

# VIDEOTON

## SUSTAINABILITY & CORPORATE RESPONSIBILITY

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2023

TECHNOLOGY

STABILITY

SUSTAINABILITY

DYNAMISM

# OUR ESG STATEMENT

WE BELIEVE THAT...

## SUSTAINABILITY & CORPORATE RESPONSIBILITY

are comprehensive terms that include

economic & ecological  
responsibility

diversity & social  
responsibility



We believe that **we are responsible** for any impact that our company has on society and environment.

As one of the largest domestic employers **we make a concerted effort to set good examples** through our activities and to **deliver** both business value and **environmental and societal benefits**.



### VIDEOTON core values

**VIDEOTON** as a brand means much more than a single Company group, it **means quality and reliability**.

Based on decades of tradition and continuous adaptation to a changing market environment, **we have deserved our reputation** thanks to our several years of hard and consistent work. Hence, the name VIDEOTON requires us to **set strict standards and insist on our core values**. Our commitment to conducting our business activities in a proper way is an essential part of our business credo.

Our **core values** of responsible business refer to

**Fair deal**



**Transparency**



**Considering  
indirect impacts**



# ECONOMIC RESPONSIBILITY

## FAIR DEAL

We deal with our business partners in an ethical way that offers **fair business models** for all stakeholders and creates the opportunity for **long term sustainable cooperation**.

We aim to achieve a **fair profit level** that enables us to protect our financial independence and continue to grow organically. We expect the same attitude from our business partners.



### Meeting legal requirements

- We must never encourage other parties to violate the laws in any way, and **we must not participate in illegal activities** either.
- VIDEOTON group **complies fully with all applicable antitrust and competition laws**. We are committed to deal fairly with customers, suppliers, competitors and other third parties.
- We also expect our partners to **adhere to our requirements**.

### Complying with the agreement

- We act in good faith and make all efforts **to comply with contractual obligations** undertaken on behalf of our Company group.
- Honest and fair performance of work, **confidence between colleagues** and long term relationships with our customers and partners are essential values.

### Aiming for win-win

- We believe that **long-term, mutually beneficial** business relationships are the most effective.
- That's why we strive to apply business models that deliver long-term, sustainable collaboration rather than short-term benefits.

# ECONOMIC RESPONSIBILITY

## TRANSPARENCY



### Competition is good

- We believe that **fair competition leads to more effective operation**
- Therefore, we refuse and do not take part in any kind of bribery, secret agreements, cartel activities or corruption cases distorting the fair market competition.
- We **strictly prohibit** all VIDEOTON employees to accept any proportional gifts or benefits from any business partners.

In our operations **we act transparently** with our stakeholders, so do we with our partners. Besides, **we reject all forms of corruption, and we support free competition.** We meet with legal requirements and regulations in all our activities.

We embrace **transparency as one of our core values** and publish true data about our business results.

### Conflict of interest

- **Honesty and integrity** must be applied while we are doing business.
- Every business activity shall be executed and documented according to the fixed procedural rules or generally applicable business norms.

### Confidentiality

- **Confidential information is a valuable asset** for the Company group. Such information includes anything that is not in public domain (information relating or belonging to partners, competitors, and business secrets). All this information shall be kept under proper control.
- We prohibit any communication subject to non-competition.



# ECONOMIC RESPONSIBILITY

## CONSIDERING INDIRECT IMPACTS

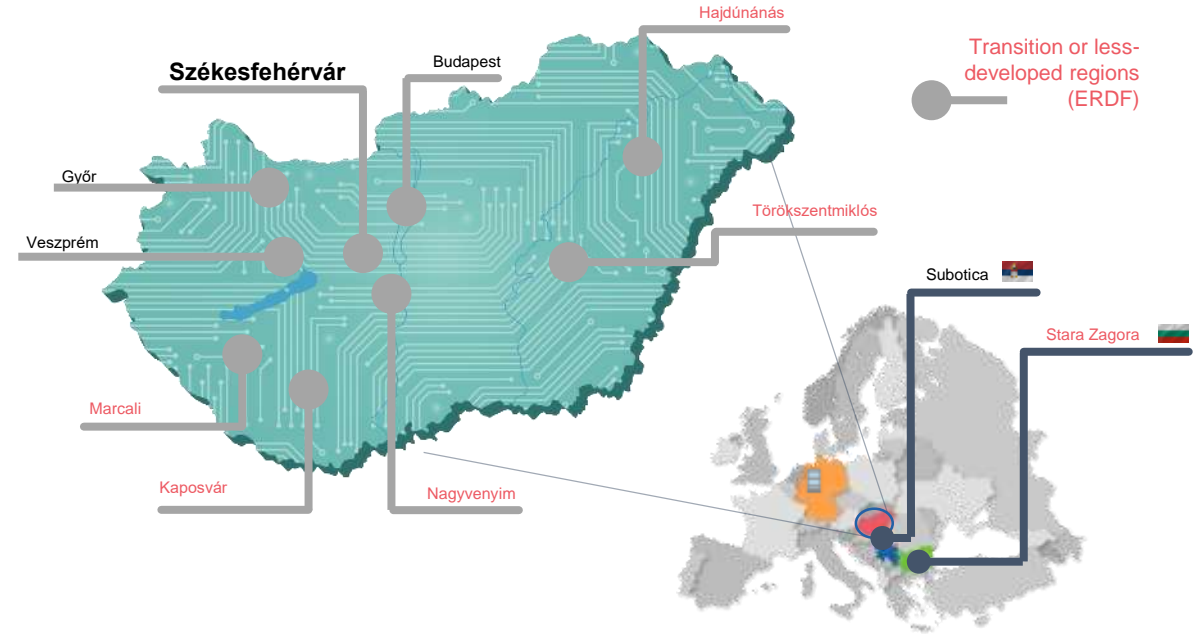
### Location policy

- Maintaining organic growth is one of the key elements of VIDEOTON's strategy.
- In our investment decisions we seize **regional development opportunities** and consider the impacts of our development.
- We have several locations in **transition or less-developed regions** (both in Hungary and Bulgaria).

