



ESG REPORT

CēH+
VALUE • SYSTEM

2022

CONTENTS

| | | |
|-----|--|---------------------------------|
| 1. | CEO's message | Hiba! A könyvjelző nem létezik. |
| 2. | About the Report..... | 2 |
| 3. | About our company | 3 |
| 3.1 | About CÉH | Hiba! A könyvjelző nem létezik. |
| 3.2 | Business sectors and services..... | 4 |
| 4. | ESG approach of CÉH zRt. | 5 |
| 4.1 | ESG strategy | 6 |
| 4.2 | Corporate management of ESG issues..... | 7 |
| 4.3 | Professional knowledge sharing in ESG dimensions | 9 |
| 4.4 | Relevance assessment and our relevant topics..... | 9 |
| 5. | Responsible and sustainable business solutions | 12 |
| 5.1 | Sustainability in professional and business solutions..... | 12 |
| 5.2 | Cooperation and partnership with Clients | 13 |
| 5.3 | Memberships of specialist organisations..... | 14 |
| 6. | Responsible corporate management..... | 15 |
| 6.1 | Business philosophy and values | 15 |
| 6.2 | Business ethics and legal compliance | 15 |
| 6.3 | Responsible and sustainable procurement..... | 16 |
| 7. | In partnership with employees..... | 19 |
| 7.1 | Recognition of our employees | 19 |
| 7.2 | Knowledge and talent management | 23 |
| 7.3 | A diverse and inclusive workplace..... | 25 |
| 7.4 | Employee's well-being, health and safety | 26 |

| | | |
|------------|--|---------------------------------|
| 8. | The environmental impact of CÉH zRt.'s operations | 28 |
| 8.1 | Energy use and carbon footprint | 29 |
| 8.2 | Waste management..... | 31 |
| 8.3 | Water management | 32 |
| 8.4 | Reducing environmental risks and impacts | 33 |
| 9. | BÉT Indicator Table..... | Hiba! A könyvjelző nem létezik. |
| 10. | GRI Content Index..... | Hiba! A könyvjelző nem létezik. |





CEO'S MESSAGE

GRI 2-22

Dear Reader!

During its more than 30 years of development, CÉH Inc. has always been open and flexible in its efforts to create value and to consciously develop its activities to meet the needs of the market environment and the client needs. In its development, our company has paid particular attention to shaping the community, of which both our employees and our contracted partners are valuable members. This community-centred approach is both a driving force for development and, we believe, a key characteristic of CÉH Inc.. For the Management Board, shaping a secure vision for the future is therefore not just a business issue, but also a responsibility in a rapidly changing and challenging environment.

CÉH Inc. could not and cannot build its successful management on purely business considerations, as we must perform our activities in our social and natural environment. We must be aware of our responsibility towards our environment as a company and as individuals through our employees. The Management Board with this in mind has decided to pay increased attention to the sustainable operation of CÉH Inc. in the foreseeable future. We have decided to launch the ESG compliance process, setting an example as one of the

leading players in the market, by consciously building a strategy for the sustainable operation of CÉH Inc.

Two priority areas of CÉH's ESG strategy result from the specific characteristics of our activities. First, in the short term, we will review the capabilities and operations of our headquarters and offices. We will then include this review in our annual business plans help us prepare and implement sustainable operations.

On the other hand - and following our organic growth we see this as an opportunity to promote a more sustainable environment in the future - we are training our employees and improving their approach to design and supervise project in a sustainable manner. Based on this approach, we also encourage our clients to develop sustainable projects.

We would like that our ESG capabilities to help us enter new markets with new sustainability-related services. We can support our clients' sustainability efforts with new construction products, materials, and technical solutions.

In the course of our projects, we make recommendations to our clients - in a separate sustainability chapter. We also carry out sustainability and efficiency reviews in stages as projects progress. Every identified material, energy or even labour saving, whether during construction or operation, also brings you one small step closer to your ESG goals. The resources released in this way can be partly reinvested in further development and learning, ensuring that the ESG focus is a profitable approach for us and our clients, which also strengthens efficient and successful long-term management.

CÉH Inc. has launched an in-house preparation process to achieve ESG certification, which included a review of all key elements of our operations to identify changes to be made for sustainability.

A higher number of our internal trainings have been devoted to sustainable design and project management methods.

When purchasing new vehicles to support our day-to-day activities, we strive to purchase more environmentally friendly, all-electric or hybrid vehicles, and encourage our employees to cycle or to use public transportation.

We consider the publication of our first ESG report to be an outstanding step in CÉH Inc.'s and CÉH Group's life. This milestone helps us developing a new way of thinking, in which our own activities become decisive to make our environment more sustainable.

As a leading player in the engineering services market, our ambition is to set an example for our colleagues, partners, and clients, and to live up to our responsibilities.



