

SUSTAINABILITY REPORT

VIDEOTON GROUP 2025.

Foreword

Technology, Stability, Sustainability and Dynamism – these are the four fundamental pillars that have characterized VIDEOTON's development over the past 30 years.

- ✓ Technology: As an industrial manufacturer, modern, high value-added technologies are the key to our competitiveness. This enables us to compete successfully with the market pressure from the Far East faced by European service providers.
- ✓ Stability: On the one hand, it means our solid financial background; on the other hand, it guarantees that VIDEOTON – as one of Hungary's largest employers and a leading, exclusively Hungarian-owned corporate group – is committed to the Central and Eastern European region. We manufacture, develop, create jobs locally, and take responsibility for the impacts of our activities.
- ✓ Dynamism: Our continuous ability to adapt to the market environment and customer expectations. This has enabled us to provide successful responses to the challenges of the past three decades.
- ✓ Sustainability: Although compliance with environmental regulations has always been fundamental for us, the importance of sustainability has become even more significant in recent years. Instead of "greenwashing", VIDEOTON chose the honest and rational path: even before the global energy crisis, it implemented real, effective investments that materially reduced energy consumption.

For us, sustainability goes beyond protecting the environment: it also includes the well-being of our employees, long-term business partnerships and the development of our local communities. In our strategy, social responsibility and responsible business policy are intertwined: our aim is to build the community and ensure operations that are sustainable over the long term.

The following Sustainability Report presents the results of the recent period and our plans for the near future. We know that many tasks lie ahead, but we are committed to leaving a prosperous, sustainable model to future generations.

Because this is the only way it can be done, and the only way it is worth doing.

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Our ESG credo

As a responsible corporate group, VIDEOTON strives for sustainable operations, which for us is a comprehensive concept and includes



environmental



business
responsibility,



and social



as well as diversity
and inclusion

We believe that we are **responsible** for every **social and environmental impact** arising from the activities of our Group. As one of the region's leading EMS (Electronic Manufacturing Services) manufacturers and one of Hungary's largest employers, we must set an example for other companies and our employees both in our operations and in terms of social and environmental responsibility.

Environmental responsibility



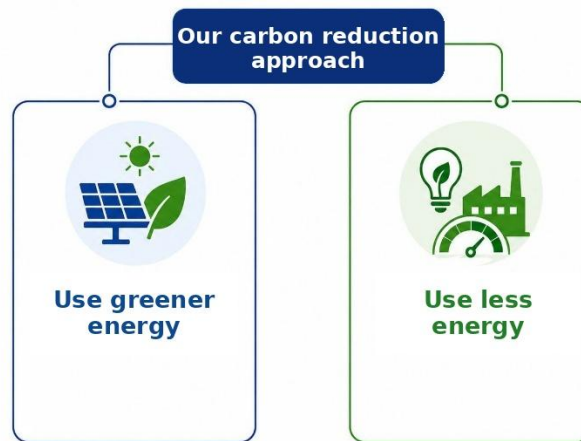
Environmental and climate change caused by human activity has encouraged us to operate more sustainably for decades, but this imperative has never been as urgent as in the 2020s. In our view, environmental awareness and energy efficiency are the result of making more conscious choices: not only in relation to developments and investments, but also across our entire operations and business decisions.

Our fundamental objective is to reduce the carbon footprint of the Group, and to achieve this we make the following commitments:

- ✓ Compliance with national and international legislation in the field of sustainable development and the reduction of net carbon dioxide emissions
- ✓ Implementation of the principles of the circular economy, including the analysis, implementation and sharing of best practices aimed at reducing carbon dioxide emissions
- ✓ Ensuring continuous monitoring of carbon dioxide emissions
- ✓ Improving the accuracy of carbon dioxide emissions measurement and data management
- ✓ Giving preference to renewable and carbon-neutral energy sources
- ✓ Giving preference to logistics concepts with a more favorable carbon footprint
- ✓ Responsible use of resources (energy, water and raw materials)
- ✓ Responsible waste management
- ✓ Planting green vegetation and trees at our sites, and preserving and protecting existing ecological diversity
- ✓ Improving the energy and environmental awareness of our employees

Carbon reduction – measurable results, continuous improvement

Our carbon reduction approach is based on two rational principles: **use greener energy and use less energy**. Accordingly, in every area where our operations can materially influence our emissions, we actively seek and implement reduction opportunities.



At the same time, we are working to make our energy use more efficient, increase the share of renewable energy, expand our own energy generation capacities and measure our emissions with increasing accuracy. Our approach is based on **continuous improvement and achieving real, measurable results**. We calculate our emissions based on the **GHG Protocol methodology** and its recommendations.

