 203: Indirect Economic Impacts	GRI 203-1: Infrastructure investments and services supported	-	-	**In the neighbourhood of the Iváncsa project,** Iváncsa's new streetball court was handed over within the framework of the Iváncsa Sports and Children's Day event, implemented with the support of Market Építő Zrt. The sports ground further enriches the sports life of the town, and the company hopes that it will be happy to use it for recreation and sports activities for young and old alike. The factory being built as part of a giant investment in Iváncsa will get direct road connections to the motorway **Járókelő Public Benefit Association** This is a sponsorship and cooperation to make our living environment more liveable, healthier and better. The Járókelő.hu website is a public space bug reporting site that has been helping city dwellers to report potholes, torn trash cans, worn zebras, crashed stops, abandoned cars and many other problems they experience in public spaces. By operating an online platform, it provides citizens with the opportunity to actively participate in shaping their environment and establish effective dialogue with both authorities and service providers. The pedestrians' association works for a world in which public spaces are healthy, safe, liveable, clean, tidy, and in their development and protection, citizens, service providers and agencies actively participate and cooperate with each other. Publication rolled out in the topic: **Development of infrastructure around BudaPart - BudaPart has become the best neighbourhood development in the world** The BudaPart project won the award for the best urban district development in Paris announced by FIABCI World Prix d'Excellence as part of the International Real Estate Development Award of Excellence Competition. The BudaPart investment is the first neighbourhood development in the three-decade history of the tender, which has brought an award to Hungary. The jury of Fibaci, considered to be the Oscar Academy Award of the real estate trade, gave outstanding marks to BudaPart's responses to environmental challenges and eco-awareness. Article published on this topic: **SOTE support - SOTE Department of Otolaryngology and Head and Neck Surgery** The object of the grant is the valve replacement of **radiators installed in the medical institution situated at 1083 Budapest, VIII. Szigony u. 36.**, and the performance of related tasks in the amount of nearly HUF 7.5 million.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 203-2: Significant indirect economic impacts	-	-	The Market Group • will continue to support the improvement of production efficiency throughout the industry, with digitalisation as one of the pillars. (It operates its own BIM organisation, whose primary task is to apply BIM technology in implementation.) • supports the digitalisation of the storage of building materials at the construction site in cooperation with several construction partners. • operates a Partner Programme for the training of 120 suppliers of major importance throughout the supply chain, which includes the transfer of best practices in organisational development, tender management, digitalization and sustainability efforts. • is looking for sustainable sources of raw material supply, constantly analysing the available opportunities, and we are conducting our own internal experiments with the use of more sustainable raw materials. • aims to reduce the workforce employed through efficient organisation of work, support for prefabrication, by expecting strong preparatory and planning work. • aims at the marginalisation of the grey economy. • aims to include lagged behind sections of society in employment. • involved in strengthening vocational training as an industry goal, by the establishment of the Tudásépítő Team Sectoral Training Centre together with two competitors. In 2021, during the development of its sustainability strategy, the Market Group conducted a comprehensive trend research with the involvement of a third party, in which it examined the sustainability-related activities of domestic and international industry players. In addition, the Group actively monitors the regulatory environment both domestically and in the European Union, and conducts press monitoring in the case of Hungarian competitors.	-
GRI 204: Procurement Practices	GRI 3-3: Management of Material Topics	Stakeholders - Suppliers	077	Market considers sustainability in the Group's supply chain to be a high priority for the future. In keeping with this goal, but not only with this in mind, it continuously increases the proportion of local suppliers in the supply chain, for which it publishes data annually broken down by member companies. The high proportion of local suppliers is a very important indicator not only from an environmental point of view, but also from an economic and social point of view, not only for the operation of Market, but also at national level. As a major customer for construction companies, Market has a positive impact on the country's economy by favouring local suppliers, thereby contributing to better conditions for employees in the industry. Currently, no related impact assessments are carried out by the Group.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 204-1: Proportion of spending on local suppliers	Stakeholders - Suppliers	-		-

Value ratio of local suppliers	2018	2019	2020	2021	2022
Market Építő Zrt.	98.6%	95.8%	95.0%	96.9%	98.7%
Lean Tech Építőiroda Kft.	93.5%	100.0%	97.0%	99.7%	96.0%
MCM Beton Kft.	99.8%	99.1%	100.0%	100.0%	100.0%
Moratus Kft.	100.0%	99.1%	97.9%	99.1%	99.7%
OKM Építőipari és Szolgáltató Kft.	99.7%	99.0%	99.9%	99.9%	99.5%
Prebeton Zrt.	100.0%	79.2%	71.0%	89.0%	99.1%
Market Épületszerviz Kft.	99.0%	100.0%	100.0%	100.0%	100.0%
Vilati Szerelő Zrt.	99.8%	100.0%	100.0%	100.0%	100.0%
Property Market Ingatlanfejlesztő Kft.	N/A*	N/A*	N/A*	99.42%	99.16%

*In the years indicated, there was no relevant data collection process in place.

GRI 205: Anti-corruption action	GRI 3-3: Management of Material Topics	Responsible corporate governance - Business ethics	094	The Market Group condemns all forms of active and passive corruption. The principles of its anti-corruption policy are laid down in internal regulations and in the Code of Ethics.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 205-1: Operations assessed for risks related to corruption	Responsible corporate governance - Business ethics	094	Taking into account that the selection of partners performing activities on a given project is in principle decentralised (the technical director leading the given project decides which subcontractor should perform the given work) within Market, the Group sees the greatest risk in the fact that the partners offer an undue advantage to their colleagues in exchange for accepting a favourable set of contractual conditions. Accordingly, the internal regulations require employees of the Market Group to report gifts worth more than HUF 55,000 (or EUR 150) to the person exercising the rights of the employer for prior approval. Similarly, if any employee of the Market Group contracts with our partner, he or she must also notify the company.	In 2022, a targeted survey of corruption risks was not conducted within the Group, and no incidents occurred in 2022 or previous years are known.
	GRI 205-2: Communication and Training about Anti-Corruption Policies and Procedures	Responsible corporate governance - Business ethics	094	The Bribery Prevention and Anti-Fraud Policy published under number 1/63/2021 has been promulgated throughout the entire Market Group, it covers Market Építő Zrt. and all subsidiaries, and all employees are accountable for it. Market Group's anti-corruption policy and procedures are not communicated to third parties and are not public. In 2022, members of management organisations or other employees of the Market Group did not receive anti-corruption training. Employees received such training as part of a training related to the implementation of the new Code of Ethics held in January 2023, which was attended by 98.7% of employees who possess a computer.	-
	GRI 205-3: Confirmed incidents of corruption and actions taken	Responsible corporate governance - Business ethics	094	In 2022, a targeted survey of corruption risks was not conducted within the Group, and no incidents occurred in 2022 or previous years are known.	-
GRI 206: Anti-competitive behaviour	GRI 206-1: Legal actions for anti-competitive behaviour, antitrust and monopoly practices	Responsible corporate governance - Business ethics	-	During the reporting period, no circumstances related to the Market Group's activities were found that indicated anti-competitive behaviour, so no competition supervision proceedings were initiated and no fines were imposed.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 207: Tax	GRI 3-3: Management of Material Topics	Responsible corporate governance - Taxation policy	095	Market Group attaches great importance to the prompt and complete settlement of tax liabilities in accordance with applicable laws, directives, contracts and court judgments.	-
	GRI 207-1: Approach to tax	Responsible corporate governance - Taxation policy	095	The Accounting Department is responsible for filing tax returns, liaising with tax authorities and other relevant organisations in tax matters. The Chief Financial Officer represents the highest management level in the tax field within the Group, directs and controls tax-related activities, and is responsible for the proper practical application of professional knowledge and changes in law. Taxation is currently not in connection with the organisation's business and sustainable development strategy.	-
	GRI 207-2: Tax governance, control and risk management	Responsible corporate governance - Taxation policy	095	Market has a group-wide risk management process that includes effective and appropriate management of tax risks. This ensures that tax risks are identified, analysed, evaluated, monitored and minimized. The processes in force and regularly monitored in the tax field ensure that all areas that are indispensable for daily operation are familiar with tax-related legislation and its possible changes. The Code of Ethics includes a description of tax-related business practices and is accompanied by a whistleblowing system that also covers tax incidents.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 207-3: Stakeholder engagement and management concerns related to tax	Responsible corporate governance - Taxation policy	-	Market Group's relationship with the tax authority has been balanced for years. The Group is treated as a special taxpayer, which means that it has a personal contact person at the Tax Authority with whom it is possible to discuss all tax-related matters. It is important to point out that this relationship is two-way, the Authority can reach the Market through the Chief Accountant in case it has any questions. Taxation is basically dealt with by the Accounting Department, but there are special issues related to controlling. Tax issues related to Clients are handled directly at the level of the Chief Accountant. Tax inquiries from suppliers of the Group can also be forwarded to the accounting area through their technical contacts, where in most cases further processes are also carried out according to the guidelines of the Chief Accountant. According to Hungarian tax legislation, there is a real-time connection between the Authority and taxpayers ensured through the invoicing systems, which also works in the case of Market. In addition, the usual declaration schemes are submitted and processed electronically between the actors. During the operation of Market Group, transparency is fully provided to the Authority, which it is able to ascertain within the framework of comprehensive investigations!	Market Group does not currently have a system in place to collect stakeholder opinions and concerns.
GRI 301: Materials	GRI 3-3: Management of Material Topics	Climate and environment – Sustainable use of materials	041	In the proprietary investment projects of the Group special efforts are made already in the design phase to solicit the use of as little construction material as possible during the construction works. LeanTech Mérnökiroda Kft., the design office of the Group, designs clean, minimalist buildings that require less building materials to build. Significant material savings can be achieved by designing building materials according to the "design out" principle. Omission of various interior elements, such as suspended ceilings or drywall walls, and the application of unpainted concrete surfaces on indoor wall is a well-established common practice at LeanTech.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 301-1: Materials used by weight or volume	Climate and environment – Sustainable use of materials	043	The building materials purchased come in various sizes and packaging according to their kind and type. Packaging or bundling of these products are carried out by the manufacturer or distributor of the given product. The Market Group sources all raw materials from external sources. The exception is represented by the reinforced concrete elements which are pre-cast by **Prebeton Zrt.** **Total material requirements used for the production of 1 m3 of concrete (2022)** • Cement and limestone flour: 30 % • Gravel aggregate: 60 % • Water additives: 10% **Additional material requirements for the production of reinforced concrete products (%) (2022)** • Concrete: 70 % • Insulating material: 4 % • Locksmith fittings: 6 % • Rebar material: 10% • Consumables, other fittings: 3 % • Formwork board: 7 % **Weight of raw materials used (2022)** • Gravel aggregate: 51 568 tonnes • Cement: 11 549 • Additive: 217 tonnes • Limestone flour: 5936 tonnes • Reinforcement steel in bars: 4069.13 ton • Reinforcement steel in coil: 1870.76 tonnes • Steel-mesh reinforcement: 314,716 tonnes • Strand: 683,074 tonnes • Insulating material XPS: 1059 m3 • Rock wool: 7096.32 m2 • Locksmith fittings: 280.25 tonnes No renewable materials are used in the production processes. The products manufactured are not packaged. **Materials used in concrete plant operations:** • Lubricant grease: 30 kg/year • Gear oils: 200 kg/year • Hydraulic oils: 10 kg/year • Transmission oils: 50 kg/year • Other products (fibres, paints, other): varies, depending on demand • Packaging materials: varies, 0-1 t/year All materials come from third parties. **Materials used in MEP operating processes:** • Approximate amount of lubricant oil 3000 l/year	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 301-2: Recycled input materials used	Climate and environment – Sustainable use of materials	042	On projects where demolition waste is generated, in most cases these are ground on site and some of them are used as road foundations or backfill materials on nearby projects. Materials left over from construction sites are sent to the central logistics warehouse, from where these materials are used for other projects. At the end of the projects, office furniture and other equipment are stored in the logistics centre before being used for other projects.	The Group currently has no information on the percentage of recycled inputs.
	GRI 301-3: Reclaimed products and their packaging materials	-	-	-	From the point of view of the operation of Market Group, the indicator is not meaningful and therefore irrelevant.
GRI 302: Energy	GRI 3-3: Management of Material Topics	Climate and environment - Energy	038	40% of the European Union's energy consumption comes from the operation of buildings. Due to the dramatic increase in energy prices in recent years, it is increasingly important for economic operators to enhance energy efficiency in buildings. For the Market Group, this need has a twofold relevance: on the one hand, energy efficiency and green energy must be increasingly emphasized in the case of buildings built for customers, and on the other hand, in the case of buildings used by the company itself.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 302-1: Energy consumption within the organisation	Climate and environment - Energy	039	Direct energy consumption consists of four items: electricity consumption, gas consumption, district heating and fuel oil.	-