Sincerely,
Tibor Losonczi, CEO

ABOUT THE REPORT

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-5

Contributing to sustainable development and growth is an integral part of CÉH. The publication of our first ESG Report marks a new milestone in our Company's life, enabling us to transparently demonstrate our performance to both external and internal stakeholders in the areas of sustainable development that are key to us.

| | |
|---|--|
| Reporting organisation | CÉH Planning, Developing and Consulting Inc. (in the following referred to as CÉH Inc. or CÉH) <i>Head quarter: 1112 Budapest, Dió utca 3-5.</i> <i>Site: 4025 Debrecen, Piac utca 77.</i> |
| Reporting period | We publish the ESG Report for the period 1 January 2022 to 31 December 2022. For some publications, we also present data for one or two years prior to the year under review (if available). |
| Reporting cycle | Annual |
| Content of the report | The Report presents the ESG approach and performance of CÉH Inc. and does not include data from other affiliated companies within the CÉH Group. |
| Aspects taken into account in the preparation of the report | The Report has been prepared on the basis of the disclosures set out in the BÉT Pilot ESG Consultancy Programme GINOP-1.1.7-17-BÉT-6-015 and with reference to the GRI Standards (2021). |
| External party verification | The information and data in the Report have not been verified by an external party. |

We welcome your questions and feedback on our ESG Report and activities at ceh@ceh.hu.

ABOUT OUR COMPANY

2.1 About CÉH

GRI 2-6

Established in 1989, CÉH Planning, Developing and Consulting Inc. is now one of the leading Hungarian engineering firms. Our scope of activities includes the provision of full engineering services in the field of building and bridge construction as designers, project managers, as well as technical-economical feasibility preparation and expertise for planned or ongoing projects.

Our mission is to bring value, system and value-system to the world through our engineering and development work, and to build the future for today's and future generations'. We are at the forefront of sustainable development and improvement, using the opportunities offered by modern digital technologies. By sharing our knowledge, we help our partners and our professional environment.

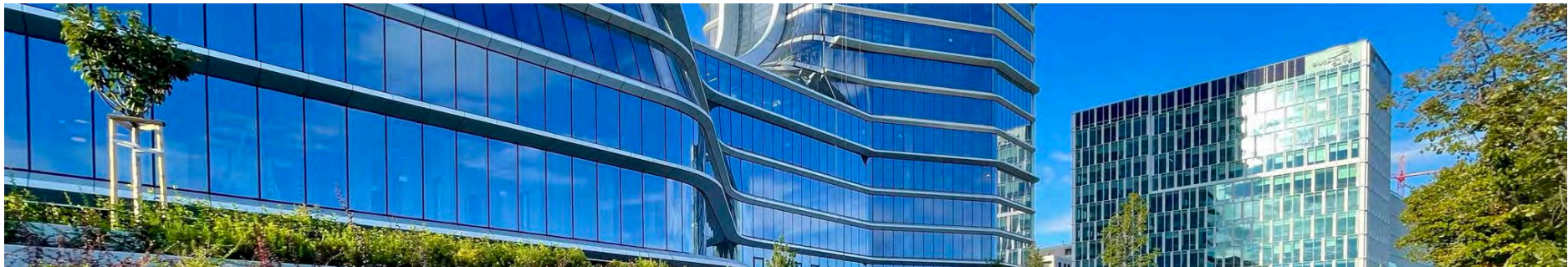
We aim to be a leading engineering player in the Hungarian construction and development market, adapting to technological, social, economic and environmental changes. Our goal is to promote a sustainable and healthy built environment for well-being, supported by the use of advanced digital technologies.

Today, CÉH Inc. employs more than 130 people. We are proud to work with over 100 partners on more than 100 projects every year, managing an investment value of 2 billion EUR. Most of our projects are in Hungary, but our portfolio also regularly includes work for foreign clients or project sites.

8 728 million HUF
revenue

132 employees

100+
cooperating partner



2.2 Business sectors and services

GRI 2-6

Our organisation is structured along three main specialisations: Building Design and Engineering Office, Project Management Office and the Bridge Design and Engineering Office.

Building Design and Engineering

As a general design company, we provide a professional approach to building design and engineering; architecture, statics, building mechanical engineering and building electrics as basic specialisations are handled in-house, mainly by our own colleagues, while additional and supplementary specialisations are handled by permanent partners. Our services include general building design, sectional design, engineering expertise and consultancy, design control, BIM services, surveys, sustainability services, simulation, and analysis.

Project Management

Our project management office deals with project management, technical supervision, preparation of investment plans, design tendering, design control, construction management and cost management, environmental certification, technical advice and expertise, banking expertise. The office also aims to meet the needs of its partners by carrying out technical and economic feasibility studies and preparing building management systems.

Bridge Design and Engineering

In bridge design, we play the role of general designer for all related fields. Our bridge design office provides our partners with full-service design, form and visual design, construction technology design, expert and consultancy services, bridge project management, design review, design consultancy and decorative lighting design. We also use our BIM service in our bridge design office, with simulations and analyses.