### Building clusters

- As one of the biggest regional EMS companies we believe that we should be leaders of **cluster development** in Central Eastern Europe, especially focusing on our regions in Hungary
- Therefore – whenever possible – we **prefer local suppliers** or partners in our business relations and supply chain
- We aim to join and create such industrial clusters.

VIDEOTON locations 2022



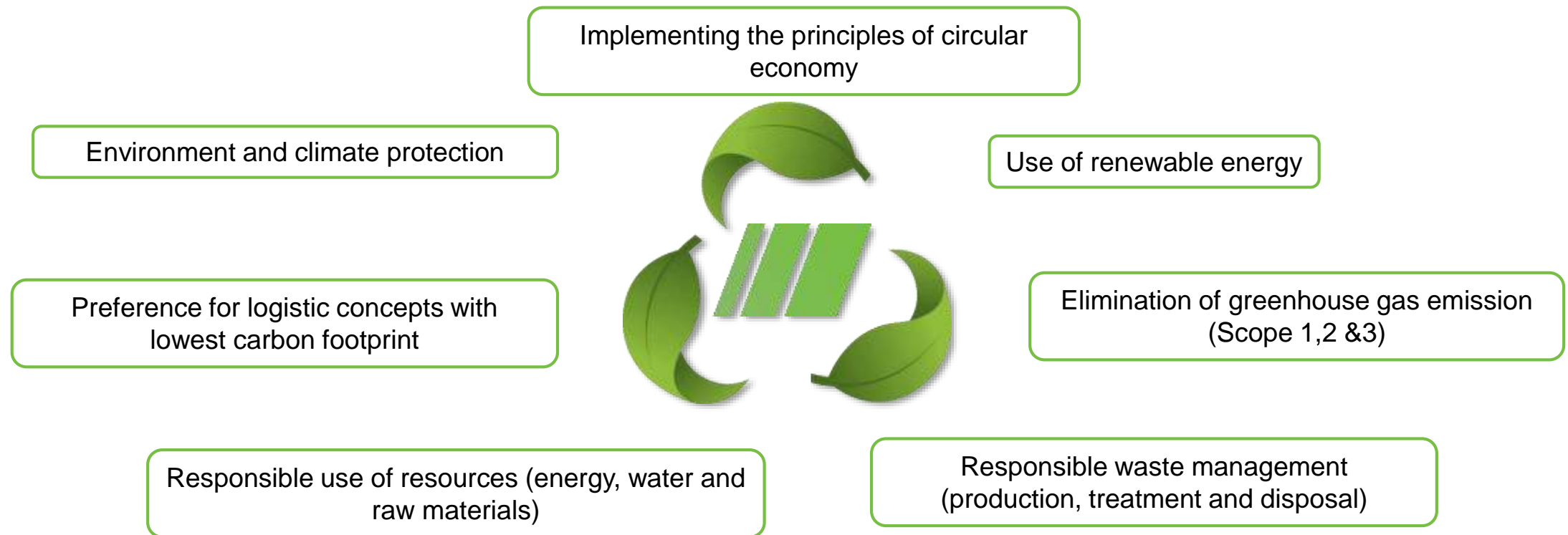
**We assess the indirect economic impact of our business activity.**

We act in a **societal way** and pursue a **responsible location policy**, appropriate investment and wage policies in order to maintain the organic growth of the company and its environment at the same time.

# ECOLOGICAL RESPONSIBILITY

## REDUCING OUR ENVIRONMENTAL FOOTPRINT

Environmental awareness and energy efficiency is a **means of being more conscious** – not only in terms of investments but also in our operations and business decisions



# ECOLOGICAL RESPONSIBILITY

## CARBON REDUCTION STRATEGY

VIDEOTON is committed to **continuously increase environmental awareness** and **energy efficiency**. Creating the conditions for climate neutrality in VIDEOTON's ESG strategy rests on **two pillars**:

### 1 USE MORE GREEN

**Preferring green energy and reducing CO2 emission in the energy mix**

- VIDEOTON aims to use **ever more sustainable energy mix**
- VIDEOTON opened its first own solar park in 2019 and is committed to continue investing in sustainable energy

### 2 USE LESS

**Most sustainable energy is the unused energy**

- Over the last two decades, VIDEOTON has invested in updating its technologies and facilities in order to **improve and increase energy efficiency and reduce its energy demand and consumption**