Trends in energy use item by item between 2018 and 2022

Energy	2018	2019	2020	2021	2022
Electricity consumption [MWh]	8 415	6 934	8 753	10 486	6 289
of which renewable energy:	0	0	0	0	122
Gas consumption [GJ]	3 487	3 255	1 727	4 710	2 916
Energy consumption of district heating [GJ]	9 806	10 487	17 113	25 214	9 515
Fuel oil [litres]	n.a	n.a	n.a	185 286	5 002
Total [GJ]	43 587	38 704	50 351	76 086	35 301

At the end of 2021, unlike our usual operation, we operated a building in a special situation for 3 months, which is not part of our normal operation. This consumption has been corrected retrospectively. Consumption of the Group is reported in the annual Sustainability Report of 2022 on the basis of consumption data related to normal operation. After tracking the data, the Group explored the causes and the consumption figures for 2021 were corrected. It has resulted in a reduction for 2021.

As a result of the change detailed above, the difference for 2021 annual data:

- Electricity consumption (MWh): -1165
- Gas consumption (GJ): -5118

	GRI 302-2: Energy consumption outside the organisation	-	-	-	The Market Group does not currently have a data collection process in this context.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 302-3: Energy intensity	Climate and environment - Energy	040	The Market Group undertook to reduce the energy consumption of new buildings built within the framework of its own investment to below 80 kWh/m2/year. Since the energy consumption in a given year is project-dependent (the more energy-intensive projects the Group works on, the more energy consumption also increases), comparing energy use across the years does not provide a realistic picture of energy efficiency. To this end, Market Group monitors its energy efficiency by applying revenue-based energy efficiency indicators. Market Group uses two indicators to monitor its energy efficiency: electricity consumption as a proportion of revenue and gas consumption as a proportion of revenue. Both indicators have improved since 2018.	-

	2018	2019	2020	2021	2022
Electricity consumption proportional to revenue [MWh/ 100m HUF]	4.7	2.9	3.7	2.8	1.6
Gas consumption proportional to revenue [MWh/100m HUF]	1.9	1.4	0.7	1.3	0.7

	GRI 302-4: Reduction of energy consumption	Climate and environment - Energy	040	Compared to 2021, electricity consumption halved in 2022 due to the following reasons: • Several energy-intensive projects completed • the planned solar panels were installed on the factory building of Prebeton; Meanwhile, however, with the construction of Prebeton's second plant, consumption and production volumes increased • the planned solar panels were installed on the roof of Market Headquarters and Prebeton's factory (average annual electricity production: 67.2 MWh, nominal power: 61.88 kWp) • There was no building operation, which significantly increased energy use in 2021 Compared to the base year (2019), electricity consumption decreased by 9.3%, from 6 934 MWh to 6 289 MWh.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 302-5: Reductions in Energy Requirements of Products and Services	Climate and environment - Energy	040	In the construction industry, it is not easy to make an energy efficiency commitment for a product*, as its fulfilment and outcome do not depend solely on the Market Group. However, with appropriate and targeted communication and suggestion, it is possible to influence the customer during the negotiations. If the client expresses a need for a LEED or BREEAM certified building, but aims for a lower level within the rating, Market will try to convince the contractor at the design stage to contract for a higher level of certification. Market uses professional studies to show how much the energy efficiency of a building would increase if it targeted Gold certification instead of LEED Silver. To achieve this, it also proposes concrete technological solutions. Provided clients are open to this approach, good results can be achieved. Market managed to convince its clients in several cases, who were satisfied with the final result after the end of the project. * When answering the indicator, we considered the completed building as a product.	Data on the exact reduction in energy demand for products and services are not yet available to the Market Group.
GRI 303: Water and wastewater effluents	GRI 3-3: Management of Material Topics	Climate and environment - Water management	044	Market Group, as a construction actor, has a massive impact on water. The increasingly extreme distribution of rainfall throughout Europe, including Hungary, makes it more and more necessary to spread responsible water management practices in the construction segment. For this reason, the Group's sustainability strategy includes defining guidelines for water use by 2025, developing water-saving solutions for its customers, identifying weaknesses in water consumption and creating a strategy to eliminate them. Our commitments also include reducing group water consumption by 10% by 2025 compared to 2019.	-
	GRI 303-1: Interactions with Water as a Shared Resource	Climate and environment - Water management	046	Market Group fully complies with legal requirements related to water management and applies for a water permit from the relevant official body in the case of all the projects run. Wastewater generated on construction sites is discharged into the existing network. In Budapest, the operator is the Budapest Sewage Works, in the countryside the Group would contact the competent sewer works and the municipalities concerned. Before obtaining permits, authorities must make a calculation of how much water use is expected to occur throughout the construction period. The calculation is based on the number of workers and the use of sanitary facilities. (We do not have a data collection process in place for the process water consumption at construction sites.)	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 303-2: Management of water discharge-related impacts	Climate and environment - Water management	046	The headquarters and subsidiary sites and offices (Market Építő Zrt., Moratus Kft., Vilati Szerelő Zrt., OKM Építőipari és Szolgáltató Kft.) have water use and wastewater discharge permits. Water consumption values in offices are recorded and checked monthly. Prebeton Zrt. and MCM Beton Kft. qualify as manufacturers. Accordingly, they have the necessary water permits and review their water use on a monthly basis. For the two member companies, the use of water depends on the amount of concrete production. Both Prebeton Zrt. and MCM Beton Kft. use water sparingly, as the water generated by washing concrete tanks is reused during the production process. In OKM projects, groundwater may be released to the surface during soil extraction. Its amount cannot be regulated, it depends on the geological properties of the ground. If it is contaminated, it will be pumped out and removed, if not, it will infiltrate or have infiltrated.	-
	GRI 303-3: Water withdrawal	Climate and environment - Water management	046	In 2022, 5,031 litres of water were withdrawn from drilled wells by Prebeton Zrt. and 15,431 litres by MCM Beton Kft. For the other member companies, no water extraction was made.	-
	GRI 303-4: Water discharge	Climate and environment - Water management	046	Separate data collection processes have been established for water intake and sewage disposal at the two largest user member companies, Market Építő Zrt. and OKM Építőipari és Szolgáltató Kft. The use of the own buildings (headquarters or site) and the water intake and sewage disposal during the projects will be separated.	-

Sewage (m^3)	**2018**	**2019**	**2020**	**2021**	**2022**
Market Építő Zrt.	53275.99	67528.85	11405.71	5310	33107.76
Moratus Kft.	283.3	435.9	590.59	216	252.47
MCM Beton Kft.	0	0	0	0	0
Lean Tech Mérnökiroda Kft.	31.1	37.43	56.34	210.16	117.85
OKM Építőipari és Szolgáltató Kft.	75	1787.8	86	394.14	151.08
Prebeton Zrt.	0	0	n.a.	2432	11406
Market Épületszerviz Kft.	239	182	137	191	248
Vilati Szerelő Zrt.	320	341.2	305.6	485	344.77
Property Market Ingatlanfejlesztő Kft.	n.a	n.a	47	109	133
Total (m^3)	**54224.4**	**70313.2**	**12628.2**	**9347.3**	**45760.9**
Total (megalitres)	54.2	70.3	12.6	9.3	45.8

There is no drinking water discharge, Market Group does not carry out activities in water-stressed areas.