We place particular emphasis on our BIM consultancy services, becoming the first in Central and Eastern Europe to achieve BSI ISO 19650:2018 Verification in 2020, and the only company in the region to achieve BSI ISO 19650:2018 Kitemark (BIM) certification in 2021.

THE ESG APPROACH OF CÉH INC.



3.1 ESG strategy

WHY do we deal with ESG?

At CÉH Inc., we are committed to building a sustainable economy, society and environment and believe that our organisation can actively contribute to the positive changes required to achieve this. Our aim is to develop a time-proven business model that will facilitate the delivery of our ESG objectives in an economically efficient and profitable manner, while ensuring that CÉH is able to compete internationally and access markets and funding opportunities in the long term. We want to implement improvements that contribute to sustainability goals by increasing efficiency and reducing the resources used.

WHAT do we want to achieve?

Our organisation's ESG vision is to contribute to a sustainable future that is economically efficient and effective, where the built environment serves people's health and well-being, in an environmentally sustainable way. Designing for sustainability is fundamental to the engineering community, and CÉH Inc.'s professional community is leading the way with advanced engineering solutions and best practices. To achieve this, we have begun to transform our business models and organisation to help us develop our products and services in an ESG-friendly way.

HOW do we achieve our goals?

In 2022, we developed the ESG strategy of CÉH Inc., in which we identified 5 ESG strategic pillars:

1. Managing our own environmental footprint with a focus on reducing CO2 emissions
2. Developing and consistently applying technical solutions for a green transition in projects
3. Improving the sustainability-related knowledge and skills of our current and future employees through trainings
4. Sharing sustainability principles in the engineering community, participating in professional organisations and transparent communication of our ESG performance
5. Obtaining ESG certification to objectively assess our ESG performance

In relation to the strategic objectives, we have set milestones until 2030, which will be achieved through CÉH's organisational governance of ESG topics. These include the transformation and further development of our production processes, methodologies, and tools. We view this journey as a continuous learning process, believing and professing that every year more advanced technological solutions become available, affordable, and economically viable to the market, which we can incorporate into our services. This will require a lot of learning, from both of our employees and from our overall organisational culture, which we consider as a valuable investment.