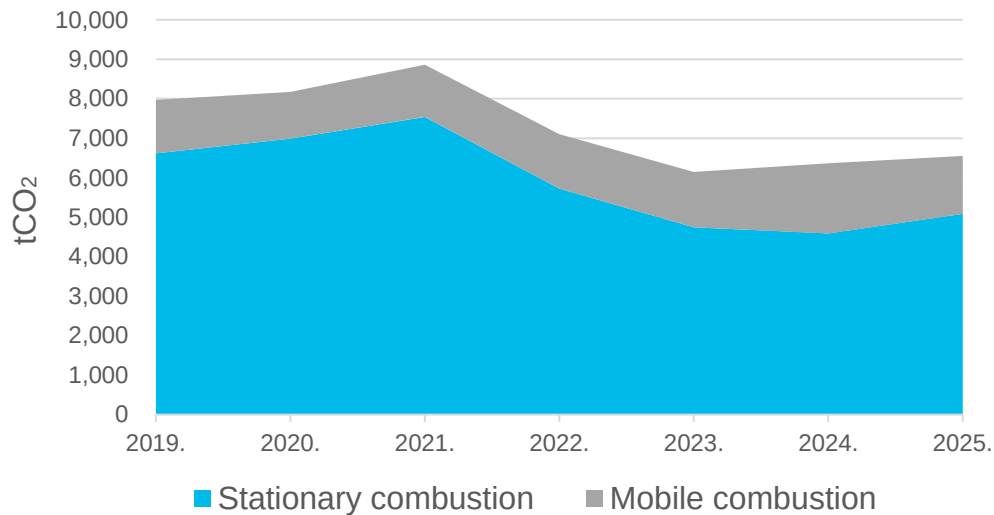
Scope 1 – lower energy consumption, lower direct emissions

Scope 1 emissions **decreased by nearly 18% between 2019 and 2025, from 7,970 tCO₂ to 6,555 tCO₂**. Following the 2021 peak, we achieved a further significant reduction, to which both energy consumption optimization and energy efficiency measures contributed.

Scope 1 currently includes direct emissions from natural gas and heat consumption, as well as gasoline, diesel and LPG consumption. **The methodology of our Scope 1 calculations has remained unchanged since 2019**, so the development of our emissions can be tracked and compared consistently over the long term.

Our most important tool in this area is the **continuous improvement of energy efficiency**. This is supported by the **ISO 50001 energy management and ISO 14001 environmental management systems** operating at our member companies, as well as regular monitoring and optimization of energy consumption.

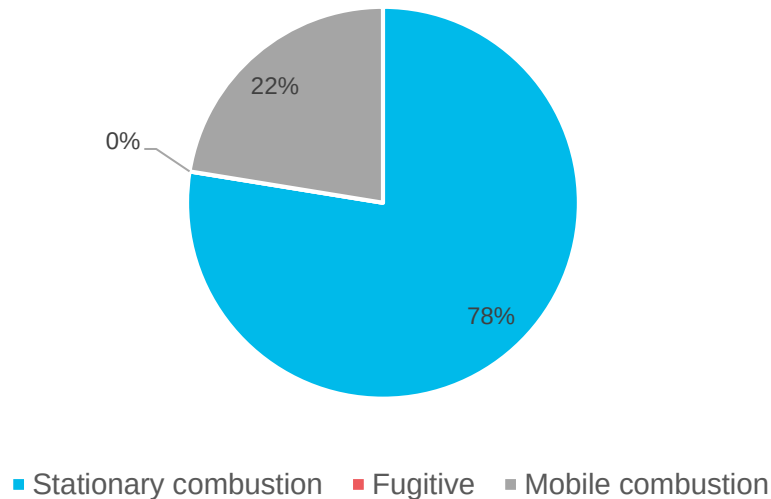
Scope 1 emissions trend



In line with the GHG Protocol categorization, **we track our Scope 1 emissions in three areas: stationary combustion, mobile combustion and fugitive emissions¹**. The largest share is stationary combustion, i.e. energy use primarily related to heating industrial buildings and production halls. In this area, we continuously seek opportunities to improve energy efficiency and reduce emissions, while regularly reassessing the applicability of alternative, lower-carbon-intensity heating solutions in parallel with technological and energy market developments.