During the operation of Market Group, no pollutants are emitted that would be considered hazardous to water bodies, ecosystems or human health and therefore require special filtration.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 303-5: Water consumption	Climate and environment - Water management	045		-

Water consumption (communal) (m³)	**2018**	**2019**	**2020**	**2021**	**2022**
Market Építő Zrt.	60153.01	66123.97	52896.05	8259.27	37766.9
Moratus Kft.	288,9	395,5	446,5	803,6	746,57
MCM Beton Kft.[34]	N/A	N/A	N/A	N/A	N/A
Lean Tech Mérnökiroda Kft..	58.53	64.18	27.73	560.97	589.42
OKM Építőipari és Szolgáltató Kft.	3490	16551.5	145	12245	13731.22
Prebeton Zrt.	0	0	1639	2432	11406
Market Épületszerviz Kft.	239	182	137	191	248
Vilati Szerelő Zrt.	388	404.5	294.5	935	860.06
Property Market Ingatlanfejlesztő Kft.	n.a.	n.a.	47	109	133
Total (m³) [35]	**64617.4**	**83721.7**	**55552.78**	**29253.84**	**65481.17**
Total (megalitres)	64.6	83.7	61.4	30.6	65.5

Process water use was made in the following member companies:

Water consumption (process water) (m³)	**2022**
Market Építő Zrt.	31371
MCM Beton Kft.	15431
Prebeton Zrt.	5031
Total (m³)	51833
Total (megalitres)	51.8

[34] Regarding MCM Beton Kft., in the2021 annual sustainability report, process water use was incorrectly recorded as municipal water use Based on this, the company's process water consumption was 5,810 m3 in 2020 and 5,040 m3 in 2021.

[35] The use of communal water has been updated retrospectively (2020-2021), taking into account the modification made in the case of MCM Beton Kft. and that the 2022 Municipal Water Use has been updated. Property Market Ingatlanfejlesztő Kft. has also been included in the scope of its Annual Sustainability Report.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 304: Biodiversity	GRI 3-3 Management of Material Topics	Climate and environment - Protecting biodiversity	047	The construction industry is considered one of the most significant emitters of harmful substances and the most polluting player, so the activity of Market Építő Zrt. obviously has an impact on our environment and natural areas, but as a responsible market player we are committed to sustainability and biodiversity conservation.	-
	GRI 304-1: Operational sites owned, leased, managed or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Climate and environment - Protecting biodiversity	049	An investment within the Gellért Hill Nature Reserve was made by the Market Group in 2022 as part of the Citadel project, situated here. No other activities of the Group concern Natura 2000 sites. Determination of the intangible value of biodiversity is not necessary for the Group, but sometimes it happens due to various reasons that the intangible value of the trees involved in the implementation has to be specified. This is accomplished using the tree value calculation method developed by the Hungarian Tree Care Association, based on the Radó-type tree valuation method which calculates by multiplying the basic nursery price by an age multiplier (in the case of older trees, it is no longer directly proportional to the actual age of the plant), and taking into account the growth potential of the respective species and the habitat in question. In addition to the nursery price and age multiplier, the geographical position and possible protection of the tree, the condition of the crown of the given plant and its general health matter just as well, and a modifying factor based on the dendrological value of the tree species is also taken into account. The Soroksári site was established in the place of a former mining pit and former landfill on the outskirts of the capital, in an area of little value in terms of biodiversity. Our PreBeton plant in Erdőtelek is located near the Hevesi Plain (Natura 2000), accordingly, during the construction and production processes, we complied and still comply with the regulations and instructions of the competent (nature conservation) authority in order to protect and preserve biodiversity.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 304-2: Significant impacts of activities, products and services on biodiversity	Climate and environment - Protecting biodiversity	047	**Negative impacts:** Greenfield investments fundamentally transform the existing environment, as they transform / build on a previously untouched or agricultural area. They usually involve full infrastructure provisioning. Some of our projects can be considered greenfield investments. The introduction of invasive species is possible when various trees and plants are ordered from abroad for domestic projects, and they may cause the propagation of non-native insects or other pests. Highly invasive plant species are no longer planned, but if potentially invasive species emerge, we try to replace them with native or certainly non-weeding species. **Elimination and reduction of negative impacts** During the design review Market filters out the so-called invasive or otherwise harmful species (e.g. depleting the soil), has them deleted from the plans from the outset, and tries to plant native, domestic species and varieties instead. The Group also makes efforts to raise awareness among designers, and the competent special consultants share their knowledge with the participants of the project. This way the company also participates in raising awareness on a broader range. We draw attention to concrete steps to preserve biodiversity and strive to lead by example. Although the landscape architect works with ornamental plants, he basically does not have detailed botanical (ecological) knowledge, which is why Market needs to look at the plans with this eye during the design review process and draw the designer's attention to the fact that he or she has planned an ecologically dangerous species. The Group tries to use the displaced humus topsoil within the area during the redesign (working design) of the areas affected by the construction - thus there is less environmental impact associated with transportation. The quality (properties) of the humus topsoil are examined by an external (soil and nutrient management) expert and used for horticultural work (with any necessary soil improvement) accordingly. Prior to the afforestation works, Market Group asks the local forestry for its expertise on tree species and other issues appropriate to the conditions of the area (planting plan) and entrusts them with the implementation of afforestation. In order to offset the Group's emissions and preserve biodiversity, the tree planting project has been launched, which includes: • Planting twice the number of trees included in the contract at own expense for each project • Whichever project location allows, creation of a biodiverse mini forest (1 hectare) • Planting an own forest (5-8 hectares) • Creating Miyawaki mini forests in an urban environment • Support to tree planting in forestry areas The creation of biodiverse mini forests was completed at the beginning of 2022, the preparation of afforestation (planting 16,885 trees on 2.11 ha) took place at the end of 2022, and actual construction works were shifted to spring 2023.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
				Direct or indirect positive effects on certain species (e.g. bird protection, pollinator protection): In the case of some projects a number of different types of boxes (bird protection, bat boxes) are installed. Insect hotels are there as habitats for insects and pollinators, and hiding places for small mammals are also established, e.g. hedgehog garages. In the vicinity of wetlands, special attention is paid to individuals of protected martin and bee-eater species, and during earthworks preventive measures are taken to avoid nests to be built by the birds into temporary working pits. In such areas we provide a so-called swallow hotel for the protection of birds (e.g. Chervon). The planting of vegetation also meets many criteria, thorny shrubs provide an ideal and protected nesting place for certain bird species, the fruits and berries of many plants provide food, this is especially significant in the winter period, which is more difficult for birds to survive (e.g. the edible fruit of ornamental apples, ornamental pears, ornamental hawthorns, etc., which persist even in winter). We plant predominantly insect-pollinated plants, the flowers of some species specifically attract a wide variety of pollinators. There are projects where we consciously plant so-called bee pastures and wildflower lawns (e.g. Sárvár Hotel, Panattoni Törökbálint, etc.), but even without such a name, numerous perennial beds and other flowering vegetation fulfil the function of bee pasture for many months. Some species blossom quite early at the end of winter these provide the only source of "food" (e.g. nectar and pollen) for early-awakening insects, and planting them has a particular significance and positive effect on the diversity and survival of the insect world (e.g. nectar and pollen). (E.g. Salix species)	
	GRI 304-3: Habitats Protected or Restored	Climate and environment - Protecting biodiversity	049	The Citadel project, located in the Gellért Hill Nature Reserve, is affected from a nature conservation point of view, and the area is also located in a highly protected monument and world heritage area, which is also considered an archaeological site. 1. The Citadel project, which includes the renewal of the Citadel fortress and its surroundings, concerns the following areas: Budapest district I. topographical number 5413/3 and Budapest district XI. topographical numbers 5390, 5411, 5412 and 5413/7; (the project is generally associated with topographical number 5412 belonging to district XI of Budapest, as the Citadel fortress itself is registered there). The area of the project is approx. 31560 m². 2. The Group works in the Gellért Hill Nature Reserve, which falls under the authority of the Directorate of the Danube-Ipoly National Park (DINPI), they come out periodically to inspect the area and that the construction is carried out in accordance with the regulations. 3. Prior to DINPI, the Department of Environmental Protection, Nature Conservation, Waste Management and Mine Supervision of the Government Office of Pest County carried out a preliminary investigation procedure in the area (file number PE-06/KTF/15994-31/2021). 4. DINPI is involved in several cases in the area: control of tree felling; periodic monitoring of protected plant species; periodic monitoring of protected animal species - e.g. birds nesting and breeding here, or protected wall lizards nesting in the fortress wall. All their visits and inspections are recorded. Standard used: MSZ EN ISO 14001:2015	

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 304-4: IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	Climate and environment - Protecting biodiversity	048	During the activities of the Market Group, data collection on species included on the IUCN Red list of Threatened Species and on nationally protected species was not required, such habitat surveys are typically carried out by the investor/client before the construction phase. No such data will be disclosed to the company. At the same time, Market is aware that some of the project sites may contain – but are not limited to – the protected species listed below, which it tries to protect (e.g. habitat construction: bird protection, bat boxes, hedgehog garage, swallow hotel, feeders and drinkers, etc.): **Animal species:** • Eastern hedgehog • bank martin • bee-eater • lark • brown toad (and other amphibians) • great bittern (Botaurus stellaris) • water snake (and other reptiles) • Pannonian lizard • mammoth wasp (Megascolia maculata) • bat species • otter • gopher **Plant species:** • Ephedra vulgaris (Gellért Hill) • yellow catchfly (Silene flavescens) (Gellért Hill) • lady orchid (Orchis purpurea) • yellow oxeye (Telekia speciosa) • yellow flag iris (Iris pseudacorus) • tufted sedge (Carex elata) • summer snowflake (Leucojum vernum) • snake's head (Fritillaria meleagris) • white-seeded Saw-wort (Seseli leucospermum) • soft silver tree (Jurinea mollis)	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 305: Emissions	GRI 3-3 Management of Material Topics	Climate and environment - Atmospheric emissions	031	The effective and as rapid reduction of Market Group's emissions as possible is the starting point of the Group's sustainability strategy. During the development of the strategy, Market Group prepared its GHG inventory and formulated its emission reduction targets based on this.	-
	GRI 305-1: Scope 1 GHG emissions	Climate and environment - Atmospheric emissions	032		-

Aggregate emissions (Market Group)	Unit	2018	2019	2020	2021	2022
scope 1	tCO_{2e}	4543.0	6910.3	5144.6	8287.6	8246.2

scope 1	tCO_{2e}	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.		14.2	15.0	19.1	21.3	30.5
Market Építő Zrt.		909.6	971.1	807.9	1480.6 [36]	1351.6
Market Épületszerviz Kft.		146.1	219.0	209.1	224.5	238.8
MCM Beton Kft.		28.3	75.1	117.6	289.3	345.1
Moratus Kft.		299.3	410.8	276.2	790.8	788.6
OKM Építőipari és Szolgáltató Kft.		3005.2	4922.9	3423.6	4876.5	4877.9
Prebeton Zrt.		0.0	0.0	87.8	270.1	306.9
Property Market Ingatlanfejlesztő Kft.		N/A	52.9	45.1	37.6	50.6
Vilati Szerelő Zrt.		140.3	243.5	158.3	297.0	256.2

Biogenic emission factors were not taken into account in the specification of the Scope 1 emission values, as information on the composition of fuels purchased for the Group's vehicle fleet was not available.