3.2 Corporate management of ESG issues

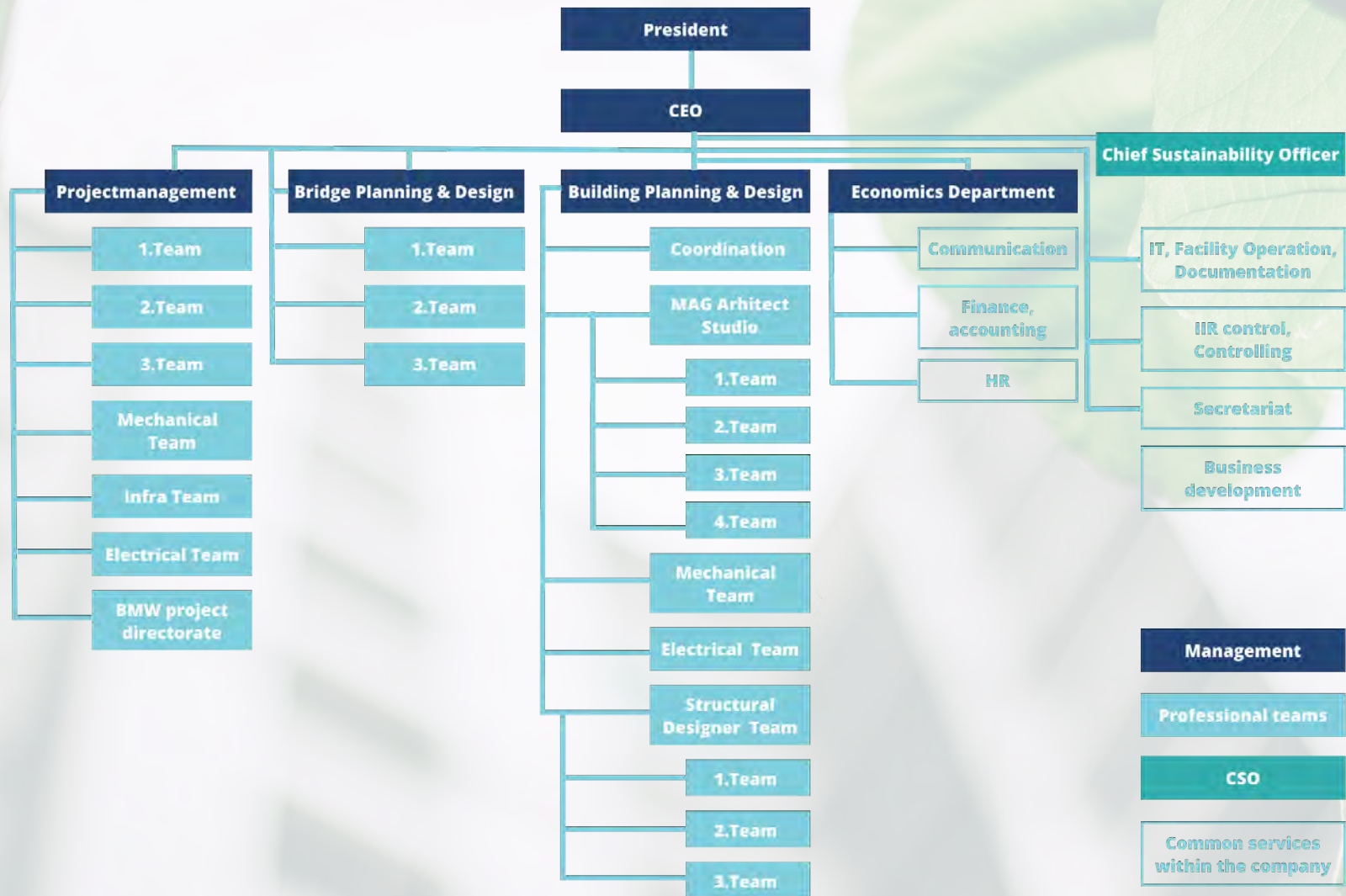
BÉT-26, GRI 2-12, GRI 2-13

CÉH's management takes an active role in advocating ESG issues and integrating them into corporate governance. Our ESG operations are largely set out in CÉH's company policies and procedures, ensuring stable, systemic operations. We operate an integrated quality management, environmental management, occupational health and safety management systems based on ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, and have a Code of Business Ethics, Human Rights Code, Complaints Handling Policy and Responsible Procurement Policy.

Since 2022, sustainability leadership roles have been established at Director level and organisational preparations have been made for a dedicated, senior sustainability director. As set out in the job description, the Sustainability Director leads our internal Sustainability Task Force. Responsible for, among other things, monitoring the implementation of the ESG strategy, management reports and presentations on ESG progress, and contributing to the ESG Report. The Sustainability Leader supports CÉH's projects from a sustainability point of view, making recommendations on the sustainability elements of the internal system of planning and project management processes, the development and operation of "sustainability checklists". He also represents CÉH Inc. at the related events, conferences and professional meetings, but also supports internal knowledge sharing on sustainability. Since 2023, he has been CÉH's Vice President in charge of ESG as the dedicated Sustainability Director.



The structure of our company and the position of the Sustainability Director within the CÉH organisation



3.3 Professional knowledge sharing in ESG dimensions

BÉT-29, GRI 2-17

We believe that the key to sustainable operations is the acquisition and effective delivery of up-to-date ESG knowledge to all employees and subcontractors of CÉH zRt. In 2022, our Sustainability Director attended the Greenology Conference of the European Association for Sustainable Development on three occasions, and several members of middle and senior management attended the FIDIC international conference. Our Deputy CEO has successfully completed the INTEREST (INTEGRATED REPORTING FOR SME TRANSPARENCY) training coordinated by the Budapest Business School

GRI 2-13

Our Sustainability Working Group is responsible for the internal knowledge management of ESG, with a working plan and regular operations from next year onwards, established in 2022. Accordingly, the volunteer members carry out ongoing research on selected topics, collect and evaluate the information obtained and disseminate it within the organisation through the appropriate channels defined. The Working Group meets every two weeks in accordance with its co-operative structure and reports on each meeting to the Working Group leader, the Sustainability Director. The Sustainability Director leads the research work, participates in events on the themes, and supports the implementation of training and development based on the research findings. The Working Group reports regularly to the President and CEO on its work.

Formal channels for knowledge sharing include the CÉH Forum, open to all employees, where the CÉH President presented the EU climate package "Fit for 55" in February 2022. Other channels include the quarterly internal IQLUB, which in 2022 addressed the importance of the ESG Strategy, the Buda Green Corridor and the main findings of the FIDIC international conference on sustainable infrastructure development.

