

SUSTAINABILITY REPORT 2023



A message from the Managing Director

We are pleased to share our first Sustainability Report, which outlines the efforts and achievements of our company as related to sustainability. Sustainability is of paramount importance to IBV Hungária Kft and we believe that only those who recognize the economic, environmental and social risks that need to be mitigated or avoided in due course will be able to successfully meet the challenges of the future.

We, at IBV Hungária Kft, understand these challenges as well as the need and urgency to act. Our first Sustainability Report highlights the actions our Company has taken in the areas of environment, social responsibility and corporate governance.

As one of Europe's leading manufacturers of luminaries, sustainability is a high priority for us and we believe that it should be part of our everyday operations. To be a sustainable company, we need to pay close attention to our environmental impact, our employees and our corporate culture, as our success not only depends on the final product, but also on our knowledge of our suppliers, our working environment and our customers.

Having recognized that sustainability is challenge that is changing dynamically, we are encouraged to continue our dedicated work in this area. It is important to look for innovative solutions and to be a part of the initiatives that help protect our environment and improve our society.

Thank you to all our colleagues for your dedicated work and effort in producing our first Sustainability Report and for your continued support in achieving our sustainability goals. Together we can work towards a more sustainable future.

Sincerely yours,

Gábor Czinege

Managing Director

Table of contents

A message from the Managing Director.....	2
Table of contents	3
1. About IBV Hungária Kft.	4
1.1. Products manufactured.....	5
2. Sustainability approach in our operations.....	5
2.1. Materiality assessment and our relevant topics.....	6
3. The environmental impact of our own operations	8
3.1. Energy management.....	9
3.2. Circular economy	10
3.2.1. Resource inflow, resource use and resource outflow related to products	11
3.2.2. Waste management	12
4. Our social impact - Our employees	15
4.1. Presentation of our workforce	15
4.2. Supporting our employees	
4.2.1. Employees health and safety	16
4.2.2. The well-being of our employees.....	18
4.2.3. Ensuring equal treatment and equal opportunities	18
4.2.4. Training and education of our employees	20
5. Our social impact - Our customers	21
6. Business conduct	
6.1. Controlling our procurement process and suppliers.....	24
6.2. Risk assessment	25
6.3. Financial results of our company	26
GRI index	27

1. About IBV Hungária Kft.

IBV Hungária Lighting and Plastic Processing was founded in 1993 in Kiskunfélegyháza as a subsidiary of the German IBV Holding GmbH, so we have been operating for 30 years. Our two main activities include the manufacturing of industrial luminaires with high IP rating for fluorescent tubes or LED modules, developed in-house, and the manufacturing of SMC (glass fiber reinforced polyester) products designed in collaboration with our partners from various industries.

It was at the beginning of 2019 when we established the industrial business unit with the aim of developing business-specific competencies to achieve the highest level of customer satisfaction.

The separation of the business will allow our company to enter a broader market and at the same time represent all the values that IBV Hungária Kft. has been offering to its partners for the past 30 years.

91% of our production volume was sold in international markets in 2023 - in more than 70 countries on 5 continents. The feedback we keep getting from our customers consistently acknowledges the excellent value for money our products represents, which is a testament to the high level of expertise of our staff. In recent years, several multinational companies have relocated their plastics processing activities to our site.

Our company is dedicated to achieving the four missions presented below:

Customer centricity: The customer is at the heart of everything we do. Our objective is to meet the needs of our customers to the highest quality standards. We primarily focus on the risks and opportunities that may affect the suitability of products and services and may have an impact on customer satisfaction.

Environment: In addition to product quality, our company places particular emphasis on environmental protection and the development of environmental awareness.

Continuous improvement: We identify our areas for improvement by analyzing and evaluating our activities and processes. Our aim is to prevent failures, ensure the stability of our processes and to continuously improve the quality of our services and environmental performance.

Commitment: We are committed to the professional development, quality and environmental awareness training of our staff, which enables us to work in a continuously improving quality,

efficiently, economically and environmentally conscious way.

The primary objective of the senior management of IBV Hungária Kft. is to become a reliable business partner and a competent professional player in the market for LED type and industrial luminaries as well as in the field of fibre-reinforced plastics and ceramics processing. We must achieve this goal by meeting the highest standards of quality and environmental protection for market participants and employees.

1.1. Products manufactured

Plastics are man-made or modified giant molecule materials, organic polymers. They are present in almost every important area of our lives, from homes to vehicles, healthcare, electronics, aerospace and technology. Plastics can be divided into three main groups based on their processing technology: thermoset, thermoplastics and flexible plastics. IBV's main production profile is the manufacture of dust and vapor proof industrial luminaires, which also includes plastics processing. The other main manufacturing activity is the production of fibre-reinforced plastic products (electrical and telecommunications equipment). The activity also involves the maintenance of production equipment and the manufacture of injection molding tools. Our key products:

- Industrial press molds and luminaire
- Lamp shade
- Lamp (LED)

2. Sustainability approach in our operations

Our company is committed to safety, sustainability and business ethics, which are continuously underpinned and strengthened by our social, environmental and corporate governance actions, providing a solid foundation for our operations.