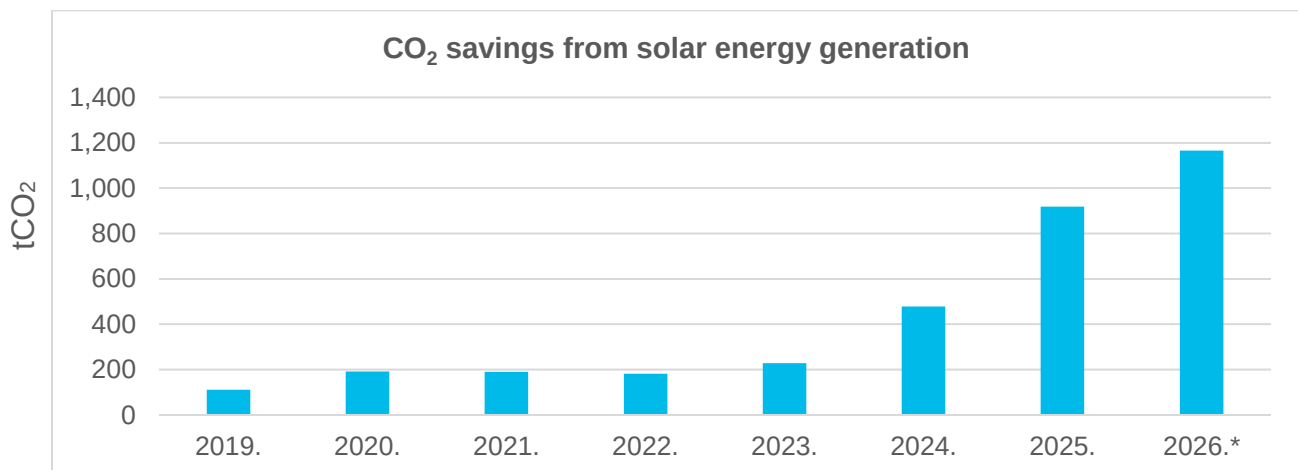
Mobile combustion – emissions primarily related to gasoline, diesel and LPG consumption – accounts for around 25% of our Scope 1 emissions. Here, we aim to rationalize consumption, operate more efficiently and – where technically and economically justified – gradually adopt lower-emission solutions. The third area is fugitive emissions, such as potential refrigerant losses. The level of emissions identified in this category is so low that it currently does not constitute a material emissions item. **Our goal in all three areas is the same: to consistently measure the emissions we can influence and, where possible, reduce them further.**

Scope 1 emissions by source (2025)



Scope 2 – increasing use of our own renewable energy generation

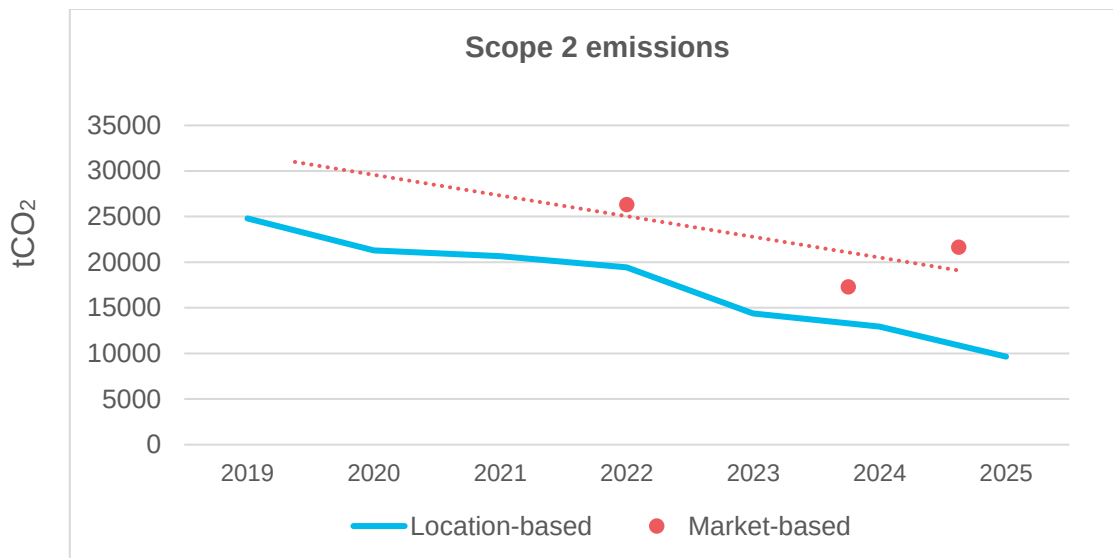
The continuous expansion of our own renewable energy generation plays a decisive role in reducing our Scope 2 emissions. The **first 500 kW solar park commissioned in 2019** was followed by an **additional 1,000 kW in 2023, 802 kW in 2024 and approximately 3,520 kW of new capacity in 2025.**



These investments clearly reflect our approach: where our own decisions can directly reduce the amount of energy purchased from the grid and thereby our carbon footprint, **we take action through concrete investments.** In addition, we continuously examine further opportunities for energy efficiency, renewable energy generation and energy storage.