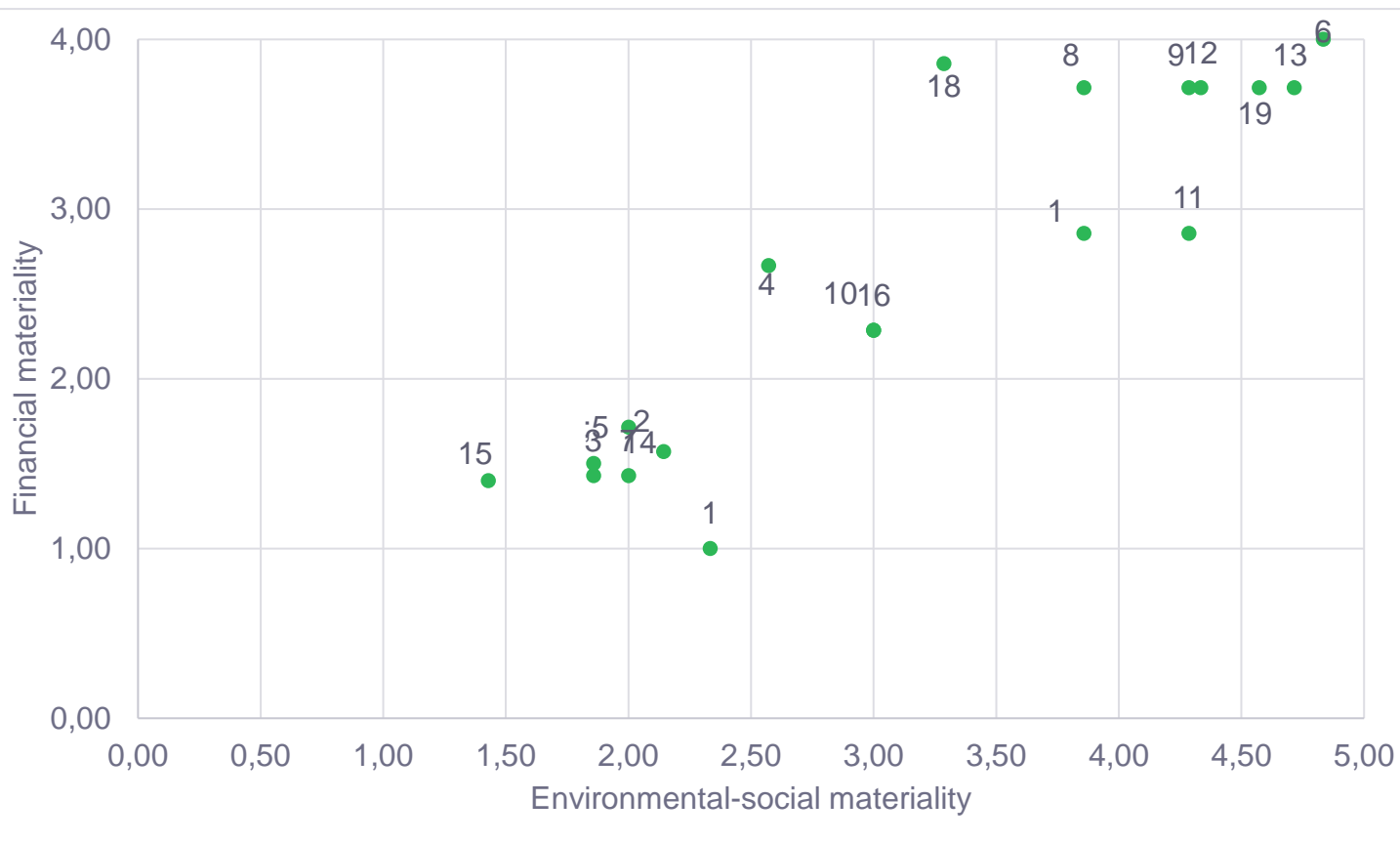
3.4 Relevance assessment and our relevant topics

GRI 3-1, GRI 3-2

To identify the sustainability issues that are most relevant to our organisation's operations, as well as the issues and disclosures presented in our ESG Report, we conducted a materiality assessment. The methodology for the survey was developed partly in line with the GRI standard and the dual materiality guidance of the EU Corporate Sustainability Reporting Directive (CSRD).

Senior managers anonymously assessed the 17 potentially relevant issues in a workshop, ranked by double materiality. During the materiality assessment, senior managers of the organisation represented the views of the stakeholder groups of the CÉH zRt. taking into account the recommendations of the European Financial Reporting Advisory Group (EFRAG), financial materiality was scored on a scale of 0 to 4, while environmental-social materiality was scored on a scale of 0 to 5. The threshold for inclusion was set at 2.2 for financial materiality and 2.5 for environmental-social materiality. Based on the thresholds, 12 material issues were identified.

Result of the CÉH materiality survey:



| Serial number | Title of topic |
|-----------------------------|--|
| Key topics | |
| 6 | Encouraging a green transition, creating a circular economy |
| 13 | Creating an organisational culture of innovation |
| 19 | Overall efficiency gains through improvements (dimensions E,S,G) |
| 12 | Talent management, human capital development |
| 9 | Retaining employees |
| 8 | Employee's well-being, health and safety |
| 18 | Business development |
| 11 | Professional knowledge sharing in ESG dimensions |
| 17 | Business ethics, compliance |
| 10 | Diversity, equity and acceptance |
| 16 | Sustainable procurement |
| 4 | Climate protection |
| Other topics covered | |
| 14 | Data protection and data security |
| 2 | Energy efficiency and use of renewable energy |
| 7 | Supporting local communities |
| 5 | Water resources management |
| 1 | Protecting biodiversity |
| 3 | Waste management |
| 15 | Human rights |

4.1 Sustainability in professional and business solutions

Recognising the transformative trends and crises in the world in our industry, CÉH zRt. has developed its strategic vision and mission. Our vision also provides a direction for integrating sustainability into our services and business solutions, leveraging trends in technological innovation and digitalisation.