Society: Providing fair working conditions and strict adherence to safety regulations is at the heart of our corporate social responsibility, which are keys to the long-term success of our company. We are also giving high priority to diversity and the ongoing support and development of talented people.

Environmental protection: Energy efficiency, circular economy and sustainable use make the environmentally conscious design and recycling of products a priority in our operations and

developments.

Governance: Our company is committed to sustainability, complying with legal requirements and conducting our business in a transparent and regulated manner. We offer our customers high quality products, the full life cycle of which is based on sustainable processes.

The aim of our Sustainability Report is to use these pillars to present the issues that we consider important in our activities, thereby reinforcing our commitment to sustainability.

2.1. Materiality assessment and our relevant topics

The Sustainability Report 2023 highlights the key issues facing our company. IBV Hungária Ltd. conducted a materiality assessment to identify the material issues on which the company reports and to present its achievements to date.

The process of materiality assessment was based on the guidance of the international reporting standard, the GRI Standards (2021), however, the company is subject to the Corporate Sustainability Reporting Directive (CSRD) as of 1 January 2025, so the assessment criteria were developed using the dual materiality analysis methodology. Adhering to the principles of dual materiality assessment, our company assessed the impact of sustainability aspects on its financial performance and results as well as on its position, in addition to its impact on the environment and the society. Following the impact assessment, a materiality threshold was set in accordance with GRI guidelines, which determined the range of topics to be presented in the report.

The stakeholders of IBV Hungária Kft. were also involved in the materiality assessment. We used the questionnaire methodology to get our internal and external stakeholders involved in the assessment and used the questions to understand the issues our internal and external stakeholders think are relevant to us.

As far as internal stakeholders are concerned, the following people were questioned:

- Managers
- Employees as key internal stakeholders who play a vital role in the business operations

And the external stakeholders are:

- Customers and consumers as users of the services offered,
- Business partners

- Internal supervisory bodies with a specific control role
- Suppliers who provide goods/services to IBV Hungária Kft
- Commercial partners
- Financial institutions (bank, insurance, etc.)
- Office building operation/rental
- Legislators and policy makers
- Authorities
- Associations and NGOs
- Local government
- Educational institutions

As a result of the materiality assessment, the following topics were found to be material for IBV Hungária Kft:

1. Freedom of expression and access to (quality) information related to consumers and/or end-users (hereafter referred to as “customers”)
2. Climate change - adaptation to and mitigation of climate change, and energy
3. The circular economy - resource inflows, including resource use, resource outflows related to goods and services and waste
4. Adequate working conditions and equal treatment and opportunities for its own workforce
5. Business conduct - corporate culture, protection of whistle-blowers, relationships with suppliers, including payment practices, and prohibition of corruption and bribery

Along the lines of material topics identified in the materiality assessment, our company monitors sustainability-related efforts, developments and opportunities, and we look at areas where we can focus our efforts. Our aim is to achieve positive social and environmental impacts, manage risks and take advantage of opportunities in the areas identified as a result of the materiality assessment.

Our report goes on to provide a detailed account of our operations and achievements along our key topics.

3. The environmental impact of our own operations

At our company, we constantly strive to produce efficient, sustainable and long-lasting products, because this is what has the biggest influence on our ecological footprint. Energy efficient operations are inherent in our internal processes due to manufacturing, so IBV Hungária Kft. systematically identifies activities that need improvement and introduces solutions. In identifying environmental factors and impacts, we single out the environmental factors related to our activities, and then identify their impact and the actions that can be taken to improve and enhance them.

The purpose of our Disaster Recovery Policies is to ensure the recognition and prevention of the possibility of emergencies (disasters), environmental accidents, the necessary forms of communication, as well as the mitigation and prevention of environmental damage.

The purpose of our Environmental Factors and Impacts Assessment Policy is to set out the methods, tasks and responsibilities by which the company identifies, analyzes and records all its activities, their environmental factors and their environmental impacts that are environmentally significant. The purpose of identifying, analyzing and recording significant environmental activities, significant environmental aspects and significant environmental impacts is to enable the organization to manage these processes, aspects and impacts in an environmentally conscious manner, to have the methodological basis and knowledge to help the organization identify the environmental goals characteristic of the activities of the company

that helps towards the continuous improvement of environmental performance. In determining environmental factors and their impacts, the impact of the factor on the environmental elements must always be taken into account:

- Air emissions/releases (including odor and particulates)
- Soil
- Noise (environmental)
- Water
- Energy
- Material (raw material, consumables)
- Waste (including waste water)
- Land use planning/visual impact
- Vibration
- Cleanliness of the area
- Fire
- Hydrogen

3.1. Energy management

IBV Hungária Kft. has been paying special attention to energy efficiency for years, because reducing energy use in production plays a central role in minimizing the company's impact on climate change. IBV is committed to sustainability reporting and therefore it operates systems that record various metrics on the use of electricity, natural gas and renewable energy sources in energy management. Our production and management processes are fully compliant with ISO 14001 environmental management system and ISO 9001 quality management system. Our integrated enterprise resource planning system has SGS certification.