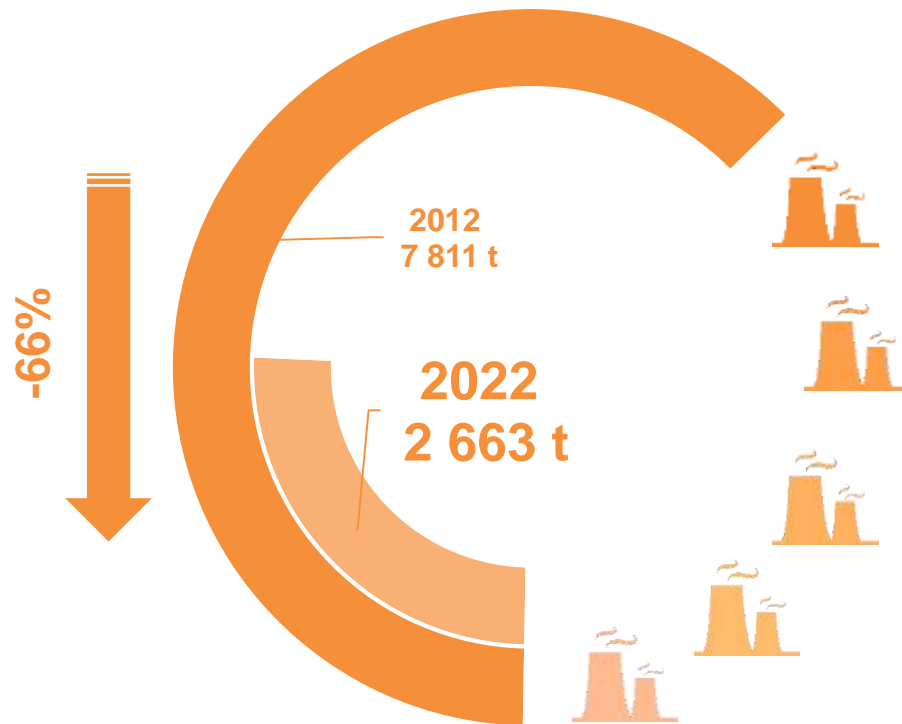




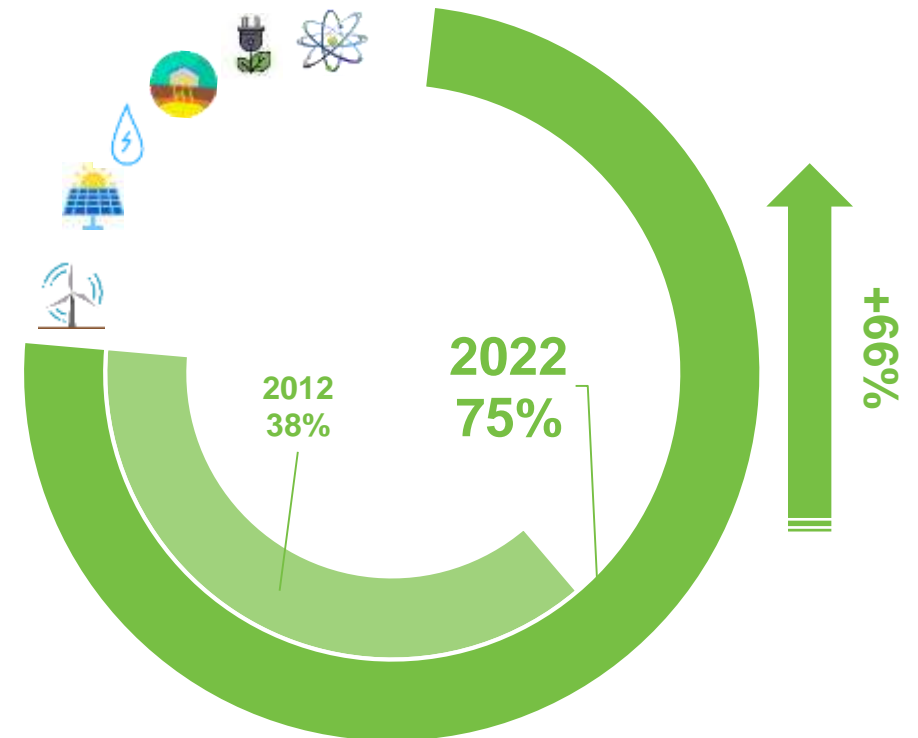
# ECOLOGICAL RESPONSIBILITY

## MORE GREEN ELECTRICITY

tCO2 emission of carbon-based electricity  
2012 vs 2022



Proportion of non-carbon-based electricity  
2012 vs 2022



VIDEOTON is committed to make up the portfolio from as many non-carbon based energy sources as possible.