Our goal is to continuously improve CÉH zRt. through sustainability solutions and related technologies. Through our initiatives we strive to improve our engineering activities, increase efficiency, and promote innovation. It is important for us to be able to meet the growing ESG expectations at global and domestic level in a timely manner. We want to improve our competitiveness not only in the domestic but also in the internationally markets.

The work of our Sustainability Working Group, whose operational arrangements have been prepared for 2022, is essential to facilitate this. The Task Force is open to all members of CÉH Group and to CÉH's partners who want to transform and improve the future of construction and engineering services. Through research, information gathering and sharing, support for development, training and education, and the organisation of lectures and events, the Working Group will help to achieve these goals.

Our services focus on promoting the circular economy, the use of environmentally and energy conscious and smart solutions, sustainable modular construction, sustainable materials, products, and equipments. We also place particular emphasis on the link between digitalisation and sustainability.

At the start of the project, we make sustainability recommendations to the client and try to convince them to use the best available solutions. In several steps, we also provide sustainability/efficiency reviews and analyses in later project phases of what savings in materials, energy, waste, etc. are possible and what has been improved in the project.

We are looking for opportunities to contribute to sustainability goals not only in our project work, but also in driving our own organisational and resource efficiency. We believe that these organisational efficiencies result in savings (whether in time, energy or other resource conservation) that can be recycled back into ESG goals.

4.2 Cooperation and partnership with Clients

Client satisfaction

BÉT-22

As part of our integrated management system, we continuously monitor client satisfaction to help ensure that our services are fully aligned with client expectations. The annual satisfaction survey allows our clients to rate their satisfaction with our work across 11 topics, broke down to our departments. The assessed criteria cover, the professional knowledge and competence of our employees, the professional quality of the service we provide, the adequately comprehensive and flexible handling of our clients' needs, the efficiency of our problem solving skill and the meeting of client deadlines.

We are proud that our overall client satisfaction survey scores have been increasing over the last 3 years. In 2022, our customers rated our employees' availability and continuity of contact (5.93 points) and their professional knowledge and competence (5.88 points) as particularly high.

Client satisfaction survey results

| Year | Total score (1-6) |
|------|-------------------|
| 2020 | 4,86 |
| 2021 | 5,61 |
| 2022 | 5,80 |

**Clients rate the aspects covered by the satisfaction survey on a scale of 1 to 6, where 1 - not satisfied, 6 - very satisfied.*



4.3 Memberships of specialist organisations

GRI 2-28

Memberships of CÉH zRt.

| | | | | |
|---|--|--|--|---|
| ÉVOSZ (Építési Vállalkozók Országos Szakszövetsége) | MAGÉSZ (Magyar Acélszerkezeti Szövetség) | MAÚT (Magyar Út- és Vasúti Társaság) | Mesterséges Intelligencia (MI) Koalíció | FIABCI (Nemzetközi Ingatlanszakmai Szövetség) |
|---|--|--|--|---|

Key national and international professional memberships and positions held by our employees

| Name of organisation | Filled position | Colleague |
|---|-----------------------------|---|
| ÉVOSZ (Építési Vállalkozók Országos Szakszövetsége) | Member of the Presidency | Tóth Attila |
| MABIM (Magyar BIM Épület Információs Szövetség) | Member of the Presidency | Borbély Attila |
| MKIK Nyugat-Balkáni tagozat | Member of the Presidency | Tóth Attila |
| MKIK arab tagozat | Member of the Presidency | Ifj. Tóth Attila |
| TMSZ (Tervező Mérnökök Szövetsége) | Vice President | Kégl Árpád |
| HUGBC (Hungarian Green Building Council) | Member representing CÉH zRt | dr. Verók Krisztián |
| FIEC Construcion 4.0 working group | Member | Tóth Attila és Tudlik Balázs |
| FIB (Nemzetközi Betonszövetség) | Member | dr. Kisbán Sándor, Gács Sándor, Pusztai Pál |
| KTE (Közlekedés Tudományi Egyesület) | Member of the Presidency | dr. Kisbán Sándor |
| Royal Institution of Chartered Surveyors (RICS) | Member | Riesz Szabolcs |
| Műegyetemi Baráti Társaság | Member of the Presidency | Tóth Attila |

RESPONSIBLE CORPORATE MANAGEMENT

5. Responsible corporate management

5.1 Business philosophy and values

CÉH's business philosophy is also publicly available on our website. The website also provides our Code of Conduct. Our primary intention is to create value, which we believe will eventually lead to profitability. We must strive for the maximum achievable rather than the minimum sufficient in terms of professionalism and quality.