We are also continuously improving the measurement of Scope 2 emissions. In the absence of reliable, longer-term consistent supplier data, we previously used only **Nowtricity's country-level, location-based emission factors**. However, actual supplier data became available first for 2022 and then **from 2024 onward**, so in addition to the location-based approach, we also perform market-based calculations. This provides a more accurate and nuanced picture of the emissions impact of our electricity consumption.

Due to the characteristics of the Hungarian electricity market, there can be a significant difference between the two calculation methods. The market-based result is influenced, among other things, by the supplier energy mix, the residual mix and changes in the market for guarantees of origin, i.e. factors over which we as a company have only limited influence. Therefore, we use the **location-based and market-based results as complementary indicators**.



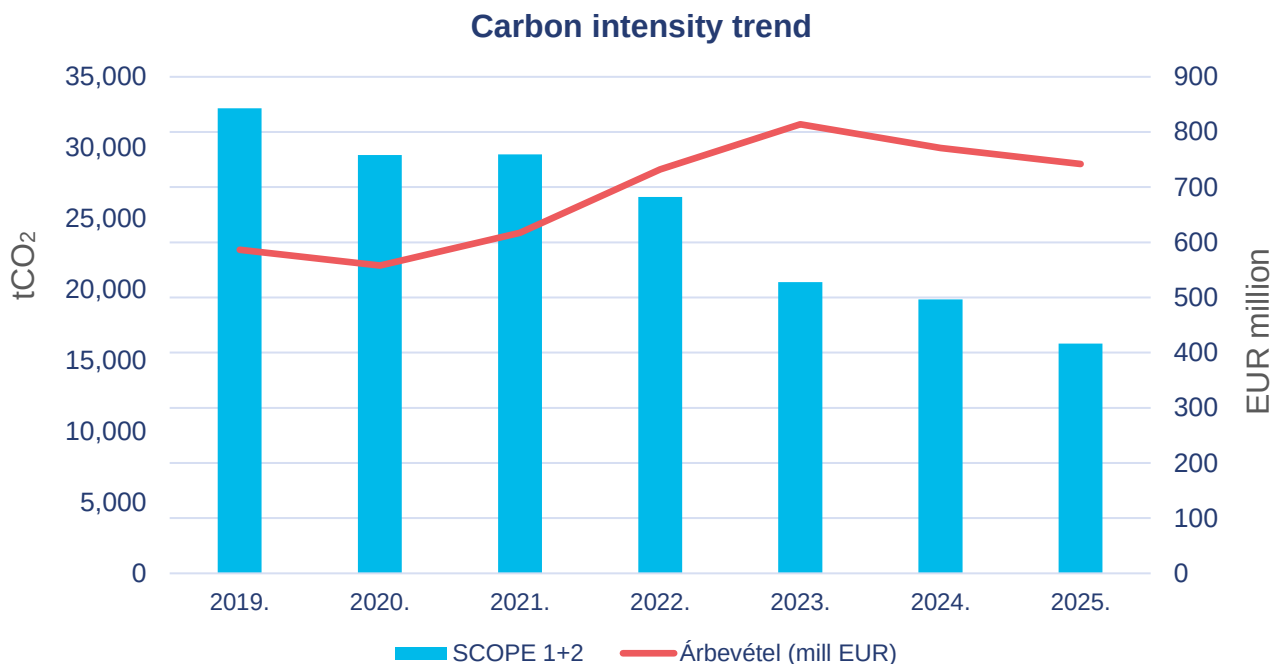
The long-term location-based time series shows a clear result: **our Scope 2 emissions decreased by approximately 61% between 2019 and 2025, from 24,804 tCO₂ to 9,652 tCO₂**. This is also confirmed by the trend in market-based data.

However, the visible increase from 2024 to 2025 is primarily explained by a significant rise in the supplier emission factor: the market-based factor increased from 259 to 381 gCO₂/kWh, while the location-based factor decreased from 194 to 170 gCO₂/kWh over the same period. This can be explained by a change in the supplier's energy mix calculation methodology. **We therefore align our own emission reduction measures not with the change in a single annual factor, but with long-term performance and the energy consumption that we can actually influence.**

More business value with lower carbon intensity

The combined result of our measures is clearly visible: **our Scope 1+2 location-based emissions measured in our own operations decreased by 48% between 2019 and 2025, from 32,774 tCO₂ to 16,206 tCO₂.**