We have launched and implemented a number of efficiency measures in recent years. These include the optimization of the energy efficiency of buildings, e.g. insulation of buildings, upgrading lighting, adjusting heating and cooling systems, but also technical innovations in the manufacturing process.

Our manufacturing activities mainly use electricity and gas and total energy consumption in 2023 was as follows.

			Indicator value (2023)
	Data point name	Unit of measurement	
Total energy	Total energy consumption related to own operations	GJ	49111.2

Natural gas	Total energy consumption from natural gas	GJ	32644.8
	Rate of natural gas in total energy consumption	%	66.47
	Fuel consumption from natural gas	cubic meters	859,535
Electricity	Total electricity consumption	MWh	4 574,075
	Rate of electricity in total energy consumption	%	32.14
	Electricity used for production	MWh	4 242,335
	Electricity used to charge electric cars	MWh	2,375
	Other (JM-IBV TOTAL; Canteen)	MWh	139,758
Renewable energy	Total energy consumption from renewable sources	MWh	189,607
	Rate of renewable energy sources in total energy consumption	%	1.39
	Rate of renewable energy sources in relation to total electricity consumption	%	4.14

IBV Hungária Kft. installed a 275kVA solar system in 2020 for energy modernization, which was operational in 2023. In addition, a second 300 kvA solar power system was added in 2023, but it has not been commissioned yet. Our company has also carried out an energy renovation of the office building and roof insulation to improve the efficiency of our energy management.

3.2. Circular economy

Our main goal is to manufacture products that minimize waste, ensure long product lifetime and use recyclable materials as far as possible. Materials recycling and closed-loop product reuse is also seen as a way to reduce the procurement and disposal costs. We, at IBV, therefore pay particular attention to product design, transportation and avoiding unnecessary packaging.

In identifying environmental factors and impacts, we also look at factors related to waste and raw and secondary raw materials in our activities. We always define actions too, such as separate waste collection to reduce packaging waste, recycling to reduce non-hazardous plastic waste, or even losing plastic film for packaging to reduce material use.

A significant amount of industrial and household waste is still not reintroduced into the material cycle, as it lacks the process step of reuse, recycling or energy recovery. As a result, waste is a serious burden on the environment, which in the long run threatens the future of us all. In accordance with the waste management directives of the European Union, manufacturers and producers have been responsible for the costs of the circular waste management of certain products in Hungary, too, under the extended producers responsibility (EPR) as of July 2023. Our company is obliged to pay EPR fees due to extended producer responsibility.

3.2.1. Resource inflow, resource use and resource outflow related to products

The most critical raw materials for IBV Hungária Kft. are:

- **Industrial press molds and thermosetting plastic (SMC) for the manufacturing of**

luminaires: SMC (Sheet Molding Compound) is a glass fiber reinforced resin, a high performance composite material widely used in the automotive, aerospace and construction industries. SMC is becoming an increasingly popular material for manufacturing activities due to its excellent mechanical properties, ease of molding and low costs.

- **Thermoplastic material for the production of lamp shade:** Thermoplastics are divided into two main groups according to the purpose for which they are used, commodity plastics and engineering plastics.
- **LED panel and driver for luminaire production:** LED, a light-emitting semiconductor device. The electric current flowing through the diode is emitted as light, the color of which depends on the nature of the semiconductor material and its additives.

IBV Hungária Kft. prepares environmental life cycle assessments for each of its products, applying the ISO 14040-44 - Life cycle assessment, MSZ EN 15804:2012+A2, and PCR 2019:1 Construction products (Version 1.3.1) standards and rules. The analysis also takes into account the production of raw materials, the supply of raw materials and the manufacturing processes. In addition, the electricity consumed during the use phase of the life cycle from the post-manufacturing stages (average European energy mix) and the treatment of luminaire waste at the end of the product life cycle are also included in the analysis.

In the life cycle analysis, the following environmental impact indicators are calculated:

- Climate change (total/fossil/biogenic/land use and land-use change)
- Depletion of the ozone layer
- Acidification
- Eutrophication (freshwater/seawater/land)
- Photochemical ozone formation, human health
- Resource use (minerals and metals/fossils)
- Water consumption

An important term in life cycle analysis is the Global Warming Potential (GWP). The analysis shows that the manufacturing stage is responsible for 3-4% of the total life-cycle carbon footprint (GWP) in terms of environmental impacts, while the use of products is responsible for more than 96%, due to the indirect environmental impact of electricity use. The waste disposal stage in the product life cycle is negligible (less than 0.5%).

The life cycle analysis provides a good indication of the stages of a product's life cycle when it is

most damaging to the environment and also the stages where solutions can be developed to mitigate climate change. This holistic approach also helps our company consider the full value chain in our manufacturing activities.

3.2.2. Waste management

Our approach to waste management includes waste reduction, recycling and responsible waste management. The waste generated per year consists of different categories, including packaging and general operational waste. We regularly assess the composition and impact of our waste generation and seek to minimize it through process optimization and resource efficiency measures.