Intellectual capital is the most important asset of CÉH zRt., so developing our knowledge and creativity is the basis of our development. Therefore, CÉH organises and finances educational activities within the framework of CÉH ACADEMY. Our company acquires the latest tools and softwares and develops operational and work processes. We are building a well-organised structure within the CÉH zRt, with clear lines of responsibility, without hierarchies. We are committed to this systematic approach both in our work and in our operations, as we have been building and developing systems to support our day-to-day operations and activities since the beginning of our "existence as CÉH".

The aim of CÉH zRt. is to pass our current knowledge and experience to future generations. We are constantly monitoring the political, economical and developmental processes in the world, Europe and our country, and we use these trends as a basis for our vision of the future - this is the vision in which we set our goals and developments.

5.2 Business ethics and legal compliance

BÉT-24, BÉT-27, GRI 2-26

In 2022, our company developed its Code of Ethics, detailing the principles set out in CÉH zRt.'s philosophy, which summarises our core ethical values that guide the way CÉH conducts its business and how it intends to relate to the profession, the economy, society, local communities, and natural resources. At the same time, we strive to ensure that opinions within the community are diverse and free. Avoiding conflicts of interest at company and personal level. It is the management's task to find the right balance, the framework for cooperation and partnership with other companies, individuals and organisations in a way that preserves our independence.

On this basis, our Code of Ethics sets out the values that guide our operations: compliance with the law, anti-corruption practices, confidentiality, privacy and data security, sustainability, avoidance of conflicts of interest and ethical behaviour of management.

Ethical principles guiding the operation of CÉH zRt.



We reject corruption in all its forms. Our employees are strictly prohibited from making, soliciting, or accepting, directly or indirectly, promises or offers that exceed the value of a standard small business gift.

For minor disagreements, we encourage employees to seek help from their line manager, but in some cases, this is not enough. Therefore, in 2022, our company has formulated its Complaints Handling Mechanism procedures, which apply to all members of our organisation. Under this, our employees can complain if they have been subjected to workplace abuse, health and safety standards have not been met, their supervisors have behaved inappropriately, if there have been unfair changes to their employment contract or if they experience a breach of our policies.

5.3 Responsible and sustainable procurement

Responsible procurement policy

BÉT-25

The success of our projects requires us to know and understand our clients' business needs and objectives. With our allies and partners, we work towards common goals, based on mutually agreed values and in a sincere relationship.

CÉH zRt. is committed to responsible and sustainable procurement policies, which are summarised in our Responsible Procurement Policy and implemented according to the principles and procedures set out in the Integrated Management System. Before the first contract is awarded, all our prospective subcontractors undergo an audit to assess their ability to meet our stringent quality and environmental requirements. Our subcontractors must be aware that our organisation operates in accordance with the ISO 9001:2015

Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety requirements and guidelines. We reassess our subcontractors on a quarterly basis or at the end of projects.

Human rights in the supply chain

BÉT-23

In 2022, CÉH zRt. has also adopted a Human Rights Policy, which is based on the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, which we respect throughout our value chain. We expect the same from our business partners, and we will not do business without it.

In accordance with our Code of Human Rights, CÉH zRt. shows a great importance to openness to cultural diversity and freedom of association as a fundamental human right. We reject all forms of discrimination in the workplace and provide equal opportunities for all our employees regardless of age, gender, religion, cultural background, and work ability. CÉH zRt. is proud to have created an environment in which the development of employees' knowledge and skills is the primary driver of the company's business success.

We also reject all forms of forced and child labour. We consider it is important to make it clear that our non-Hungarian workers also have the same rights as Hungarian citizens. CÉH zRt. do not have any operation, business partner or supplier where there is a risk of forced labour or exposure of young workers to hazardous work.

Principles of partnership at CÉH

Working with our partners, the 'CÉH Partnership' operates as an organised business-professional-ethical alliance, a community. Our Partnership Principles policy sets out the common market, business, professional, ethical and community rules that form the basis of the contracts we conclude on a project-by-project basis. The starting point for the agreement is the values, mission, and business philosophy of the CÉH.

The policy allows us to help our partners in the CÉH Partnership in different ways, subject to certain conditions. The partner may, among other things, participate in professional training courses organised by CÉH to facilitate collaborative work, as well as in knowledge sharing, joint development, or BIM consultancy. In case of shared projects, access to the infrastructure, administrative and documentation resources of the CÉH will be provided. In accordance with confidentiality and conflict of interest rules, it is possible

to share market information and provide mutual support in market and competitive situations when tendering. CÉH Partners will be mentioned in market presentations and promotional publications. CÉH can also provide marketing, branding, strategy and communication advice to partners upon request.