Consolidation approach used in the calculation of emissions: Market Építő Zrt. has an operating influence and at least 50 percent ownership in each of the member companies included in the report.

[36] At the end of 2021, unlike our usual operation, we operated a building in a special situation for 3 months, which is not part of our normal operation. This consumption has been corrected retrospectively. Consumption of the Group is reported in the annual Sustainability Report of 2022 on the basis of consumption data related to normal operation. After tracking the data, the Group explored the causes and the consumption figures for 2021 were corrected. It has resulted in a reduction for 2021. As a result of the change detailed above, there is a reduction of 5 118 GJ in gas consumption in 2021, resulting in a reduction of 288 tCO2e for Scope 1.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 305-2: Energy Indirect (Scope 2) GHG emissions	Climate and environment - Atmospheric emissions	033		-

Aggregate emissions (Market Group)	Unit	2018	2019	2020	2021	2022
Scope 2 - on a local basis	tCO_{2e}	3399.2	2527.2	3321.8	4497.9	2285.4
Scope 2 - market-based	tCO_{2e}	3483.8	2597.0	3524.3	4550.7	2316.4

scope 2	tCO_{2e}	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	helyi	5.1	4.0	13.6	27.6	29.3
Lean Tech Mérnökiroda Kft.	piaci	5.2	4.1	14.3	27.8	29.5
Market Építő Zrt.	helyi	3310.3	2456.8	3158.1	4137.4 [37]	1910.0
Market Építő Zrt.	piaci	3392.4	2524.2	3348.2	4184.9 [38]	1935.4
Market Épületszerviz Kft.	helyi	8.6	7.7	6.0	6.8	6.7
Market Épületszerviz Kft.	piaci	8.9	8.0	6.6	6.9	6.8
MCM Beton Kft.	helyi	27.9	22.4	23.9	72.2	42.1
MCM Beton Kft.	piaci	28.8	23.2	26.0	73.6	42.8
Moratus Kft.	helyi	15.3	12.0	16.2	31.9	52.5
Moratus Kft.	piaci	15.7	12.4	17.2	32.2	53.2
OKM Építőipari és Szolgáltató Kft.	helyi	13.4	13.1	16.6	35.1	36.9
OKM Építőipari és Szolgáltató Kft.	piaci	13.7	13.6	17.6	35.4	37.3
Prebeton Zrt.	helyi	0.0	0.0	59.8	135.4	165.0
Prebeton Zrt.	piaci	0.0	0.0	65.3	137.9	168.1
Property Market Ingatlanfejlesztő Kft.	helyi	0.0	0.0	7.7	13.2	7.6
Property Market Ingatlanfejlesztő Kft.	piaci	0.0	0.0	8.0	13.3	7.7
Vilati Szerelő Zrt.	helyi	18.6	11.2	20.0	38.4	35.3
Vilati Szerelő Zrt.	piaci	19.1	11.5	21.2	38.7	35.6

Consolidation approach used in the calculation of emissions: Market Építő Zrt. has an operating influence and at least 50 percent ownership in each of the member companies included in the report.

[37] At the end of 2021, unlike our usual operation, we operated a building in a special situation for 3 months, which is not part of our normal operation. This consumption has been corrected retrospectively. Consumption of the Group is reported in the annual Sustainability Report of 2022 on the basis of consumption data related to normal operation. After tracking the data, the Group explored the causes and the consumption figures for 2021 were corrected. It has resulted in a reduction for 2021.

As a result of the change detailed above, there was a reduction of 1 165 MWh in electricity consumption in 2021, resulting in a reduction of 318 tCO2e on a local basis for Scope 2.

[38] At the end of 2021, unlike our usual operation, we operated a building in a special situation for 3 months, which is not part of our normal operation. This consumption has been corrected retrospectively. Consumption of the Group is reported in the annual Sustainability Report of 2022 on the basis of consumption data related to normal operation. After tracking the data, the Group explored the causes and the consumption figures for 2021 were corrected. It has resulted in a reduction for 2021.

As a result of the change detailed above, electricity consumption in 2021 was reduced by 1 165 MWh, resulting in a market-based reduction of 324 tCO2e for Scope 2.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 305-3: Other indirect (Scope 3) GHG emissions	-	-	-	Market Group does not currently have a data collection process in place.
	GRI 305-4: GHG emissions intensity	Climate and environment - Atmospheric emissions	008	**GHG intensity ratio to revenue** / **2018** / **2019** / **2020** / **2021** / **2022** (tonne CO_{2e}/100 M HUF) / 4.4 / 3.9 / 3.6 / 3.5 / 2.6 The combined Scope 1 and Scope 2 emissions were taken into account when determining the GHG intensity ratio for revenue.	-
	GRI 305-5: Reduction of GHG emissions	Climate and environment - Atmospheric emissions	031	Market Group's strategic goal is to reduce its direct (Scope 1) and indirect (Scope 2) GHG emissions by 30% overall by 2025 (base year: 2019). It also assesses its other indirect emissions (Scope 3) and makes commitments to reduce them. Compared to 2021, Scope 1-2 emissions decreased in 2022 (-18%), but emissions remained at a higher level (+12%) compared to the base year.	-
	GRI 305-6: Emissions of Ozone-depleting substances (ODS)	Climate and environment - Atmospheric emissions	-	Market Group does not emit ozone-depleting substances.	-
	GRI 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	-	-	-	The Market Group does not currently have a data collection process in place.

[39] When defining the sustainability strategy, the base year for GHG emissions targets was 2019 because the 2020 values did not reflect a normal operating year due to the pandemic.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 306: Waste	GRI 3-3: Management of Material topics	Climate and environment - Waste	050	The core business of Market Group requires a large amount of building materials, which goes hand in hand with waste generation. Aware of this, the Group pays special attention to waste management and is constantly looking for ways to reduce waste. During its own investments, its member company, Lean Tech Mérnökiroda Kft. performs the design tasks, keeping in mind that the principle of using the least possible material should prevail in all cases. The most effective way to reduce waste is to minimize material consumption, which can significantly reduce the amount of waste generated throughout the construction process.	-
	GRI 306-1: Waste generation and significant waste-related impacts	Climate and environment - Waste	051	Four main types of waste are generated during construction: **Materials generated by earthworks:** Excavation of foundations for buildings and structures generates a quantity of extracted earth material the amount of which cannot be reduced. However, 100% reuse of this material is feasible and is standard practice at the Market Group. The storage, testing and transport of humus soil to projects is handled by a dedicated environmental expert within the Group. **Demolition waste:** Demolition waste is generated during the demolition of buildings. This amount can only be reduced if the investor reuses the structure of an existing building. On projects where demolition waste is generated, in most cases it is ground on site and a certain part is used as road cover and backfill on the given or nearby projects. In Hungary, it is not yet widespread to use recycled inert materials in concrete mixes. This is due to reasons originating from the material quality verification rules, which would affect the structural warranty of the building. With the greater spread of circular construction, the use of recycled inert materials (a material which is insoluble in water, does not burn, or react any other physical or chemical way nor is degraded biologically) is also expected to get greater opportunities in the future. **Construction waste:** Construction waste is generated during the construction process. Most of these are generated from material packaging. Packaging materials are necessary to protect products during transportation and storage. Key refundable packaging materials are returned to the manufacturer by the subcontractors and are recycled there. Examples of such packaging materials include pallets, cable drums and metal structures used to transport flat glass. Currently, packaging materials that cannot be returned to producers are shipped from projects as mixed waste together with construction and demolition waste. The waste management company further separates mixed demolition and construction waste at its site for recycling.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
				The second largest amount of waste is generated by cutting materials to size and sizing the surfaces to be prepared for the plan. The Market Group sees potential to reduce this type of waste in the future already in the design phase and through the cooperation of companies producing the material. For example, drywall cutting as a type of waste would disappear if the height of wall surfaces can be customised to the size of the gypsum-board drywall. The use of modular elements during construction would also reduce construction waste. Materials that are not stored properly and thus lose their shelf life can also increase waste. Therefore, great attention should be paid to the transport of materials on construction sites, following the "just in time" principle, as well as to storage, which avoids the generation of significant amounts of waste. On projects located in and around Budapest – accounting for approximately 80% of all the Group's work –, construction and demolition waste is handled by a dedicated subcontractor partner. For the remaining rural projects, local waste management companies will be commissioned. **Municipal waste:** Municipal waste is typically generated on construction sites and in headquarters during the use of offices. Selective waste collection is implemented both in the headquarters and in the construction offices. In the case of OKM Építőipari és Szolgáltató Kft., the type of waste generated in the largest amount and recycled at the same time is the subsoil, which can be used as backfill material once withdrawn from the waste cycle. Its volume in 2022 was 55,200 tonnes. Occasionally, Market Group also uses crushed concrete at construction projects originating from the break-up of concrete, but the quantity of this material can only be given approximately. Crushed concrete can be reused at Kopaszi-dam with the machines of OKM Építőipari és Szolgáltató Kft. Materials classified as hazardous waste (around 59 tonnes generated at group level in 2022) (oil derivatives or highly contaminated soil) are not treated or recovered by the Group, they have always disposed of by third parties.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 306-2: Management of significant waste-related impacts	Climate and environment - Waste	052	Partner companies (specialist contractors) responsible for waste management in the Market Group undergo the following checks: 1. Waste capacity control 2. Soliciting price offers HUNI 3. Requesting waste transportation and waste management permits 4. Requesting/Verification of ISO 14001 certificates 5. Occasional site audits 6. Checking the process of waste related data collection and tracking.. In addition, the Group receives monthly data from companies managing demolition and construction waste. In terms of member companies, large amounts of waste are generated during the operation of Market Építő Zrt. (waste of subcontractors is also accounted for here) and OKM Építőipari és Szolgáltató Kft. (due to earthworks). Depending on this, the waste generated by other member companies can be considered marginal in terms of quantity, so their comparative presentation is not justified. Waste that cannot be recycled on projects is handed over by the Market Group to waste transport companies, who transport and/or recycle them. If it is not possible to recycle a certain amount, it will be dumped on a landfill.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 306-3: Waste generated	-	-	A total of 254,996 tonnes of waste was generated during Market Group's operations in 2022. (The data of Lean Tech Mérnökiroda Kft. are not included in the calculation, as their waste generation is marginal at group level.)	-