VIDEOTON's business performance and carbon efficiency have developed in a favorable direction in recent years. Between 2019 and 2025, Group revenue **increased by 27%**, while Scope 1+2 CO₂ emissions intensity relative to revenue **decreased from 56 tCO₂/EUR million to 22 tCO₂/EUR million, i.e. by 61%**. At the same time, revenue per tonne of CO₂ emissions increased by more than two and a half times. **The results clearly show that through our energy efficiency measures, renewable energy investments and continuous optimization of our operations, we create increasing business value at ever lower carbon intensity.**



Scope 3 and product carbon footprint – towards a more complete picture

VIDEOTON regards the measurement of Scope 3 emissions and product-level carbon footprint (PCF) as the next important area of development. **We continuously expand and assess** our data on indirect value chain emissions, while following the development of international good practices, databases and supplier emission factors.

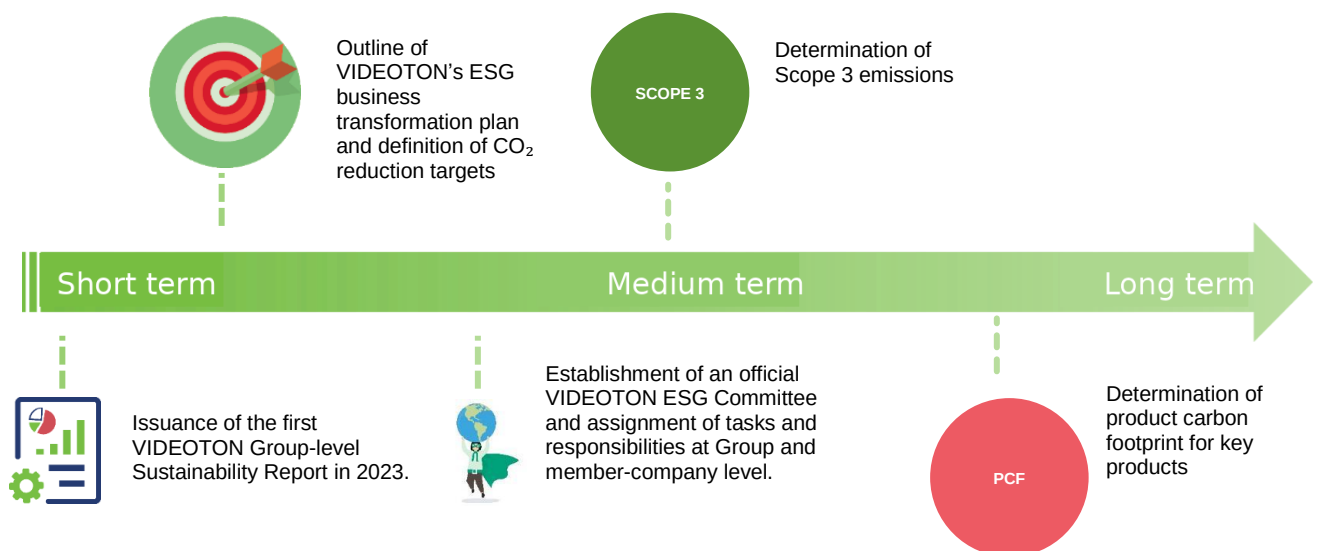
Our product portfolio is extremely diverse: it ranges from simpler products consisting of a limited number of raw materials and components to complex electronic systems containing several thousand integrated

components. We have already started product-level **carbon footprint calculations through pilot projects** for simpler products, and, building on the experience gained, we continuously improve our calculation methods and data quality.

Since methodologies and data sources used in this area are not yet fully standardized, our primary objective is to establish a credible, consistent and business-usable approach. Accordingly, we plan to publicly disclose our Scope 3 data **once it has an appropriate level of reliability and comparability**; however, upon customer request, we are already able to prepare estimates based on the data currently available.

Our objectives

We are aware that our tasks aimed at achieving carbon neutrality are not complete. The pursuit of carbon neutrality has been part of our everyday life until now and must become even more so in the future; at the same time, the current global energy crisis has further highlighted the importance of energy-efficiency decisions.



Business responsibility

VIDEOTON is not just a brand name referring to a corporate group. Thanks to our three decades of history, our continuous ability to adapt to changing market conditions and years of hard work, we can rightfully say: the VIDEOTON name also stands for reliability and quality.

For the above reasons, preserving the meaning of the VIDEOTON name requires us to set strict rules for our business operations, compliance with which we require not only from our member companies and employees, but also from our partners – thereby guaranteeing the conditions for a long-term business relationship beneficial to all parties.