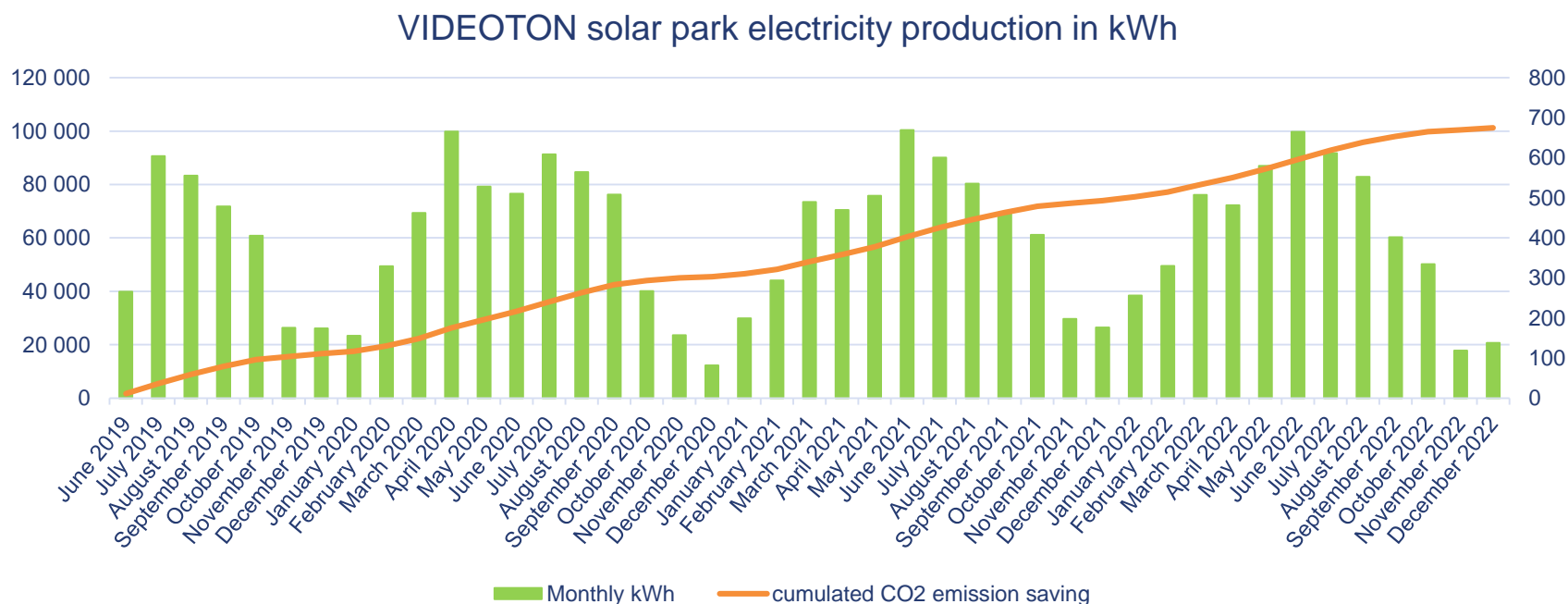
# ECOLOGICAL RESPONSIBILITY

## PRODUCING GREEN ENERGY

VIDEOTON contributes to establish a more sustainable energy mix with its **own solar park opened in 2019**. The park has saved 570 t CO<sub>2</sub> emission in its three and a half years operation, which equals to the absorption of CO<sub>2</sub> from a 100-hectare oak forest.



VIDEOTON's solar park opens in 2019



 **0,5 MW**

CO<sub>2</sub> absorption of  
**100**  
hectare oak forest

2023

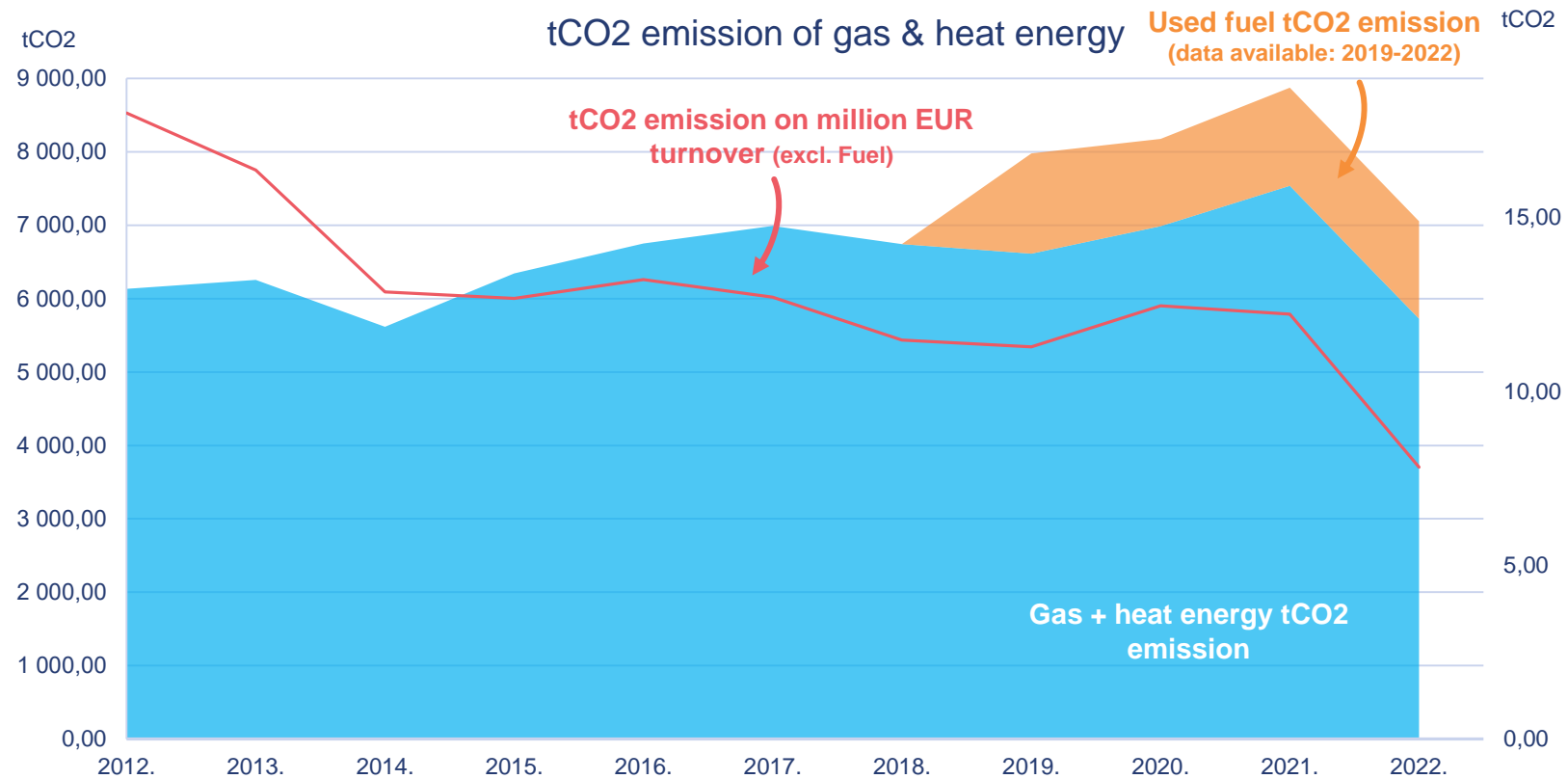
 **+1 MW**

VIDEOTON opened its **1 MW new solar park** in Székesfehérvár Industrial Park in September 2023. With this new power plant VIDEOTON triples the amount of electricity produced from solar source. In addition, further **2.8 MW** solar capacity investment is planned for the near future.