Total waste (kg)	2018	2019	2020	2021	2022
Market Építő Zrt.	66 217 898	47 634 486	16 834 414.81	65 809 450	57 152 724
Moratus Kft.	241 800	314 169	452 460	351 612	60 959
MCM Beton Kft.	n.a.	5 260	1 449 050	14 990	0
Lean Tech Mérnökiroda Kft.	0	0	0	0	0
OKM Építőipari és Szolgáltató Kft.	95 018 620	262 321 910	167 687 400	166 551 920	196 663 970
Prebeton Zrt.	0	0	255 210	559 480	993 490
Market Épületszerviz Kft.	10 320	170	16 410	41 130	95 934
Vilati Szerelő Zrt.	0	0	0	26 949	29 117
Property Market Ingatlanfejlesztő Kft.	N/A	N/A	N/A	N/A	N/A
Total (kg)	161 488 638	310 275 995	186 694 945	233 355 531	254 996 194
Total (tonnes)	161 488.64	310 276.00	186 694.94	233 355.53	254 996.19
of which non-hazardous waste (tonnes):	159 278.64	310 276	185 684.94	233 338.23	254 937.09
of which hazardous waste (tonnes):	2 210	0	1 010	17.3	59.1

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer		Reason for omission
	GRI 306-4: Waste diverted from disposal	Climate and environment - Waste	052	**Recycling rate (%)**	**2022**	Waste data broken down further (by waste type, disposal operation, on-site and off-site disposal) are currently not available to the Group in sufficient quality, however, Market Group is continuously improving its data collection processes during the strategic period.
				Market Építő Zrt.	75.9	
				Moratus Kft.	7	
				MCM Beton Kft.	0	
				Lean Tech Mérnökiroda Kft.	0	
				OKM Építőipari és Szolgáltató Kft.	100	
				Prebeton Zrt.	100	
				Market Épületszerviz Kft.	12	
				Vilati Szerelő Zrt.	100	
				Property Market Ingatlanfejlesztő Kft.	n.a	
				Waste recycled (tonnes)	**2022**	
				Market Építő Zrt.	43 379	
				Moratus Kft.	4	
				MCM Beton Kft.	-	
				Lean Tech Mérnökiroda Kft.	-	
				OKM Építőipari és Szolgáltató Kft.	196 664	
				Prebeton Zrt.	993	
				Market Épületszerviz Kft.	12	
				Vilati Szerelő Zrt.	29	
				Property Market Ingatlanfejlesztő Kft.	-	

The Market Group recycled 94.54% of the 254,996 tonnes of waste generated in 2022, that is 241,081 tonnes.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 306-5: Waste directed to disposal	Climate and environment - Waste	052	5.46% of Market Group's total waste was dumped on a landfill, equivalent to 13,915 tonnes.	Waste data broken down further (by waste type, disposal operation, on-site and off-site disposal) are currently not available to the Group in sufficient quality, however, Market Group is continuously improving its data collection processes during the strategic period.
GRI 308: Supplier Environmental Assessment	GRI 3-3: Management of material topics	Stakeholders - Suppliers	076	Market considers sustainability in the Group's supply chain to be a high priority for the future. In keeping with this goal, but not only with this in mind, the Group is continuously increasing the proportion of local suppliers in the supply chain, and the process of incorporating ESG (including environmental) criteria into supply contracts has begun in 2023. Currently, the Group is in the planning phase and has not yet implemented an impact assessment, evaluation or monitoring of the processes.	-
	GRI 308-1: New Suppliers that were screened using environmental criteria	Stakeholders - Suppliers	077	A comprehensive environmental assessment is currently not carried out at any of the member companies. The process of developing ESG criteria for supplier contracts will begin in 2023.	-
	GRI 308-2: Negative environmental impacts in the supply chain and actions taken	-	-	-	Market Group does not currently have a data collection process in place.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 401: Employment	GRI 3-3: Management of Material topics	-	-	Since its foundation, Market Group has been committed to supporting young talents professionally and launching their careers. The Group primarily targets young engineering students with recurring or ad hoc campaigns and events (e.g. Career Day, Job Fairs, Market 21 Days grants, internship, etc.), however, we also use cutting-edge solutions in alleviating the shortage of professionals that characterizes the construction industry, which is a continuous difficulty: together with other construction companies, we founded the Tudásépítő Team Sectoral Training Centre Nonprofit Zrt., whose task and goal is to provide practical knowledge at work for learners as a partner of dual training institutions. No follow-up programme exists at the time being to measure the effectiveness of the programmes and processes mentioned above. In the strategic period until 2025, Market focuses on retaining already attracted talents and developing existing employees, and has set a target to increase the number of training hours, which is monitored year by year.	-
	GRI 401-1: New employee hires and employee turnover	Stakeholders – People	059	**Number and ratio of new entrants at group level broken down by age group and gender**	-

Age group	Person	Ratio
Under 30	121	37%
30-50 years old	158	48%
Over 50 years old	47	14%
Total	326	100%

Gender	Person	Ratio
Male	233	71%
Female	93	29%
Total	326	100%

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission

Member Company	Number of new entrants
Lean Tech Mérnökiroda Kft.	12
Market Építő Zrt.	95
MCM Beton Kft.	7
Moratus Kft.	31
OKM Építőipari és Szolgáltató Kft.	61
Prebeton Zrt.	79
Property Market Ingatlanfejlesztő Kft.	15
Market Épületszerviz Kft.	9
Vilati Szerelő Zrt.	17
Total	326

Number and rate of leavers at group level broken down by age group and gender

Age group	Person	Ratio
Under 30 years	68	29%
30-50 years old	113	48%
Over 50 years old	55	23%
Total	236	100%

Gender	Person	Ratio
Man	195	83%
Woman	41	17%
Total	236	100%

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission

Turnover data* for individual member companies

	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	8.35%	7.29%	23.86%	5.40%	17.46%
Market Építő Zrt.	9.52%	15.17%	13.99%	9.46%	10.06%
Market Épületszerviz Kft.	13.30%	9.82%	6.70%	1.29%	4.77%
Moratus Kft.	71.52%	61.16%	27.98%	25.01%	20.47%
MCM Beton Kft.	173.42%	147.04%	53.69%	7.37%	21.38%
OKM Építőipari és Szolgáltató Kft.	32.00%	23.28%	20.84%	20.49%	22.68%
Prebeton Zrt.	-	0.00%	115.64%	50.26%	43.45%
Property Market Ingatlanfejlesztő Kft.	15.89%	19.70%	17.58%	73.06%	23.14%
Vilati Szerelő Zrt.	12.95%	6.26%	9.88%	8.73%	25.07%

*Turnover figures for the 2022 sustainability report were calculated according to a new methodology and the values were adjusted retrospectively by applying it.

	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Stakeholders – People	-	Market Group provides benefits equally to all its employees, according to the same regulations, regardless of part-time work or fixed time.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 401-3: Parental leave	Stakeholders – People	056		

Long-term absence due to childbearing* (all women)

Market Építő Zrt.	24
Property Market Ingatlanfejlesztő Kft.	3
OKM Építőipari és Szolgáltató Kft.	7
Lean Tech Építőiroda Kft.	1
Total	35

*Only in the case of the listed member companies were employees absent for a long time due to having children.

Returned to work after absence (all women)

Market Építő Zrt.	3
Market Épületszerviz Kft.	1
OKM Építőipari és Szolgáltató Kft.	2
Property Market Ingatlanfejlesztő Kft.	1
Total	7

Still employed by the company 12 months after their absence* (all women)

Market Építő Zrt.	9
Market Épületszerviz Kft.	0
OKM Építőipari és Szolgáltató Kft.	0
Property Market Ingatlanfejlesztő Kft.	0
Total	9

*Includes all employees who returned during 2021 and continued to work for the company after 12 months.