In terms of our business responsibility, our **core values** are built on three pillars:

Fair business practices



Transparency



Considering indirect impacts



Fair business practices

We treat our business partners ethically and offer a fair model for all stakeholders, thereby not only creating the framework for long-term cooperation, but also enabling every participant to achieve a level of profit that protects our financial independence and contributes to our organic growth. We expect the same approach from the partners we work with.

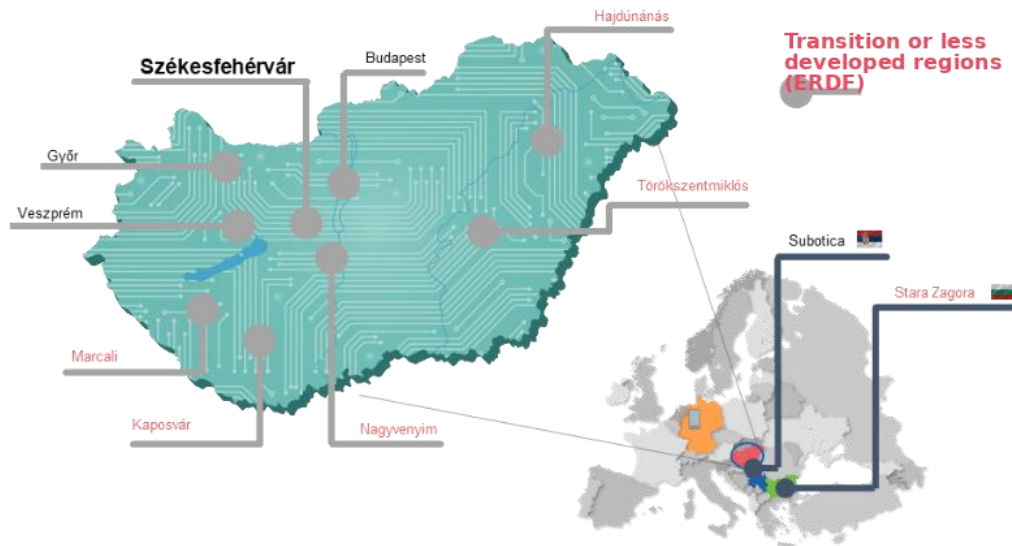
- ✓ We comply with and enforce our agreements
- ✓ We strive for win-win situations
- ✓ We comply with legal requirements in all cases, never participate in or support illegal activities, and fully respect antitrust and competition law requirements.

Transparency

In our operations, we communicate transparently and disclose data in all cases, and we expect the same in our partner relationships. We reject all forms of corruption and support free competition. We regard transparency as one of our core values and disclose true data regarding our business results.

- ✓ Fair competition leads to more efficient operations, which is why we prohibit any kind of secret agreements or even the acceptance of business gifts.
- ✓ Every business decision and agreement goes through the appropriate prescribed documentation process
- ✓ The data and information obtained during our business processes constitute an extremely valuable part of our “assets”; therefore, confidentiality is an integral part of our work and success. This applies both to our own data and to our partners’ data, which are subject to the strictest confidentiality rules.

Considering indirect impacts



VIDEOTON sites 2023.

We continuously assess the indirect economic impacts of our business activities. We make ethical social decisions, which include a responsible location policy, appropriate investment and wage policy, and supply-chain strategy.

- ✓ Location strategy: keeping our organic growth in mind, when making investments we also consider their regional impacts
- ✓ As one of the largest regional EMS manufacturers, we aim to play a leading role in the development of industrial clusters in Central and Eastern Europe, particularly in Hungary; therefore, whenever possible, we work with local suppliers.

Social responsibility



For us, social responsibility means care.

We care for our employees and their families, their working conditions, and their physical and mental health. Beyond this, we also feel responsible for the local and regional communities that are home to us.

Well-being, culture and health

We believe that an employee who feels good is more loyal and more efficient, so to promote the well-being of our employees, we provide numerous programs and services:

- ✓ Health screening programs; our own medical clinic with numerous specialist services
- ✓ Subsidized sports opportunities
- ✓ Subsidized holidays at our own holiday resorts
- ✓ Subsidized or free participation in cultural events (theatre, concerts, festivals)
- ✓ Discounts at numerous service providers (e.g. restaurants, wellness, shopping discounts)

Supporting families

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

For this reason, we place great emphasis on ensuring the well-being of our employees and providing the conditions for family-friendly operations, as a result of which we first received the Family-Friendly Workplace title in 2022 and have continued to receive it regularly since then.