In 2023, IBV generated 451.22 tonnes of waste (hazardous and non-hazardous waste) of which 282,147 tonnes are unprocessed waste, representing 63% of the total waste generated.

Type and amount of non-hazardous waste generated in 2023:

TYPE OF WASTE	QUANTITY GENERATED (tonnes)
plastic waste	206,887
paper and cardboard packaging waste	48,049
plastic packaging waste	18,530
inorganic waste other than inorganic waste containing dangerous substances	50,379
copper, bronze, brass	0.324
iron and steel	102,260

discarded electrical and electronic equipment other than those mentioned in waste identification codes 20 01 21, 20 01 23 and 20 01 35	0.090
TOTAL	426,339
Of which disposal landfilling	257,266
Of which recycling	169,073

Of the non-hazardous waste, 257,266 tonnes are disposed of by landfilling, which represents 60% of the non-hazardous waste generated.

Our company pays special attention to the recycling of wastes. In 2023, IBV recycled a total of 169,073 tonnes of non-hazardous waste, with 40% of the total non-hazardous waste generated being recycled. This quantity accounts for 37% of the total waste generated (hazardous and non-hazardous waste).

IBV recycles raw materials used in the injection molding process as a secondary raw material and sells it, thus contributing to reducing the environmental impact. In 2023, EWC 070213 plastic waste was exported as green-listed waste according to the [European Union Regulation](#) .

Type and amount of hazardous wastes generated in 2023:

TYPE OF WASTE	QUANTITY GENERATED (tonnes)
phosphoric acid and phosphorous acid	0.248
other still bottoms and reaction residues	0.327
wastes from additives containing hazardous substances	5,670
waste paint and varnish containing organic solvents or other hazardous substances	0.565
waste toner containing hazardous substances	0.065
waste adhesives, sealants containing organic solvents or other hazardous substances	0.607
aqueous liquid waste containing organic solvents or other hazardous substances, adhesives, sealants	0.751
waste isocyanates	0.169
other waste containing hazardous substances	0.038
Machining sludges containing hazardous substances	0.120
oily water from oil/water separators	8,120
packaging containing residues of or contaminated by hazardous substances	1,846
metallic packaging containing a hazardous solid porous matrix (for example asbestos), including empty pressure containers	0.386
absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	3.800
oil filter	0.205
discarded equipment containing hazardous components other than those mentioned in 16 02 09 to 16 02 12	0.155
Waste containing oil	0.242
aqueous liquid waste containing hazardous substances	1,040
discarded electrical and electronic equipment containing hazardous substances other than those mentioned in 20 01 21 and 20 01 23	0.527

Waste generated is collected in the plants at workplace collection points in the in collection containers or plastic bags appropriate to the type of waste collected. Collection containers are delivered to the plant collection point at the end of shifts or when the collection points are full. The workplace collection points and plant collection points are designed in accordance with the legislation, and a central hazardous waste plant collection point has been set up on the site. The plant's hazardous waste collection facility is a lightweight structure divided into three rooms, two of which are designed for the collection of liquid and other hazardous wastes. The hazardous waste collection facility is a covered, enclosed building with a watertight solid floor, with technical protection. Hazardous wastes are collected separately by type, preventing them from reacting with each other.

IBV Hungária Kft. has the following policy in relation to waste management:

- Waste management, which covers the management of hazardous and non-hazardous waste generated during the operations of the company, process specifications for the management of hazardous waste, its generation, rules, the design of workplace collection points and the collection of hazardous waste, as well as responsible people and record-keeping. In addition, the policy also covers the handling and storage of contaminated oil and oily wipes. The handling, collection and storage of non-hazardous waste and the requirements for selective waste collection at the office are also covered in this policy.
- The rules for the operation of the hazardous waste collection site include the way in which waste is collected and the amount of waste that can be deposited at one time by type.

4. Our social impact - Our employees

The satisfaction, competence and commitment of our staff is the most important ingredient in providing quality lighting solutions, products and services to our customers. By putting the well-being of our employees first, we can ensure that our customers are satisfied with our products and services, resulting in long-term relationships and sustainable productivity and profitability. We raise the quality conscience of our employees and help them enhance their skills and personal development by recognizing their performance. We are committed to high environmental standards and ensure occupational health and safety for our employees.