# ECOLOGICAL RESPONSIBILITY

## ENERGY EFFICIENCY IN NUMBERS

SCOPE  
1

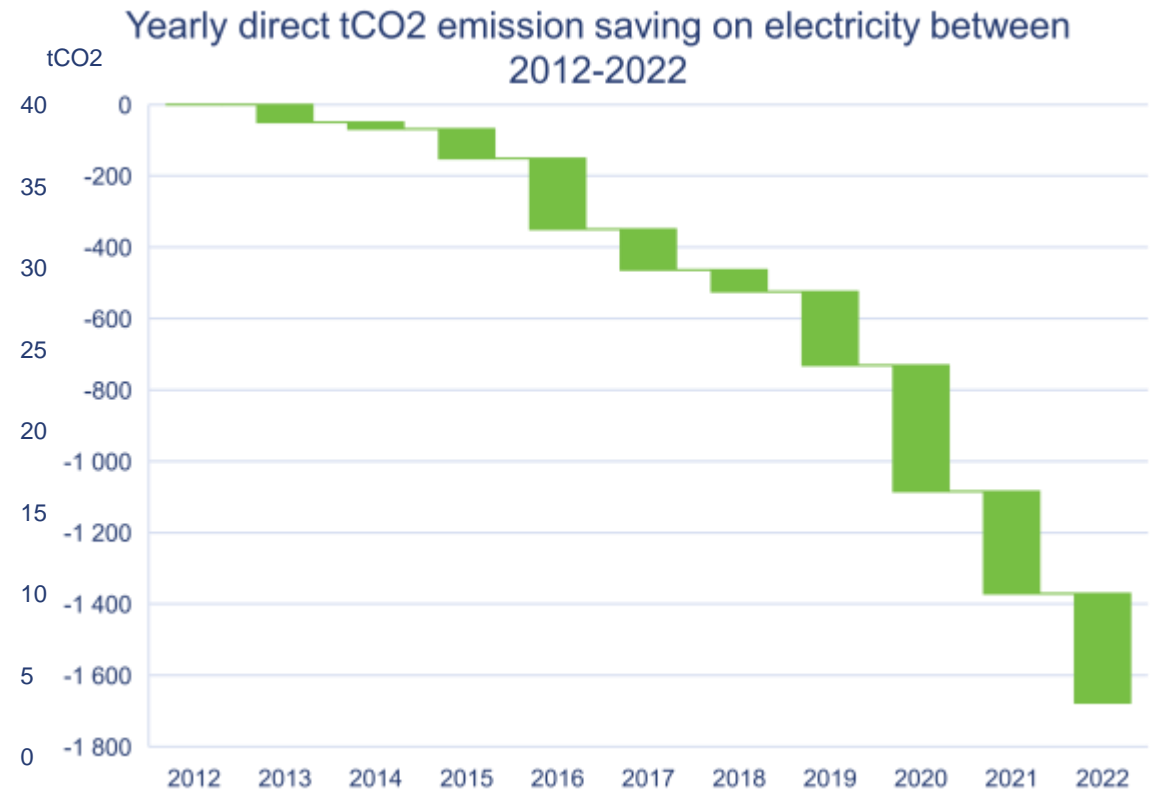
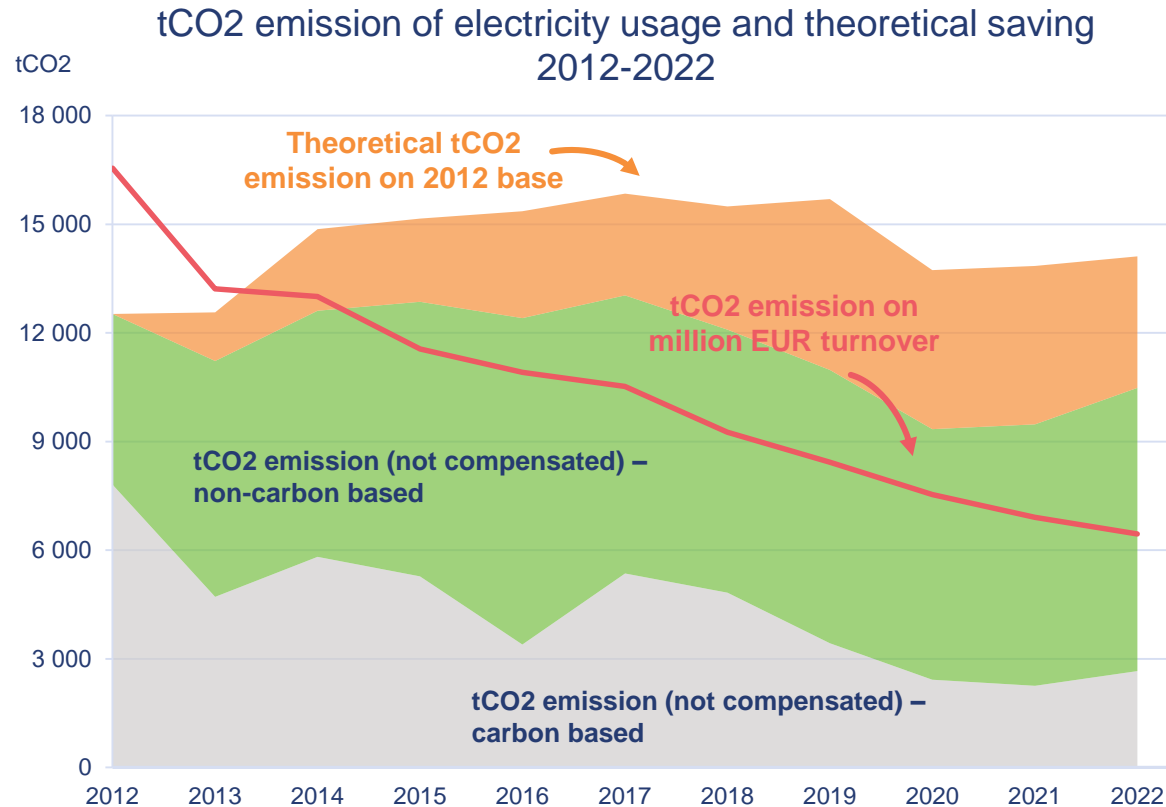


Despite the significant increase of revenue (210%) between 2012-2022, CO2-emission considering gas and heat energy usage has been slightly varied according to average.