- ✓ Support for employees on GYED/GYES: we maintain continuous contact with our employees on maternity/paternity leave, we are open to flexible or part-time forms of employment, thereby also facilitating the return of employees returning from parental leave.
- ✓ Flexible employment opportunities: the “home office” practice or flexible working hours are available within our Group in positions where the nature of the work allows it. In addition, by introducing shifts aligned with school hours in production-related positions, we have made it easier for many parents with young children to organize work and private life

- ✓ Organization of children's camps: every summer, for a period of 4 weeks, we care for our employees' primary-school children in free day camps.

Supporting employees in difficult situations

Family members care for each other. We believe that the VIDEOTON community is one large family and that we must care for one another, especially those who need it most. Whether it is employees in difficult life situations or crisis situations affecting communities, we try to support them with in-kind or financial assistance.

VIDEOTON Foundation for Employees

The [VIDEOTON Foundation for Employees](#) was established in December 1998 with the aim of improving the social and cultural situation of VIDEOTON employees and retirees. The Foundation regularly supports any employee who is in a difficult life situation (e.g. severe financial hardship, death of an employee or family member, health problems, serious property damage caused by a natural disaster, etc.).

- ✓ Funeral assistance in the event of the death of a relative
- ✓ Non-repayable grants (e.g. in the event of a health problem or a severe natural disaster)
- ✓ Temporary or permanent housing options
- ✓ [Support for Ukrainian employees](#): the Russian-Ukrainian war that broke out in 2022 affected VIDEOTON primarily through our nearly 200 Ukrainian colleagues already working with us at the time. For them, we organized the safe transport of their families to Hungary, handled their legal status, arranged accommodation in housing supported or provided by us, ensured their full provision, and arranged education for the children. We provided jobs for adults who were able to work. The number of our Ukrainian employees was 400 in February 2023.

Investing in the future: workforce development

Human capital is our most important resource. The knowledge, skills and personalities of our colleagues must be valued, and we do everything we can to offer them development opportunities. In addition, through factory visit programs we set a good example for future generations and raise their interest in industrial production; we also support local schools, whether by participating in career-day events or by financially supporting their development projects.

- ✓ We participate in the dual education program
- ✓ Education support: we contribute to obtaining vocational qualifications, degrees and second degrees
- ✓ Every year we participate in the [Night of Modern Factories](#) event series, and we also organize numerous factory visits for groups ranging from primary schools to universities.

Local communities and volunteering

As one of Hungary's largest employers, we feel responsible not only for our employees but also for the residents of the communities that are home to us. Supporting these communities is a key element of our CSR activities.

- ✓ Fight against COVID: through in-kind and financial donations, we supported frontline institutions, social institutions and schools.
- ✓ Support for communities in need: we provided financial and in-kind assistance to settlements in Transcarpathia, and, in February 2023, to the victims of the earthquake in Turkey.
- ✓ Volunteering: we encourage our employees to participate in various voluntary activities (e.g. blood donation several times a year, Te Szedd! Program, KÉPES program, etc.).

Diversity and inclusion

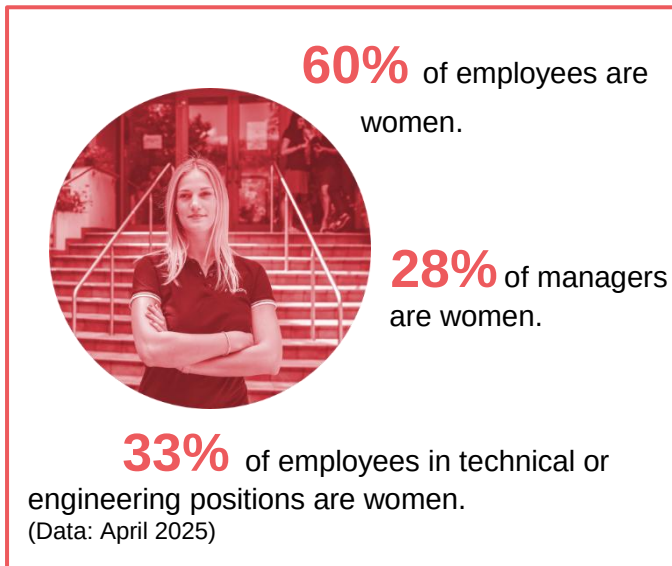


At VIDEOTON Group, we believe that the diversity of our employees contributes to our business success; by creating an inclusive environment and launching equal-opportunity programs for disadvantaged groups, we create a corporate environment that not only improves our competitiveness but also contributes to social justice.

We are aware that the task of creating equal opportunities, diversity and an inclusive environment is not complete; it must be part of our daily business. At the same time, with every decision we strive to create a workplace where all our employees feel valued, can expand their knowledge both individually and as members of the team, and can perform their duties without discrimination of any kind.