4.1. Presentation of our workforce

Description	Indicator value (2023)
Number of employees (headcount) as at 31.12.2023 (Total own staff + Hired + Temporary staff)	514 people
Average number of employees (headcount) - 31.12.2023 (Own employees + Contracted + Temporary staff)	509.6 people
Company employees (number of staff)	466 people
number of employees under 30 years of age (headcount)	121 people
Percentage of workers under 30 years of age (%)	23.54 %
Number of employees between 30 to 50 years of age (headcount)	245 people
Percentage of employees between 30 to 50 years of age (%)	47.68 %
number of employees over 50 years of age (headcount)	148 people
Percentage of workers over 50 years of age (%)	28.79 %
Female employees in own staff (headcount)	153 people
Male employees in own staff (headcount)	313 people
Female employees with an indefinite period contract (headcount)	153 people
Male employees with an indefinite period contract (headcount)	310 people
Female employees with a definite period contract (headcount)	4 persons
Male employees with a definite period contract (headcount)	31 people
Full-time female employees (headcount)	137 people
Full-time male employees (number)	353 people
Part-time female employees (number of staff)	18 people
Part-time male employees (number of staff)	4 persons
Employees with reduced work capacity (in total)	7 persons
Disabled workers (male)	2 persons
Disabled workers (female)	5 persons

In 2023, a total of 156 employees including hired staff left the company, resulting in a turnover rate of 60% in 2023. The senior management is 100% comprised of men.

The company's Code of Ethics recognizes the right of all people to live as persons of equal dignity, with particular attention to disadvantaged, multiply disadvantaged, Roma and disabled people. In its Code of Ethics, the IBV has set out general objectives and ethical principles, as well as objectives and a programme.

The IBV has set out the following principles and objectives for work and remuneration in its Code of Ethics:

- The part-time job opportunity: In particularly justified cases and in line with its strategic objectives, it may temporarily allow or offer part-time work to its employees. Such specific reasons could be, for example, to help a parent returning to work from childcare, or to support integration into the workplace after a long and protracted illness.
- Supporting women at work: It seeks to promote female employment in the recruitment selection process, provided that the applicant meets the job vacancy notice, and does not discriminate on the basis of gender or marital status.
- Reducing inequality of opportunity (between men and women): IBV makes sure that there are no differences in earnings between people in the same job and to maintain the balance that has been established.

4.2. Supporting our employees

At IBV Hungária Kft., we believe that by promoting our employees' professional and personal development and by recognizing their work, we can not only improve individual performance, but also create a positive working environment where our employees are satisfied and motivated.

4.2.1. Employees health and safety

To improve employee wellbeing, we provide good working conditions and have a number of policies in place to promote safe and clean working conditions. IBV has a Work Clothing Policy, the purpose of which is to establish a uniform system of rules for the provision of work clothing and uniforms to employees working with IBV Hungária Kft., JM-IBV Kft. and staff hired as temporary workers for these companies in accordance with the Labor Code. In addition, the policy on the provision of personal protective equipment, protective clothing and drinks (water/tea) is also included in our company documents. Personal protective equipment is determined on the basis of a risk assessment and the activity is classified as an occupational safety and health activity. Our employees are informed beforehand during their health and safety training about the nature and extent of the risks against which the use of protective equipment protects them.

The Medical Examination Policy sets out the frequency and intervals at which employees working on IBV's premises and plants must undergo medical examinations. Workers are required to undergo a prior aptitude test and periodic occupational and vocational aptitude tests.

In the event of an accident at work, the company has a procedure in place to define the reporting, first aid, notification, investigation and reporting obligations and responsibilities following an accident.

Employees are informed of the steps and procedures to be followed to ensure their safety through

internal training, plant briefings, policies and staff meetings. In addition, we conduct an annual review on the condition of the tools used by our employees to ensure that they are safe to use and work with. If the inspector finds damaged or worn-out machines or tools, the company buys new tools and hand tools. Our company has formulated goals and schemes for employee health in its Code of Ethics.

In 2023, the number of accidents at work was as follows:

Type of accident and number of days of incapacity for work	Indicator value
Recorded accident	27 pcs.
Road traffic accident (non-work-related)	2 pcs.
Accident at work	25 pcs.
Workplace near miss	21 pcs.
Lost time injury	8 pcs.
Number of days of incapacity for work	182 days

4.2.2. The well-being of our employees

We have a performance management system in place to recognize successful corporate and individual performance with variable compensation. The policy covers payments under individual target and performance agreements concluded under the performance management system. Individual annual targets should be job-specific and objectively measurable. All employees regularly participate in performance and career development reviews, for which the company uses a *Skill Matrix*. This includes expectations, skills, GAP analysis and the training courses the employee has attended.

Our company is committed to continuous improvement, which is why we have developed Idea Management and its related policy. The aim is to encourage our employees to come up with innovative ideas and to encourage them to improve and develop the areas we have identified. Ideas can be of various types including safety at work, optimization of administrative processes, reduction of material consumption or even energy saving. Our company also evaluates ideas on a quarterly basis and the employee who submits the best feasible idea is remunerated and rewarded. In addition to Idea Management, our company also regularly conducts an employee satisfaction survey, which covers the general assessment of the workplace, remuneration, relations with colleagues and managers, safety and working environment, and communication.

4.2.3. Ensuring equal treatment and equal opportunities

Our Code of Ethics enshrines the rights of all people, including non-discrimination, respect for

human dignity and social solidarity. We make sure that all our employees get to know and are provided training on the Code of Ethics. New employees will be introduced to the Code of Conduct during onboarding training, while existing staff will receive annual refresher training. The Code of Ethics is reviewed annually.