In the reporting year, the retention rate was 100%, so all of our colleagues returning after a long time due to having children remained employed by the Market Group even after 12 months from their return.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 402: Employee and Management Relationship	GRI 402-1: Minimum notice periods regarding organisational changes	-	-	There is no minimum notification period, but Market Group informs its colleagues early on about any changes affecting the organisation, either in person or online. A communication platform is being introduced to facilitate the more efficient and faster flow of information. Through an application, employees are informed about changes and current information, so fresh data will be immediately available to all colleagues. The testing phase is currently underway.	-
GRI 403: Occupational Health and Safety	GRI 3-3: Management of Material topics	-	-	In the life of Market Group, occupational safety is of paramount importance, and the protection of people's safety and health is considered one of the most important tasks of the Group. The risk of accidents at work in the construction industry is high, as the work is typically physical labour and diverse. Market does everything possible to prevent its employees and the employees of partners working with them from being injured.	-
	GRI 403-1: Occupational Health and Safety Management System	Stakeholders – People	062	The following member companies are certified in ISO45001 Group: Market Építő Zrt., OKM Építőipari és Szolgáltató Kft., Vilati Szerelő Zrt., Market Épületszerviz Kft., Prebeton Zrt. The standard certification is regularly renewed and the compliance of the member companies is audited by a third party on an annual basis. Certain rules also apply to employees of partners at construction sites (it is necessary to prove medical fitness, check fitness for work by the security service, presence of appropriate personal protective equipment, presence of appropriate protection measures in the work areas taken over). The occupational health and safety management system was developed in accordance with legal requirements, integrating group-level risk management guidelines. Moratus plans to introduce the use of the OHSMS standard in 2022. In the case of Lean Tech Mérnökiroda Kft., the introduction of the standard is not of great importance, as they carry out design work.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 403-2: Hazard identification, risk assessment and incident investigation	Stakeholders – People	062	During the construction activities on the site, Market Group assesses risks associated with all the work processes. The occupational health service provider is also involved in the process. Risk is calculated by multiplying the severity of an accident by the probability of its occurrence. The degree of risk is assessed on a scale from 0 to 400. Where the risk is minimal, acceptable, moderate or substantial, work should in any case be commenced only after appropriate protective equipment and training have been provided. If the level of risk is unacceptable, the given workflow cannot be started.	-
	GRI 403-3: Occupational health services	Stakeholders – People	062	A job aptitude test is carried out annually by the Group, and if the occupational physician finds a limiting factor, he or she determines the next examination date (which must be within one year). All colleagues receive a biennial spectacle allowance at the contracted partner, and colleagues receive an additional permanent discount on all glasses and lenses. Screening examinations are carried out annually and ophthalmic screenings every two years in the headquarters, which all employees can attend. Confidential health records and data are handled by the Group in accordance with the GDPR. There is no risk of occupational illness in the Market Group, so there were no cases during the reporting period. Prebeton's locksmith plant also deals with welding, but air quality testing is carried out there regularly.	-
	GRI 403-4: Worker participation, consultation and communication on occupational health and safety	Stakeholders – People	062	In compliance with the Occupational Safety and Health Act, the Market Group ensures the reconciliation of interests related to occupational safety and health and safety and the protection of employees' occupational safety interests. The occupational safety representatives of the Group are entitled to use the services of an expert in matters related to safe and healthy working conditions by prior agreement with the employer, and to discuss such matters with the occupational safety authority.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 403-5: Worker training on occupational health and safety	Stakeholders – People	062	The Market Group provides compulsory occupational safety and fire safety training for all new colleagues, in addition to which it helps their integration through an onboarding process and provides information about related learning materials. The participants take a short exam to report on what they have learned during the training. Those who do not achieve a satisfactory grade must revisit the education package and repeat the exam. It is mandatory for all employees to repeat labour and fire safety training annually. If additional training (e.g. fire safety exam) is required to safely perform a work process, the company always provides it.	-
	GRI 403-6: Promotion of worker health	Stakeholders – People	064	Market Group, in cooperation with Colonnade Insurance Company and Dr. Rose Private Hospital, has taken out a group health insurance for its employees, the basic function of which is to provide outstanding protection for its employees in case of illness, thereby reducing the time spent on sick pay. Dr. Rose Private Hospital significantly shortens the patient journey through its care management activities, and thanks to their fast and professional care, employees can recover more efficiently and stress-free. In contrast to waiting lists of up to several months in the state care system, Dr. Rose organizes the provision of health care services within a maximum of 10 working days from the date of application. In addition to group health insurance, there are mandatory screening tests every year, such as ophthalmology (free of charge) and non-compulsory screening tests (dermatology, laboratory, ultrasound), which are covered by Market at half the cost. An online stress management course is also available for colleagues, which anyone can join and which the Group launched in response to the increased demand due to the coronavirus epidemic. The Market Health Programme initiative has been a great success - for five years now. Colleagues can use various medical examinations on site, during working hours, without queuing or referrals. These will be implemented partly with full support and partly with 50% support. In addition, the Group provided a free spine condition assessment for office workers, after which colleagues had the opportunity to participate in spinal gymnastics.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly related by business relationships	Stakeholders – People	062	The Group expects all of its employees to stop work immediately if an emergency or danger (malfunction) is detected and to report the emergency situation to the manager. In addition, he must eliminate or seek to reduce the state of emergency as expected. Any accident at work suffered or detected by him must be reported promptly to his immediate superior. Therefore, the employee must not suffer any disadvantage within the Group. The accident at work that has occurred is investigated jointly by the head of the given work area and the head of occupational safety. During the investigation, the location, work equipment, working conditions, the conduct of the injured person and his colleagues, the technical specifications and instructions for the given activity are reviewed. As a result of the investigation, the causes involved in the occurrence of the accident, the triggering and contributing circumstances and behaviours must be identified, and the employer's actions necessary to prevent similar accidents must be established. In the framework of repeated training, the employees concerned are informed. In the Market Group , typically the following hazards pose the greatest risks: traffic on uneven ground, walking on stairs, using hand tools and cutting tools, and the dangers of manual handling.	-
	GRI 403-8: Workers covered by an occupational health and safety management system	Stakeholders – People	062	The following member companies are certified in ISO45001 Group: Market Építő Zrt., OKM Építőipari és Szolgáltató Kft., Vilati Szerelő Zrt., Market Épületszerviz Kft., Prebeton Zrt. The standard certification is regularly renewed and the compliance of the member companies is audited annually by a third party. All employees of these member companies are covered by the scope of the standard.	-

[40] The Group does not maintain records of accidents within the work areas involving employees other than its own.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 403-9: Work related injuries	Stakeholders – People	063	**Number of working days lost due to an accident at work:**	-

Lean Tech Mérnökiroda Kft.	0
Market Építő Zrt.	56
Market Épületszerviz Kft.	23
MCM Beton Kft.	13
Moratus Kft.	111
OKM Építőipari és Szolgáltató Kft.	30
Prebeton Zrt.	190
Property Market Ingatlanfejlesztő Kft.	0
Vilati Szerelő Zrt.	0
Total	423

Number of accidents at work	2018	2019	2020	2021	2022
Lean Tech Mérnökiroda Kft.	0	0	0	0	0
Market Építő Zrt.	2	2	0	1	3
Market Épületszerviz Kft.	0	0	1	3	2
Moratus Kft.	4	6	4	5	3
MCM Beton Kft.	0	1	1	1	1
OKM Építőipari és Szolgáltató Kft.	3	2	3	2	2
Prebeton Zrt.	0	0	1	2	5
Property Market Ingatlanfejlesztő Kft.	0	0	0	0	0
Vilati Szerelő Zrt.	1	0	1	0	0
Total	10	11	11	14	16

The Market Group had 1.33 accidents at work per 200,000 hours worked in 2022.

According to the definition of the Occupational Safety and Health Act, none of the accidents at work that occurred were considered serious. The following work accidents occurred at the Market Group during the reporting year: ankle sprain, ankle fracture, foot and leg injury, hand and finger joint injury, shoulder and arm injury, back injury, head injury, nose injury, knee injury, chest injury.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 403-10: Work-related ill health	Stakeholders - People	063	There were no cases of occupational illness in the Market Group in 2022 either.	-
GRI 404: Education and Training	GRI 3-3: Addressing Material topics	Stakeholders - People	065	Market Group is constantly striving to use new approaches and techniques to help the self-development of colleagues. A wide range of learning opportunities are offered and a commitment is in place to extend such offers. Continuous development, renewal and the integration of innovations into the core business are indispensable the construction industry. The obsolescence of employees' knowledge can be perceived as a serious risk, accordingly, education and advancement of skills are necessary. Increasing the number of training hours is also a goal in the sustainability strategy: by 2025, the Group aims to reach 30 training hours per person per year. The average number of per capita training hours increased from 4.5 in 2021 to 7 in 2022.	-
	GRI 404-1: Average hours of training per year per employee	Stakeholders - People	065	**Gender distribution of training hours per employee** Female (298 persons) 19 Male (1054 persons) 10.5 **Distribution of training hours per capita by category of employee** Staff (1046 persons) 8.6 Expert (16 persons) 2.5 Manager (276 persons) 24.3 Top manager (14 persons) 21.3	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission

Number of training hours per capita per member company in 2022

Lean Tech Mérnökiroda Kft.	16.6
Market Építő Zrt.	10.9
Market Épületszerviz Kft.	2.9
MCM Beton Kft.	N/A
Moratus Kft.	1.2
OKM Építőipari és Szolgáltató Kft.	2.3
Prebeton Zrt.	12.3
Property Market Ingatlanfejlesztő Kft.	N/A*
Vilati Szerelő Zrt.	3
Market Group	7

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes	Stakeholders - People	066	At Market Építő Zrt. colleagues have the opportunity to expand their language skills in 4 different languages. English, German, Mandarin and Korean. Non-industry related options such as basic IT classes, spreadsheets, office software and stress management are also provided. The company is open to the concept of lifelong learning and strives to provide a multitude of learning opportunities to staff members. Market's workshops help colleagues improve their communication skills and other soft skills in trainings. Market Építő Zrt. makes efforts to ensure the growth of the company by securing the development and emergence of qualified managers possessing the leadership skills that will push the company even further, while maintaining a safe and productive working environment for the employees. To ensure this, a Leadership Academy is run consisting of 12 modules focused on providing soon-to-be leaders with the tools they need to lead their teams. Those who already hold senior management positions receive leadership skills and competence training. Those who want to become leaders or who are identified as leadership candidates can take part in a series of training courses to help them prepare for leadership. These include the Market Management Academy and Management and Organization. The Leadership Academy is a series of multi-module programmes consisting of developmental sessions for designated prospective managers or current managers. It covers a wide range of topics (e.g. communication, self-knowledge, project management), all of which have in common that they are related to leadership competencies. Leadership and Organization is a series of lectures held for top managers with expert guests. The topics of the presentations are also colourful: market, social and organisational management topics will also appear on the palette. There were no layoffs in 2022 and the Group does not plan to do so in the near future. For those approaching retirement age, Market Group offers the opportunity to stay and continue working, if possible.	-
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews	Stakeholders - People	066	Performance assessment at the Market Group is carried out regularly in every six months for all white-collar employees. There is no performance evaluation process for blue-collar workers (skilled workers, labourers, machine operators, truck drivers, electricians). During performance appraisal, the employee completes a self-assessment test as the first step, and then the managers provide feedback as the second step. In the case of tendering and construction jobs, the Group has detailed career paths and career management is based on the results of regular performance reviews: based on them, the development of employees can be monitored; points for improvement and strengths are also identified. Percentage and number of employees who received performance review and career management in 2022: • Market Építő Zrt – 91.8%; a total of 460 persons, of whom 131 are women and 329 are men • Market Group – 68%; a total of 821 persons, of whom 181 are women and 640 are men	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 405: Diversity and Equal Opportunity	GRI 3-3: Addressing Material topics	Stakeholders - People	069	-	-
GRI 405: Diversity and Equal Opportunity	GRI 405-1: Diversity of Governance Bodies and Employees	Stakeholders - People	069	In 2022, the gender and age group distribution of governing bodies, senior management, middle management and employees for each member company was as follows:	-

Governing Board

Member Company	Number of employees	Male	Female	Under 30 years	From 30 to 50	Over 50 years
Lean Tech Építőiroda Kft.	2	2	0	0	0	2
Market Építő Zrt.	10	10	0	0	1	9
MCM Beton Kft.	1	1	0	0	1	0
Moratus Zrt.	2	2	0	0	1	1
OKM Építőipari és Szolgáltató Kft.	2	2	0	0	2	0
Prebeton Zrt.	4	4	0	0	3	1
Property Market Ingatlanfejlesztő Kft.	1	1	0	0	1	0
Market Épületszerviz Kft.	1	1	0	0	1	0
Vilati Szerelő Zrt.	1	1	0	0	1	0