Promoting gender equality



VIDEOTON is committed to gender equality and to improving the rights and position of women. We are aware that female employees are underrepresented in VIDEOTON Group's business sectors, particularly in scientific, technical and engineering fields; however, achieving a better gender balance is an absolute priority for VIDEOTON. To promote gender equality, we provide equal opportunities in recruitment and employment and strive to make technical professions and engineering careers attractive to women as well.

- ✓ **Equal opportunity in recruitment:** achieving a healthier gender balance starts with recruitment, so we place great emphasis on ensuring that job descriptions do not convey gender discrimination in any way. We do not filter applicants by gender, and we strive to provide opportunities to nearly as many female applicants as male applicants. We offer equal pay to female and male applicants applying for the same position with the same qualifications.
- ✓ **Equality in career paths:** gender is never a consideration in career planning, nor do we assess candidates by gender in the case of promotions.
- ✓ **Scholarship program for women:** Considering that the proportion of women in technical and engineering careers is lower, which can be traced back to the gender imbalance in education, VIDEOTON Group plans to provide scholarships to talented women studying technical, engineering and natural sciences at selected universities and higher education institutions. In addition, VIDEOTON Group strives to participate in civil-society or government-initiated programs aimed at making technical careers more attractive to women.
- ✓ **VIDEOTON a Nőkért / VIDEOTON for Women:** VIDEOTON's long-term plans include establishing the VIDEOTON for Women corporate support group, whose members would be female leaders as well as, on a voluntary basis, any employee who regards improving the position of women within the company as a personal cause and is willing to act for it. The organization will support the achievement of the objectives through various initiatives, programs, training courses and support for talented female employees.

Generational diversity



We believe that talent is not a matter of age. We strive to ensure that generational diversity is put into practice across our Group and that the individual generations contribute to our success by learning from and strengthening one another. We do everything we can to help young people develop and fulfil their potential, while we are proud that we can rely on the experience of many of our colleagues until retirement, and even beyond.

Start at VIDEOTON

We aim to provide good opportunities for talented young people, especially young graduates, through the following programs:

- ✓ **Dual education program:** for university students we launch dual education programs in which students have the opportunity to put the theoretical knowledge they have acquired into practice immediately. After completing their studies, young people participating in dual education will possess practice-oriented knowledge that enables them to enter the world of work without being complete beginners.
- ✓ **VIDEOTON Talentum Program (VITAL):** The aim of the application program is, on the one hand, to provide training opportunities for students pursuing studies related to the activities of VIDEOTON Group, thereby helping their employment and career start; and, on the other hand, to ensure an adequate long-term supply of specialists for VIDEOTON Group. Successful applicants receive a regular monthly scholarship for the months affected by study obligations, provided that their academic average reaches the specified level.
- ✓ **VIDEOTON YOUTH:** the program offers opportunities to talented recent graduates or young employees who may not yet know exactly what they would like to do. Thanks to the size of VIDEOTON Group and the diversity of its activities, it can help the young colleague find the position best suited to your personality and interests, and provide a career path tailored to individual needs.

Grow with VIDEOTON

Our long-term plans include developing a mentoring system that supports knowledge sharing between generations. Under the program, senior mentor colleagues with extensive professional experience and/or specialist expertise will support the integration and professional development of young employees newly hired by the Group, primarily in white-collar positions.

We support experience

VIDEOTON recognizes the experience and expertise of senior colleagues and values their loyalty to the Group. We are particularly proud of colleagues who work at VIDEOTON until retirement, and we take proper care of them during the well-deserved years of rest as well.

- ✓ **Long-service program:** We value loyalty, therefore we reward the loyalty of employees who have belonged to our Group for a long time with a long-service award. Every VIDEOTON colleague who has been employed by a VIDEOTON member company for 10-15-20-25 etc. years receives a long-service reward.
- ✓ **After VIDEOTON:** For colleagues who retire from our Group after many years of hard work, we hold retiree clubs monthly and invite them to various corporate events, thereby helping them remain connected to VIDEOTON. To support the health of our retired colleagues, we regularly provide vitamins and continuously support retirees in need.

There is a place for you at VIDEOTON

At VIDEOTON, we believe that everyone can find their place with us. We encourage the employment of colleagues with reduced work capacity, strive to find the most suitable positions for them, and do everything we can to support these colleagues through an inclusive environment. Currently, 2% of our employees work as persons with reduced work capacity, most of them in white-collar positions, and 65% of them are women.

In addition, in 2022 we launched our "[Start Again in a Safe Place!](#)" program, specifically targeting employees who lost their previous jobs due to the changed economic situation and would like to continue in a secure workplace. Thanks to our wide range of activities, we find the best-fitting position for every talented colleague.

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