Our Code of Ethics sets out the following principles and objectives in relation to equal treatment and equal opportunities

- Non-discrimination, equal treatment: Our company prevents and hinders discrimination against employees in the course of employment. This applies to recruitment, employment as well as wages, income, benefits, training and other employment-related matters.
- Respect for human dignity: IBV respects human values, dignity and individuality of its employees in the course of employment. It is our important task to create the right working environment, to preserve and reinforce core values and to make contributions to them.
- Partnerships, collaborations: By establishing transparent contractual relations, IBV seeks to strengthen the principle of partnership.
- Social solidarity: No worker of any age, sex, nationality, marital status or health condition is more valuable than the other worker in the course of employment. All employees in our company are interested in strengthening solidarity.
- Fair and flexible care: We have developed fair and flexible measures to help improve and maintain the position of our employees.
- Creating and strengthening family-friendly working policies: Family-friendly measures are primarily aimed at parents with young children, and our company's family-friendly approach means that family-household chores are not just the responsibility of women, so we allow work schedules to be adapted to family needs, taking into account workloads. All members of the company are entitled to family leave and 30% of our employees took family leave. Of this 30%, about half are women and half are men.
- Prohibition of forced labor and child labor: All workers and contractors must be aware of the principles prohibiting forced labor and child labor.
- Freedom of association, representation of interests: Our company does not restrict freedom of association and collective bargaining rights. Our workers can join trade unions and have the right to collective bargaining and contracts.

The Code of Ethics sets out, among other things, objectives and programmes in addition to guidelines:

- Communicating the Code of Ethics to employees

- Equal treatment in recruitment and employment, employment in similar jobs - for similar payment.
- Human resources development, on-the-job training, retraining, regulated learning
- Providing employer benefits and discounts, especially for family workers.
- Ethical behavior

In the Code of Ethics, IBV provides a mechanism and a process for lodging complaints. Employees post their complaints in the 'HR mailbox' - complaints must be submitted anonymously, together with an opinion and a description of the case. The HR Specialist will summarize the complaints on each Friday. The investigation of the complaint should be communicated to the staff of the area concerned by the complaint in a monthly information note.

In addition to ensuring that the Code of Ethics provides for a complaints procedure, our company has a policy on the operation of an internal whistleblowing system. The purpose of this policy is to set out the process and rules for learning about, investigating and managing internal misconduct. The policy covers all employees, staff and anyone who reports information about abuse. It is important to underline that the Code also applies to those who has, had or have started a contractual relationship with IBV. These can be private entrepreneurs, private companies, subcontractors and suppliers. The Code covers the protection of the whistleblower, i.e. IBV provides protection for and ensures that the whistleblower is not subject to any retaliation, disadvantage or other negative consequences for submitting a report. There are four ways of submitting reports: by post; by e-mail; verbally in person and verbally by telephone.

Our company places great emphasis on equal opportunities and this is reinforced, for example, by the integration of our Indonesian employees. In order to make these workers feel at home at IBV, we gave a presentation on Indonesian culture and the country, and informative documents were posted and made accessible to all our staff at our premises. Workshops were also organized for Indonesian workers, which introduced the features of Hungarian culture and language support was also organized. Foreign workers are assisted by an interpreter on their arrival and translation equipment has been provided. In addition, a prayer room has been created.

4.2.4. Training and education of workers

Our company's Code of Ethics includes among its objectives and programmes the regulation of human resources development, on-the-job training, retraining and learning. In line with its strategic objectives, IBV annually draws up an Education and Training Plan, based on which it encourages and supports the professional development, learning and training of its employees, regardless of age and gender.

In the context of the mandatory training, the company provides theoretical training for employees in occupational safety, fire protection and environmental protection, with the aim of ensuring that our employees have the theoretical knowledge of safe and healthy working practices and are familiar with the necessary rules. Theoretical training is complemented by practical training for the job. There is a general training for new recruits after which they have to fill in a test form.

Training sessions are organized annually for both physical and mental workers, to build their personal development and the company by learning new skills.

In addition to mandatory training, our company has programmes to help employees develop their skills, including e-learning, onboarding and team-building training.

At the IBV we offer the Leadership Academy series, coaching (individual and group) and a Mentor programme. We also have a policy on the latter, which aims to effectively integrate new entrants into the organization. The Mentor programme helps new employees to learn the tasks of their job, while existing employees can be helped with changes in their job. The mentor's role is to facilitate integration and professional development by aligning individual and organizational goals. Mentors will also receive a bonus if the conditions set out in the rules are met.

5. Our social impact - Our customers

Listening to and understanding our customers is crucial to our success, because guaranteeing the quality and safety of our products and respecting consumers' rights is a key part of our mission. As part of our commitment, we engage in a transparent and open dialogue with our customers to understand their needs and deliver high quality, safe products.

For our customers, quality, safety, innovation, efficiency, sustainability and access to the right information are important issues, alongside reliable and short lead times and pricing. We make the safety and well-being of our customers a priority at all times. We take all possible measures to ensure that our lamps and lighting control systems do not endanger the health and safety of our customers.