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission

Senior managers

Member Company	Number of employees	Male	Female	Under 30 years	From 30 to 50	Over 50 years
Lean Tech Építőiroda Kft.	2	2	0	0	0	2
Market Építő Zrt.	36	31	5	1	21	14
MCM Beton Kft.	1	1	0	0	1	0
Moratus Zrt.	7	7	0	0	5	2
OKM Építőipari és Szolgáltató Kft.	5	5	0	0	3	2
Prebeton Zrt.	4	4	0	0	3	1
Property Market Ingatlanfejlesztő Kft.	10	9	1	0	8	2
Market Épületszerviz Kft.	2	2	0	0	1	1
Vilati Szerelő Zrt.	6	6	0	0	5	1

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission

Middle managers

Member Company	Number of employees	Male	Female	Under 30 years	From 30 to 50	Over 50 years
Lean Tech Építőiroda Kft.	10	7	3	0	9	1
Market Építő Zrt.	62	46	16	0	56	6
MCM Beton Kft.	2	1	1	0	2	0
Moratus Zrt.	17	15	2	0	15	2
OKM Építőipari és Szolgáltató Kft.	22	20	2	1	16	5
Prebeton Zrt.	15	14	1	1	9	5
Property Market Ingatlanfejlesztő Kft.	6	3	3	0	4	2
Market Épületszerviz Kft.	3	3	0	0	3	0
Vilati Szerelő Zrt.	7	7	0	2	4	1

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission

Staff

Member Company	Number of employees	Male	Female	Under 30 years	From 30 to 50	Over 50 years
Lean Tech Építőiroda Kft.	28	15	13	6	19	3
Market Építő Zrt.	534	354	175	102	347	85
MCM Beton Kft.	29	27	2	2	15	12
Moratus Zrt.	158	136	22	29	93	36
OKM Építőipari és Szolgáltató Kft.	280	250	30	49	116	115
Prebeton Zrt.	122	101	21	25	73	24
Property Market Ingatlanfejlesztő Kft.	44	23	21	9	29	6
Market Épületszerviz Kft.	88	80	8	11	47	30
Vilati Szerelő Zrt.	74	68	6	12	46	16

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 405-2: Ratio of basic salary and remuneration of women to men	Stakeholders - People	069	**Ratio of remuneration (basic salary and other) of women to men**	-

Member Company	Male	Female	Comment*
Market Építő Zrt.	100%	97.2%	18
OKM Építőipari és Szolgáltató Kft.	100%	95.1%	5
Moratus Zrt.	100%	108.6%	3
Vilati Szerelő Zrt.	100%	98.2%	1
Market Épületszerviz Kft.	100%	-	0
Prebeton Zrt.	100%	88.2%	1
MCM Beton Kft.	100%	-	0
Lean Tech Építőiroda Kft.	100%	92.7%	2
Property Market Ingatlanfejlesztő Kft.	100%	85.9%	3

Basic salaries for women compared to men

Member Company	Male	Female	Comment*
Market Építő Zrt.	100%	100.3%	18
OKM Építőipari és Szolgáltató Kft.	100%	97.5%	5
Moratus Zrt.	100%	98.2%	3
Vilati Szerelő Zrt.	100%	102.6%	1
Market Épületszerviz Kft.	100%	-	0
Prebeton Zrt.	100%	95.4%	1
MCM Beton Kft.	100%	-	0
Lean Tech Építőiroda Kft.	100%	91.3%	2
Property Market Ingatlanfejlesztő Kft.	100%	91.6%	3

*Number of jobs with both male and female employees.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 406: Non-discrimination	GRI 406-1: Incidents of discrimination and corrective actions taken	-	-	Market Építő Zrt. received no report regarding the violation of equal treatment in 2022, so intervention (action) in the processes was not justified either.	-
GRI 407: Freedom of Association and Collective Bargaining	GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	-	With regard to the right to collective agreements, the Group sees no risk in its area of operation or among its suppliers.	-
GRI 408: Child labour	GRI 3-3: Management of Material topics	Responsible corporate governance - Respect for human rights	095	Market Group respects the human rights enshrined in the Fundamental Law and international legal conventions and makes every effort to ensure that no human rights violations arise in connection with its activities. Accordingly, the Market Group condemns all forms of child labour and takes firm action against it. Within the Market Group, persons under the age of 18 perform work in exceptional cases at most, in accordance with the provisions of the Civil Code, while neither the Market Group nor its partners employ minors on the construction sites. This will be checked during registration necessary for access control.	-
	GRI 408-1: Operations and Suppliers at Significant Risk for Incidents of Child Labour	Responsible corporate governance - Respect for human rights	095	Market Group has no areas of operation or suppliers that are at risk of child labour or exposure of young workers to hazardous work. The Market Group's occupational safety officer also ensures that safe work is ensured at all times on the construction site owned by the Group.	-
GRI 409: Forced and Compulsory Labor	GRI 3-3: Management of Material topics	Responsible corporate governance - Respect for human rights	095	The Market Group respects the human rights enshrined in the Fundamental Law and international legal conventions and makes every effort to ensure that no human rights violations arise in connection with its activities. Accordingly, the Market Group condemns all forms of forced labour and takes firm action against it. The risk of forced labour is negligible in view of the activities of Market Group and its partners (companies registered in the European Union). There was no suspicion of forced labour within the Market Group or at Market Group's partners during the reporting period. In view of the above, no substantial intervention in the processes of the Group is justified.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	Responsible corporate governance - Respect for human rights	095	Market Group does not have any areas of operation or suppliers where there is a risk of forced or compulsory labour. Its partners are almost all companies operating in the territory of the European Union.	-
GRI 410: Security Practices	GRI 410-1: Security personnel trained in human rights policies or procedures	-	-	The Market Headquarters has its own security service. In addition to the mandatory training sessions, guards are not trained in human rights issues.	-
GRI 413: Local Communities	GRI 3-3: Management of Material Topics	Social responsibility	086	In order to increase its positive impact on local communities, in addition to sponsorship and donation activities, cooperation with NGOs, the Group pays special attention to education and the provision of various projects supporting development. This indirectly supports Market's goals of attracting and retaining talent. There is currently no follow-up procedure to measure the effectiveness of the programmes and processes mentioned above.	-
	GRI 413-1: Operations with local community engagement, impact assessments and development programmes	Social responsibility	086	Due to the specificity of the industry, in the case of the Market Group, the start of each construction project is always (100%) preceded by contact with local communities (public institutions, affected population, NGOs). In connection with each project, Market provides information and, if necessary, consults with representatives of local communities on environmental and social issues, but does not carry out a separate impact assessment. Local communities are currently involved in development projects where Market Group supports education and development in the affected area, or assists the work of an NGO or public institution. A related priority project is the Tudásépítő Team Sectoral Training Centre, in the framework of which a total of 117 people participated in vocational training and development projects at 6 training sites in Pest County in 2022.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 413-2: Operations with significant actual and potential negative impacts on local communities	-	-	Only the Bem project had a negative impact during the reporting period, where local communities consider the Market Group's activities to have a negative impact on their lives. In this case, apartment buildings are located in close proximity to the construction site, understandably, dust and noise are more difficult to tolerate. For the Bem Project, the Group has created a dedicated website (https://www.bemprojekt.hu/) where residents can find out about the project and have the opportunity to establish contact with Market. In all cases, complaints will be replied to within 3 working days. From this year, leaflets will also be produced to inform local residents. It can be stated in general that wherever the Client allows communication, the Market Group provides information on the projects from time to time on social media platforms.	-
GRI 414: Supplier Social Assessment	GRI 3-3: Management of Material Topics	Stakeholders - Suppliers	076	Looking ahead, Market has made sustainability in the Group's supply chain a high priority for the future. Linked to, but not limited to this objective, it is continuously increasing the proportion of local suppliers in its supply chain, and in 2023 started the process of including ESG (including social) criteria in its supplier contracts. Currently, the Group is in the planning phase and has not yet implemented an impact assessment, evaluation or monitoring of the processes.	-
	GRI 414-1: New suppliers that were screened using social criteria	Stakeholders - Suppliers	076	There is currently no comprehensive social assessment in any of the member companies. The process of developing ESG criteria for supplier contracts will begin in 2023.	-
	GRI 414-2: Negative social impacts in the supply chain and actions taken	-	-	-	Market Group does not currently have a data collection process in place.

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
GRI 415: Public Policy	GRI 415-1: Political contributions	-	-	Political involvement is not a practice at Market Group.	-
GRI 416: Customer Health and Safety	GRI 3-3: Management of Material Topics	-	-	To address legal obligations, the Market Group makes all effort in the course of the activities to create a lasting value, which does not pose the slightest threat to the health or safety of its customers or actual users of the buildings. This commitment accompanies all work processes of design and construction, but also makes every effort to achieve this during the warranty period. As a result of its activities, Market Group places important emphasis on the health and safety not only of its clients, but also of its contributors, as defined in Joint Ministerial Decree 4/2002 (II.20) SzCsM-EüM on minimum occupational safety requirements to be implemented at construction workplaces and during construction processes. According to the joint decree, a health and safety plan is developed separately for each project, as well as an other document "Order of the construction site", is also binding our partners. At the design stage of each project, a risk analysis is prepared about the risks and negative effects on users in the case of the given building. Only plans are implemented where all possible risks have been eliminated.	-
	GRI 416-1: Assessment of the health and safety impacts of product and service categories	-	-	The Group pays great attention to incorporating materials that are not harmful to health and safety. When using paints, varnishes, adhesives, preference is given to products with a low WOC and formaldehyde content. Air handling systems are installed to ensure sufficient fresh air enters the buildings, thus guaranteeing proper air quality. In the case of built-in plumbing systems, Market always uses one that does not release harmful substances even in the long run. During design, it is always a priority to provide as much natural light as possible into the interior, and to design the buildings in such a way that residents/users prefer the use the stairs instead of elevators. In addition, as described in the chapter Climate and Environmental Protection, Market pays special attention to the creation of green areas and surfaces (gardens, roof gardens, inner gardens). This not only helps to promote biodiversity, but also has a positive impact on people's mental health. Market Group makes a declaration of responsibility for the designer and contractor of all buildings it constructs, complies with and enforces legal health and safety requirements, and provides guarantees.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	No such incidents occurred during the reporting period.	-
GRI 417: Marketing and Labelling	GRI 417-1: Requirements for product and service information and labelling	-	-	Member companies that undertake construction works (OKM, Moratus, Vilati) prepare method statements for each work process they perform, as well as a sampling and compliance plan, which documents contain the process description of the work and the verification measurements. These documents ensure that the work is carried out in the right quality, environmentally respectful and safe. The documents are also checked by Market Építő Zrt. Prebeton Zrt. has factory production control system certificates (for prefabrication and concrete production), on the basis of which it issues a declaration of performance (in compliance with the law) for the finished products. They certify that the products meet the requirements of national and international standards. These are the technical parameters for concrete: • compressive strength • consistency on transfer • concrete shelf life • concrete body density These are the technical parameters for prefabricated elements: • Geometric property • concrete compressive strength class • environmental class • min. value of tensile strength of reinforcing steel • min. value of rebar yield stress • load bearing capacity • fire resistance • fire protection class • surface properties • water absorption • frost resistance The provisions of Government Decree 275/2013 (VII.16.) laying down the detailed rules of the design and installation of building products are always complied with for construction products integrated into construction works, including the certification of performance, as according to the Decree only products with a declaration of performance may be installed.	-