# ECOLOGICAL RESPONSIBILITY

## ENERGY EFFICIENCY IN NUMBERS

SCOPE  
2

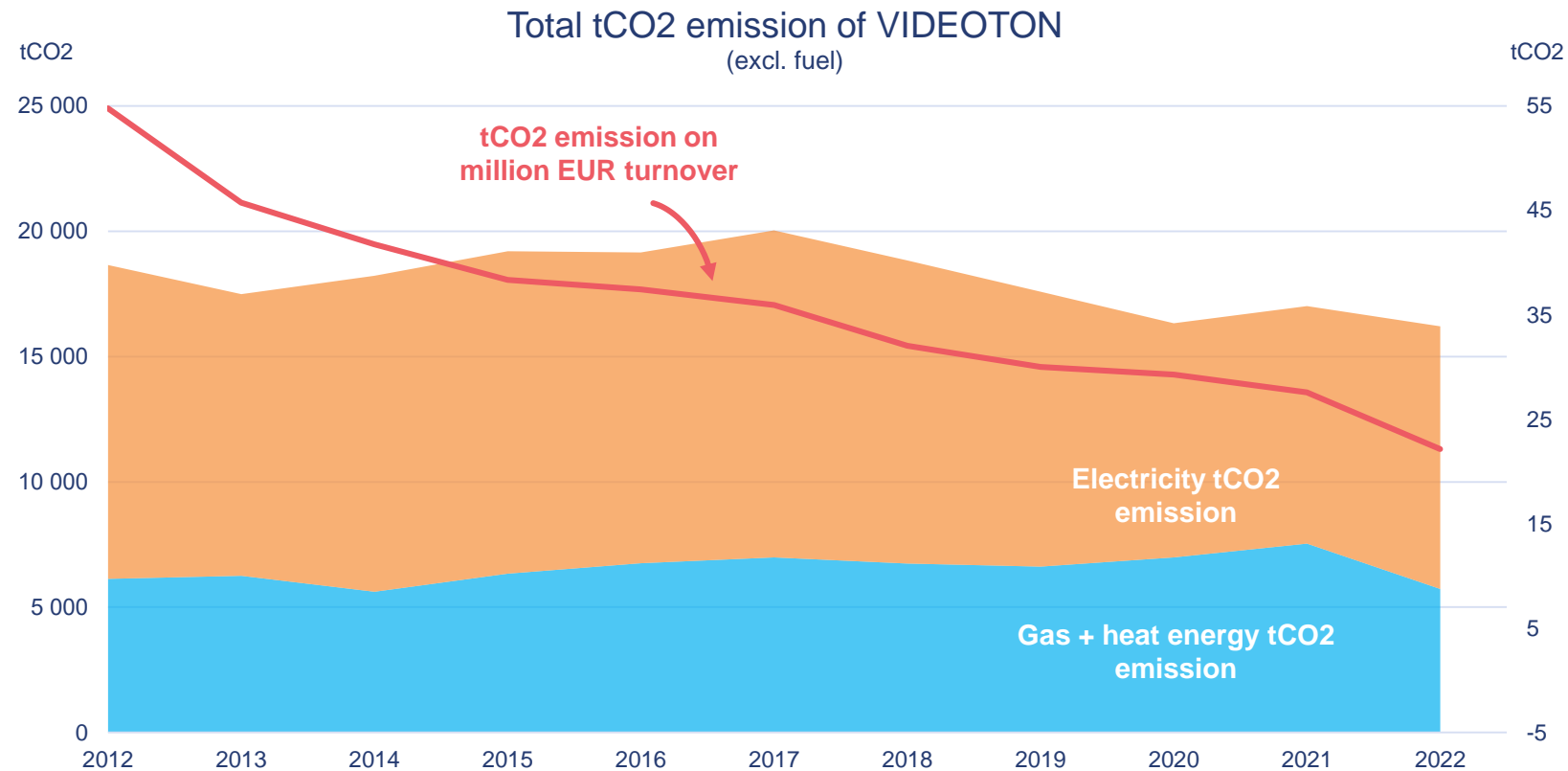


Due to more efficient usage of energy 34% of CO<sub>2</sub> is saved now vs. 2012, and 30% of this saving comes from energy efficiency investments – while VIDEOTON's revenue has grown by 210%