Our company has a policy for the management of non-conforming products, which aims to ensure that non-conforming products are identified, segregated, inspected, repaired, scrapped and recorded in such a way that they are not included in the conforming products of the manufacturing process. As a result of this procedure, non-compliant products and their characteristics can be traced and analyzed.

To ensure the safety of our products, we conduct risk analysis throughout the development

process and regularly check for potential risks to product safety and conduct safety audits.

Customer focus is the cornerstone of our quality and environmental policy, and we put their expectations in the center of our activities. Our success is measured by our customers' satisfaction with our performance and their loyalty to the company.

Our company supplies its products with and in compliance with a “CE mark” and electrically mounted luminaires are supplied with installation instructions for the information of our customers. In addition, our product labels and installation instructions warn that only qualified personnel should install and commission the luminaires.

Go to our website under the Infopoint ([Infopoint | IBV](#)) tab to find useful information about our products, such as lighting technology, components installed in our products, certification marks (e.g: CE; ENEC11), as well as the application of the products in the context of the electric shock protection classes of the luminaires manufactured by IBV Hungária Kft.

We have developed and implemented a Sales Procedure to ensure that our company meets all customer needs. The purpose of this policy is to record the necessary activities ranging from the preparation of the quotation to the processing of the order and delivery, and even the management and the monitoring of the payment of the invoices related to the sale. Compliance with the regulations ensures that orders are handled and processed in accordance with the customer's needs, and that the interests of the company and the customer are served, with regard to potential risks and preventive actions to minimize them.

In handling complaints, we make a distinction between customer information related to product quality and non-product quality.

The following factors are taken into account when measuring customer satisfaction:

- product quality (this requires the tracking of complaints)
- repeat orders (continuous comparison of forecast and actual turnover)
- response time and meeting deadlines

Data is summarized on a monthly basis (by department), but a written analysis is only produced for management review for key stakeholders.

6. Business conduct

IBV Hungária Kft. is a wholly-owned subsidiary of IBV Holding GmbH of Germany. We comply with all laws and regulations in the way we operate.

IBV is committed to responsible and ethical behavior and sustainable business. It is of paramount importance for us that our business practices are transparent and comply with all relevant laws and regulations, and our governance structure provides an appropriate framework of governance and control.

Our company's Integrated Governance Manual contains the main policies we have adopted that guide our day-to-day activities. In 2023, the Supervisory Board of our company consisted of the Chairman and two members, and our management was comprised of five members. Our senior management ensures that responsibilities and authorities for essential job functions are assigned, communicated and understood within the company. The current organizational structure of IBV Hungária Kft., the activities of its departments, the main responsibilities and competences are set out in the integrated management manual and the documents governing its operations. The duties and responsibilities of each function are set out in job descriptions and employment contracts.

IBV holds a management review to assess the effectiveness of our integrated management system and its results at least once a year. The management review is attended by the entire management and is governed by the System Supervision Procedure.

Our Company has established a Remuneration Policy with the aim of documenting and having a system for the remuneration grades and accounts applicable to each organizational unit of the Company and the increase of the basic salary of employees according to uniform principles. It also documents the possible career paths and expectations for each job.

Our Quality and Environmental Policy includes objectives to support and improve management. We ensure the achievement of the strategic objectives set by the company owner in a structured and coherent way through the quality awareness and commitment of our managers and staff. The management is expected to understand the quality and environmental management tasks, to apply the elements of the system responsibly and to fully own the tasks. Our vision for process-oriented management is that through consistent process orientation and evaluation, we can guarantee the achievement of our goals while making optimal use of resources. Our decisions are based on facts and strategic considerations.

6.1. Controlling our procurement process and suppliers

IBV cannot stop at the boundaries of the organization, but wants to act responsibly throughout its supply chain. To fulfil this obligation, we have established clear processes/guidelines for the selection and management of suppliers.

Key to this is the Code of Ethics of IBV, which governs human rights, employee health and safety,

fair business practices, management of complaints and partnership and cooperation. This comprehensive set of rules is regularly reviewed and is an essential element of our supplier contracts.

The purpose of the Orders and Invoice Confirmations Policy is to define and regulate the procedures, processes and responsible people for commitments, responsibilities and purchases and orders related to the operations of IBV.

Our company measures and evaluates the performance of our suppliers and subcontractors in accordance with the Supplier and Subcontractor Evaluation Procedure. The aim of the process is to systematically and regularly examine the performance of suppliers and subcontractors on the basis of specific indicators and subjective assessments that provide a realistic and updated picture of their compliance with company expectations and indicate possible directions for supplier improvement. The assessment includes all suppliers and subcontractors whose performance may influence or be influenced directly or indirectly by the quality of the product. The assessment should consider the economic background and the quality and environmental management background.

We make our suppliers release a statement that their internal processes ensure that they keep abreast of any changes to the REACH Regulation and the RoHS Directive and comply with their legal obligations. In addition, our suppliers and contractors are also REACH compliant. The supplier must commit to traceability of the Life Cycle Approach in the successive and interconnected stages of their products and services - raw material sourcing, design, product manufacture and delivery.