GRI standard	GRI-indicator	Chapter in the sustainability report	Page number	Direct answer	Reason for omission
	GRI 417-2: Incidents of Non-compliance concerning product and service information and labelling	-	-	No such incidents occurred during the reporting period.	-
	GRI 417-3: Incidents of non-compliance concerning marketing communications	-	-	In 2022, no GVH (Hungarian Competition Authority) proceedings were initiated against any of the member companies of Market Group. The Group pays special attention to compliance with domestic and European Union competition law norms, in particular Act LVII of 1996 on the Prohibition of Unfair Trading Practices and Unfair Competition.	-
GRI 418: Customer Privacy	GRI 3-3: Management of Material Topics	Responsible corporate governance - Data protection	096	In accordance with its data protection and information security policies, the Market Group makes every effort to ensure that investor (customer) data, be it personal data or confidential business secrets, does not fall into unauthorized hands. This is ensured by the data protection and information security policy in force within the Group, as well as strict data and information security measures. In order to protect the data of our clients, a separate data protection officer and IT security manager have been appointed, who continuously examine and develop our systems.	Market Group considers its processes for mapping negative impacts related to data protection as confidential information and does not disclose them in this document.
	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible corporate governance - Data protection	096	The National Authority for Data Protection and Information Security did not initiate proceedings against Market Group in 2022 either. No substantive complaints or questions were received in connection with the Group's data management that required intervention.	-

GRI 201-1

Economic value generated	2021	2022
Market Építő Zrt.	296 340	324 161
Lean Tech Mérnökiroda Kft.	2 009	2 422
MCM Beton Kft.	6 476	5 054
Moratus Kft.	14 239	16 810
OKM Építőipari és Szolgáltató Kft.	21 615	20 271
Prebeton Zrt.	5 211	11 204
Market Épületszerviz Kft.	1 525	1 802
Vilati Szerelő Zrt.	19 653	17 511
Property Market Ingatlanfejlesztő Kft.	2 369	1 666
Total	369 438	400 901

Suppliers	2021	2022
Market Építő Zrt.	239 870	262 424
Lean Tech Mérnökiroda Kft.	1 383	1 482
MCM Beton Kft.	5 612	4 603
Moratus Kft.	11 229	15 039
OKM Építőipari és Szolgáltató Kft.	18 037	22 848
Prebeton Zrt.	5 401	10 155
Market Épületszerviz Kft.	431	445
Vilati Szerelő Zrt.	17 829	17 407
Property Market Ingatlanfejlesztő Kft.	650	614
Total	300 441	335 015

Stakeholder Operating expenses (payments related to total revenue + net other operating expenses)

Employees

Employee wages and benefits (employee-related costs)	2021	2022
Market Építő Zrt.	10 168	13 974
Lean Tech Mérnökiroda Kft.	301	422
MCM Beton Kft.	213	326
Moratus Kft.	1 918	2 141
OKM Építőipari és Szolgáltató Kft.	2 792	3 011
Prebeton Zrt.	712	1 097
Market Épületszerviz Kft.	924	1 262
Vilati Szerelő Zrt.	912	1 045
Property Market Ingatlanfejlesztő Kft.	716	1 131
Total	18 655	24 410

Investors

Payments to equity investors (dividends paid)	2021	2022
Market Építő Zrt.	5 700	27 400
Lean Tech Mérnökiroda Kft.	200	210
MCM Beton Kft.	0	85
Moratus Kft.	0	0
OKM Építőipari és Szolgáltató Kft.	270	0
Prebeton Zrt.	0	0
Market Épületszerviz Kft.	0	80
Vilati Szerelő Zrt.	200	200
Property Market Ingatlanfejlesztő Kft.	0	200
Total	6 370	28 175

State

Payments to the state treasury (profit tax + local business tax + innovation contribution, rehabilitation contribution + taxes and contributions accounted for other expenses)	2021	2022
Market Építő Zrt.	3 877	3 228
Lean Tech Mérnökiroda Kft.	36	62
MCM Beton Kft.	76	30
Moratus Kft.	118	131
OKM Építőipari és Szolgáltató Kft.	179	396
Prebeton Zrt.	34	108
Market Épületszerviz Kft.	37	44
Vilati Szerelő Zrt.	63	313
Property Market Ingatlanfejlesztő Kft.	130	29
Total	4 420	4 312

Communities

Community investments (donations, grants)	2021	2022
Market Építő Zrt.	414[41]	389
Lean Tech Mérnökiroda Kft.	0	0
MCM Beton Kft.	0	0
Moratus Kft.	0	1
OKM Építőipari és Szolgáltató Kft.	6	0
Prebeton Zrt.	0	0
Market Épületszerviz Kft.	0	0
Vilati Szerelő Zrt.	22	0
Property Market Ingatlanfejlesztő Kft.	0	3
Total	442	393

[41] In the 2021 report, the data were incorrectly recorded in the case of Market Építő Zrt. The rate of community contribution has been corrected retrospectively.

All stakeholders in the future

Retained earnings (profit after tax + depreciation - dividends paid)	**2021**	**2022**
Market Építő Zrt.	31 383	7 778
Lean Tech Mérnökiroda Kft.	489	243
MCM Beton Kft.	565	-23
Moratus Kft.	845	-594
OKM Építőipari és Szolgáltató Kft.	831	7 363
Prebeton Zrt.	-381	-800
Market Épületszerviz Kft.	131	-39
Vilati Szerelő Zrt.	490	-1 523
Property Market Ingatlanfejlesztő Kft.	865	-426
Total	34 354	12 404

GRI 201-4

2022	Investment discount	Film and sports support	Tax relief for energy saving investment	Tax deduction on the payroll costs of software developers	Tax effects of tax base reduction due to donations	Tax effects of tax base reduction due to R+D	Financial support	Incentives	Subsidies received from other government agencies
Market Építő Zrt.		329 137 351			4 039 848				
Lean Tech Mérnökiroda Kft.									
MCM Beton Kft.									
Moratus Kft.									
OKM Építőipari és Szolgáltató Kft.									
Prebeton Zrt.									
Market Épületszerviz Kft.									
Vilati Szerelő Zrt.									
Property Market Ingatlanfejlesztő Kft.									

2021	Investment discount	Film and sports support	Tax relief for energy saving investment	Tax deduction on the payroll costs of software developers	Tax effects of tax base reduction due to donations	Tax effects of tax base reduction due to R+D	Financial support	Incentives	Subsidies received from other government agencies
Market Építő Zrt.		911 924 617			1 594 736				
Lean Tech Mérnökiroda Kft.		10 323 000							
MCM Beton Kft.		13 496 295							
Moratus Kft.									
OKM Építőipari és Szolgáltató Kft.			4 773 000						
Prebeton Zrt.									1 818 077 486
Market Épületszerviz Kft.									
Vilati Szerelő Zrt.		22 131 313							
Property Market Ingatlanfejlesztő Kft.									

2020	Investment discount	Film and sports support	Tax relief for energy saving investment	Tax deduction on the payroll costs of software developers	Tax effects of tax base reduction due to donations	Tax effects of tax base reduction due to R+D	Financial support	Incentives	Subsidies received from other government agencies
Market Építő Zrt.		632 191 470			246 600				
Lean Tech Mérnökiroda Kft.									
MCM Beton Kft.									
Moratus Kft.		15 636 832							
OKM Építőipari és Szolgáltató Kft.		27 719 737							
Prebeton Zrt.									1 985 954 220
Market Épületszerviz Kft.									
Vilati Szerelő Zrt.		30 000 000							
Property Market Ingatlanfejlesztő Kft.									

2019	Investment discount	Film and sports support	Tax relief for energy saving investment	Tax deduction on the payroll costs of software developers	Tax effects of tax base reduction due to donations	Tax effects of tax base reduction due to R+D	Financial support	Incentives	Subsidies received from other government agencies
Market Építő Zrt.		285 449 000			84 600				
Lean Tech Mérnökiroda Kft.		389 000							
MCM Beton Kft.									
Moratus Kft.									
OKM Építőipari és Szolgáltató Kft.		131 459 220			54 000				
Prebeton Zrt.									667 922 737
Market Épületszerviz Kft.									
Vilati Szerelő Zrt.									
Property Market Ingatlanfejlesztő Kft.									

List of abbreviations

Abbreviation	Full name
BCSDH	Business Council for Sustainable Development in Hungary
BIM	Building Information Modelling
BREEAM	Green Building Certification System (Building Research Establishment Environmental Assessment Method)
CKT concrete	cement bonded load-bearing concrete (foundation material))
DIGMA	Digital Market
UN	United Nations
EPD	Environmental Product Declaration
ESG	Environmental and Social Governance
ÉVOSZ	National Federation of Hungarian Building Contractors
FSC	Forest Stewardship Council
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HuGBC	Hungary Green Building Council
IEA	International Energy Agency
LEED	Green Building Certification System (Leadership in Energy and Environmental Design)
OHSMS	Occupational Health and Safety at Work Management system
MJ	Megajoule
MWh	Megawatt-hour
GHG	Greenhouse gas

Imprint

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