# ECOLOGICAL RESPONSIBILITY

## ENERGY EFFICIENCY IN NUMBERS

SCOPE  
1+2



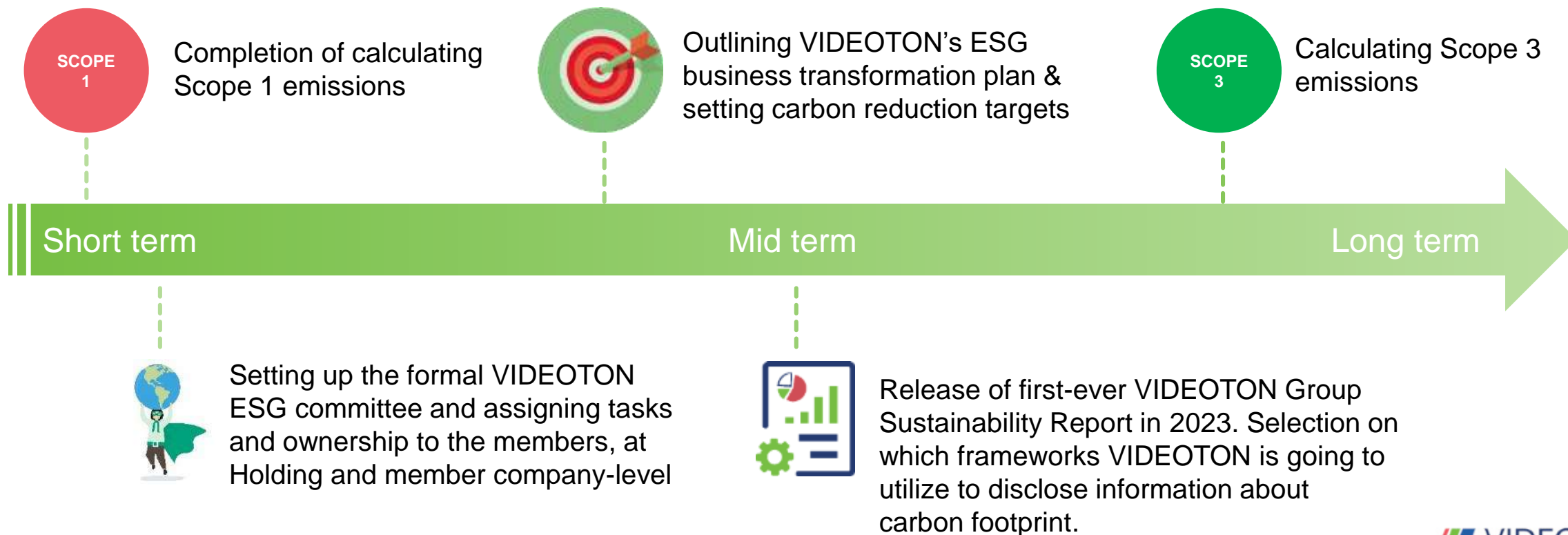
Despite the continuous improvement of VIDEOTON's revenue the total CO<sub>2</sub>-emission of VIDEOTON has been significantly decreased in recent years, which resulted in 60% less CO<sub>2</sub> emission on 1 million EURO revenue in 2022 vs 2012. With further efficiency investments and more responsible energy usage the trend keeps going further down.



# ECOLOGICAL RESPONSIBILITY

## FURTHER STEPS TO REACH CARBON NEUTRALITY

We are aware that our task to reach carbon neutrality is not complete yet but **must be part of our everyday lives to achieve it.**



# SOCIAL RESPONSIBILITY

## WE TAKE CARE

Social responsibility means **caring**.

We care for our **employees and their families**, for their working conditions, physical and mental health. Beyond that we also care for **local and regional communities** in the spirit of **corporate citizenship**.

### WE SUPPORT

Culture and health

Employees in need

Education

Volunteering

Sports activities

Employee's wellbeing

Local communities



# SOCIAL RESPONSIBILITY

## WELL-BEING, CULTURE & HEALTH

### Health care and screening programs

Preserving health is a priority for VIDEOTON, which is why we hold screenings several times a year. In addition, several free surgeries are available for our employees in our own health center.



### Culture

VIDEOTON employees can receive free season tickets to the theatre, while we seek for opportunities to provide availability of promoted tickets to various cultural events and music festivals

### Corporate holiday resorts

VIDEOTON-owned holiday resorts are available for each VIDEOTON employee and their families



We believe that **the employee who feels good** is more loyal and efficient.

In order to promote the well-being of our employees, we provide many programs and services



### Sports and events

There are several sports opportunities available for our employees, we support our self-organized sports teams, and we also organize many family days and sports competitions.



### Discounts

All VIDEOTON employees can enjoy various discounted services and products, while we also provide subsidised catering in our industrial parks

# SOCIAL RESPONSIBILITY

## VIDEOTON FAMILIES



At VIDEOTON, we believe that ensuring a good work-life balance, creating a positive and healthy work environment and protecting the physical and mental health of our employees will ultimately contribute to improving our competitiveness.

**For this reason, we place great emphasis on ensuring the well-being of our employees and the conditions for family-friendly operations.**

### Families

#### **Reintegration of parents with small children, work during maternity / paternity leave**

We keep contact with parents on maternity / paternity leave, and we ensure their return either in the previous or the best suitable position. We are open to part-time employment and also their working during maternity / paternity leave.

### Flexibility

#### **Home office and flexible working hours**

In positions where it does not impede the efficient performance of work tasks, we provide colleagues with the opportunity to work part-time and / or remotely, subject to managerial approval.

#### **Baby gifts for newborns**



### Children

#### **Children camps**

Organizing a children's summer program is a big financial and organizational burden for many parents. We provide parents with opportunities of day camp programs organized by the VIDEOTON Foundation for Workers. This way all of our employees' elementary school children have free access to meaningful recreation during the summer break.



# SOCIAL RESPONSIBILITY

## EMPLOYEES IN NEED

### Family members care for each other.

We believe that the VIDEOTON community is a big family, and we should care for each other, especially for those who are most in need. Shall it mean individuals in a difficult life situation, or a group of people with certain circumstances, VIDEOTON helps them with financial or material support through its VIDEOTON Foundation for Workers.

### VIDEOTON Foundation for Employees

The VIDEOTON Foundation for Workers was established in December 1998 with the aim of improving the social and cultural situation of VIDEOTON's employees and pensioners. The Foundation regularly supports any employee with difficult life situations (e.g. critical financial situation, death or health issues of an employee or a family member, vis major, property damage due to natural disasters, etc.)



### Supporting Ukrainian co-workers

Almost 200 Ukrainian colleagues were employed in VIDEOTON before the outbreak of the war in Ukraine. After that VIDEOTON made a lot of efforts to help these workers to bring their families to Hungary, we organized their accommodation, school and day care for children, and also offered jobs for those who could work.

### Most recent examples



### Convenient loans & aids

Our colleagues can apply for beneficial loans to buy or renovate their property. In case of force majeure our employees can also receive non-refundable financial aid.