6.2. Risk assessment

Our company operates a risk management process for controlling the risk assessment activities of our operational processes and operating environment and it provides for the analysis of opportunities. The objective of risk management is to ensure that our quality management system is able to achieve the expected results, increase impacts, prevent or reduce unwanted impacts and achieve improvements. Risk management mainly addresses negative impacts and triggers preventive measures (prevention). By analyzing the opportunities, we try to focus on the potential positive impacts and our vision for the future. This duality serves the principle of continuous improvement.

To minimize our risk, we have a Credit Limit Monitoring Policy. Buyers will be subject to a credit check and commitments can be made up to this limit. An unforeseen negative event in the customer's financial situation will not put us in a position where we would suffer a major loss.

We also have a policy on the management of Payment Requests. Our company's fundamental objective is to make a profit and the natural condition for this is that the invoices for the products delivered and services provided are paid in full and on time by the customer. In this context, we need to recognize as soon as possible if our customers are having financial difficulties, even if they are only temporary. Before any recovery can take place, we also need to verify, in cooperation with the credit insurer, that your customers have already been called upon to meet their obligations on several lines.

6.3. Financial results of our company

Our company's financial results are shown in the table below:

Financial data	
Financial indicator	2023
Net sales revenues (million HUF)	HUF 16,026.33
Total assets (million HUF)	HUF 9 744.80 Ft
Profit after tax (million HUF)	HUF 660.45
Taxes paid in total (million HUF)	HUF 479.00
Excise duty (million HUF)	HUF 0.00
Local tax (million HUF)	HUF 132.71
Revenues (gross sales including excise duty + other revenues + financial revenue) (HUF million)	HUF 16,403.74 Ft
Operating costs (excluding depreciation) (million HUF)	HUF 15,253.38 Ft
Employee wages and benefits (staff expenses) (million HUF)	HUF 3 457.09 Ft
Payments to equity investors (dividends) (million HUF)	HUF 162.68
Payments to the State Treasury (taxes excluding contributions and taxes and VAT on staff expenses) (million HUF)	HUF 24.53
Community investments (donation and sponsorship, including TAO discount) (million HUF)	HUF 0.05

GRI index

GRI 2: General disclosures

GRI Indicator	Indicator name	Page	Note
GRI 2-01	Organizational details	page 4-5	
GRI 2-02	Entities included in the Sustainability Report	Page 4	IBV Hungária Kft.
GRI 2-06	Activities, value chain and other business relationships	page 4-5	
GRI 2-07	Employees	page 15-21	
GRI 2-08	Workers who are not employees (hired and temporary workers)	Page 15	
GRI 2-09	Governance structure and composition	Page 23	
GRI 2-19	Remuneration policies	Page 24	
GRI 2-20	Process to determine remuneration	Page 18 Page 24	
GRI 2-27	Compliance with laws and regulations	Page 23	
GRI 2-29	Approach to stakeholder engagement	Page 7	

GRI 3: Identification of key issues

GRI Indicator	Indicator name	Page	Note
GRI 3-01	The process of identifying material topics	Page 6	
GRI 3-02	List of material topics	page 7-8	

GRI 201: Economic performance

GRI Indicator	Indicator name	Page	Note
GRI 201-1	Direct economic value generated and distributed	Page 26	

GRI 302: Energy management

GRI Indicator	Indicator name	Page	Note
GRI 302-01	Energy consumption within the	Page 9	

GRI 306: Waste management

GRI Indicator	Indicator name	Page	Note
GRI 306-03	Waste generated	page 12-14	

GRI 403: Safety at work

GRI Indicator	Indicator name	Page	Note
GRI 403-02	Hazard identification, risk assessment and incident investigation	Page 17	
GRI 403-03	Occupational health services	Page 17	
GRI 403-04	Worker participation, consultation and communication on occupational health and safety at work	Page 17	
GRI 403-05	Training on occupational health and safety	Page 17	
GRI 403-06	Promotion of worker health	Page 17	
GRI 403-09	Work-related accident	page 17-18	

GRI 404: Education and training

GRI Indicator	Indicator name	Page	Note
GRI 404-02	Programs for upgrading employee skills and transition assistance programs	Page 21	
GRI 404-03	Percentage of employees receiving regular performance and career development reviews	Page 18	

GRI 405: Diversity and equal opportunity

GRI Indicator	Indicator name	Page	Note
GRI 405-01	Diversity of governing bodies and employees	page 15-16	

GRI 412: Human rights

GRI Indicator	Indicator name	Page	Note
GRI 412-02	Staff training on human rights policies and procedures	page 18-20	

GRI 416: Health and safety of customers

GRI Indicator	Indicator name	Page	Note
GRI 416-01	Assessment of the health and safety impacts of product and service categories.	Page 22	

GRI 417: Product information and labelling

GRI Indicator	Indicator name	Page	Note
GRI 417-01	Product and service information and labelling requirements	page 22-23	