We also offer temporary accommodation for the families whose house is under reconstruction.



# SOCIAL RESPONSIBILITY

## EDUCATION & FUTURE EMPLOYEES

**People are our most important resource.**

The knowledge, the capabilities, the personalities of our colleagues shall be valued and we do our best to offer them opportunities to grow. Also, we shall show a good example to future generations and engage their interest in industrial production through plant visit programs, and we support local schools either in terms of participating in career day events or we financially support their developments.



**42**

Dual training university  
students between 2015-2023

**5 000+**

Colleagues participated in  
fully funded trainings and  
courses between 2014-2022



# SOCIAL RESPONSIBILITY

## LOCAL COMMUNITIES & VOLUNTEERING

As one of the biggest Hungarian employers we feel responsible for not only our people but also **the cities where we operate**. Supporting these communities as a company and motivating our employees with such good examples are the key elements of our CSR activity.



### Volunteering

We support our colleagues to participate in various volunteering events  
(e.g. community cleanup programs, locally organized school renovations, etc.)



### Supporting fight against COVID

VIDEOTON supported the hospitals & ambulances, local governments, social care & schools, etc. during the COVID-19 pandemic. Beside the financial aid we purchased disinfecting equipment & respirator machines, special face protection, different equipment for diagnostic and healing process, but also masks for healthcare and everyday usage.

### Most recent examples



### Help for communities

We try to offer a helping hand for those in need with the cooperation of the Hungarian Reformed Church Aid we delivered food, household and baby hygiene products to Transcarpathia.

### Blood donation

The appr. 180 l blood donated yearly by VIDEOTON employees (events organized and supported by the company) saves about 400 lives



# DIVERSITY & INCLUSION

## TALENT IS TALENT

We at VIDEOTON believe that diversity helps us to reach business success. By creating an inclusive environment and equal opportunity programs for the disadvantaged, we not only improve our competitiveness but also contribute to social justice.

**We are aware that the creation of equal opportunities, diversity and an inclusive environment is not complete yet but must be part of our everyday lives to achieve it.**

Gender equality

Age equality

Disability equality



# DIVERSITY & INCLUSION

## GENDER EQUALITY



3 277

women work for VIDEOTON  
(2022)

29%

of managers are women  
(2023)

34% in technical and engineer  
positions are women  
(2023)

### EQUALITY IN RECRUITMENT

- No gender discrimination in description of job positions and ads
- No gender filtering of applicants
- We aim to invite as many women to interview as men
- Same salary for same abilities and skills regardless of gender

### VIDEOTON FOR WOMEN

- **We plan to launch a corporate support group** of female leaders and volunteers who would advise, encourage and support women employees.
- The group would organize trainings, programs for women and also provide mentorship for them

### EQUALITY IN CAREER PATH

- Gender is never the topic of career path planning. We offer equal opportunities to any of our employees
- As for promotions, we never exclude any of the potential candidates because of their gender

### SCHOLARSHIP FOR WOMEN

- The gender imbalance in technical and engineering careers originates from the underrepresentation of women in education of these fields
- Therefore, **we plan to launch a scholarship program** for women in universities of engineering, science and technology

Programs in place

Programs planned

**VIDEOTON is committed to gender equality and the empowerment of women.** We are aware that **female employees are under-represented in the business sectors of the VIDEOTON Group**, especially in the fields of science, technology and engineering, but achieving a better gender balance is a top priority for VIDEOTON. In order to promote gender equality, we ensure equal opportunities in recruitment and employment, and we strive to make technical and engineering careers more attractive to women as well.



# DIVERSITY & INCLUSION

## AGE EQUALITY



**26%**

of employees are  
younger than 35  
(2023)

**131**

employees have been  
working at VIDEOTON for  
more than 30 years  
(2023)

**We believe that talent is not a matter of age.** We aim to realize and develop generational diversity, because each generation contributes to our success by learning from each other and strengthening each other. We do everything we can to help young people develop and fulfill their potential, while we are proud to be able to build on the experience of many of our employees until or beyond retirement.

### Start @ VIDEOTON

We want to provide a good opportunity for talented young people, especially young graduates, with our programs below

#### Scholarship

VITAL  
(Videoton Talent Program)

#### Study & work

Dual education  
program

#### Young professionals

VIDEOTON YOUTH  
program

### Develop by VIDEOTON

**Our long-term plans** include a **mentorship program** to facilitate knowledge sharing between generations. During the program, the integration and professional development of young employees will be facilitated by senior mentor colleagues with extensive professional experience and / or special expertise.

### Gain experience by VIDEOTON

VIDEOTON recognizes the experience and expertise of its senior colleagues and values their loyalty to the Group. We are especially proud of our colleagues who work at VIDEOTON until they retire, and we take good care of them during the well-deserved years of rest.

#### Value loyalty

Through our Long-term employee incentive program, we reward employees with 10-15-20+ etc. years spent at VIDEOTON

#### After VIDEOTON

We support our retired colleagues with regular events like clubs, parties, and also provide them with health care support.



# DIVERSITY & INCLUSION

## DISABILITY EQUALITY

We at VIDEOTON believe that everybody can find a place with us.

We encourage the employment of individuals with disabilities, and thanks to our size and various activities we strive to find the most suitable position for them, and we do our best to support these colleagues with an inclusive environment.

**2%** of VIDEOTON employees live with a disability (2022)

They are overrepresented in white-collar positions and 65% of them are women





For more information regarding sustainability and corporate responsibility please check our full documentation

Code of Conduct and Ethics

Charta of Equal Opportunities and Ethics

ESG business transformation plan (tbd)

Learn more about VIDEOTON

[www.videoton.hu](http://www.videoton.hu)

**ONE PARTNER** 

**MULTIPLE POSSIBILITIES**