IN PARTNERSHIP WITH EMPLOYEES

6.1 Recognition of our employees

We are committed to our employees on the long term, with the aim of retaining and continuously developing our colleagues. To ensure a long-term approach, we offer a predictable career path through the CÉH's internal engineering career path. The career paths are differentiated according to responsibilities, level of qualification, professional knowledge, and experience. Each year, based on the annual performance appraisal interviews, a decision is taken on promotions, as well as training and development proposals for the following year, with the involvement of management.

Our stable portfolio of projects ensures continuity of professional development in which employees can challenge themselves in various roles. This not only offers our employees the opportunity for constant development, but also guarantees stability and a balanced engineering capacity to serve our clients.

We place a high priority on providing the right talent, primarily through internal career development and promotion opportunities. At the same time, we also value our senior experts recruited from outside, with extensive industry-specific experience, who bring high added value to the organisation and can also help develop new competences.

More than 130 people are employed at CÉH zRt, of which over 90% are engineers, with the remainder working in head office.

*Number of employees of CÉH zRt. (persons)**

| | 2020 | 2021 | 2022 |
|------------------------|------|------|------|
| Total employees | 126 | 129 | 132 |

**Data for all employees are provided on a headcount basis, averaged over the reporting period.*

At CÉH zRt, we believe that working together requires a stable community. We strive to ensure that all our employees understand their roles and responsibilities in a day-to-day operation of CÉH zRt. Our management involves employees in the decision making process and takes their suggestions into consideration.

The basics of building an ORGANISATION and COMMUNITY at CÉH zRt.

- We provide advanced technical tools and technologies for collaborative working.
- In management, we apply the principles and method of 'coaching', thinking in terms of structure rather than hierarchy.
- Encourage knowledge sharing and consultative support in daily professional work and workshops (internal design jury, internal design forum and architect's workshop).
- We organise employee forums for the whole company every 2-3 months to inform our colleagues about business developments, plans, major projects and other updates on company operations.
- We show solidarity with our employees, supporting them in times of personal or private challenges.
- Our employees regularly participate in centrally or regionally organised community programmes. Employee-initiated community programmes are encouraged and supported by the company's management.



Employee satisfaction

BÉT-21

To know the opinions and satisfaction of our employees, we conduct an annual employee satisfaction survey, which is coordinated jointly by HR and Controlling. We also carry out a detailed analysis of the results by business area and demographic breakdown, and by comparing the results from the previous years. Strengths and areas for improvement in each area are identified and a presentation is made to senior management and then to middle management, identifying possible actions. In addition to the key indicators, the agreed action areas are communicated to employees.

Overall results of the employee satisfaction survey *

| Year | Total score (1-6) |
|-------------|-------------------|
| 2020-2021** | 4,98 |
| 2022 | 5,01 |

**The aspects in the survey are rated by employees on a scale of 1 to 6, rounded to two decimal places. For questions that require preference ranking, aggregate scores or ratios are calculated based on the frequency of responses. Some questions may be answered in free text.*

*** Due to COVID, the satisfaction questionnaire for the two years 2020-2021 has been merged.*

Employee retention and turnover

In 2022, the turnover rate was 4.5%, but the turnover rate for the organisation is still healthy when averaged over several years. In 2021, the higher turnover rate was due to the outsourcing of a smaller volume of activity and COVID periodic life changes.

BÉT-14, GRI 401-1

Number (persons) and percentage (%) of new entrants and leavers, by gender and age

| | 2020 | 2021 | 2022 |
|---|------|-------|-------|
| Number of entrants | 11 | 19 | 18 |
| By gender | | | |
| <i>Female</i> | 4 | 6 | 6 |
| <i>Male</i> | 7 | 13 | 12 |
| By age | | | |
| <i>Under 30 years</i> | 6 | 11 | 9 |
| <i>Between 30-50 years</i> | 5 | 5 | 7 |
| <i>Over 50 years</i> | 0 | 3 | 2 |
| Percentage of new employees* | 8,7% | 14,7% | 13,6% |
| Number of turnovers | 6 | 19 | 6 |
| By gender | | | |
| <i>Of which women</i> | 1 | 6 | 3 |
| <i>Of which men</i> | 5 | 13 | 3 |
| By age | | | |
| <i>Of which under 30 years</i> | 2 | 4 | 0 |
| <i>Of which between 30-50 years</i> | 4 | 14 | 4 |
| <i>Of which over 50 years</i> | 0 | 1 | 2 |
| Percentage of workers leaving (turnover)* | 4,8% | 14,7% | 4,5% |

**Ratios are calculated in relation to the total number of employees. Data for all employees are provided on a headcount basis, based on the average over the reporting period.*

Remuneration

We believe it is important to reward our employees for their performance with competitive salaries, fringe benefits, as well as other recognition in accordance with our capabilities. We offer a regularly benchmarked market remuneration package, aligned to internal engineering career path levels based on professional knowledge and experience. Jointly achieved business results are rewarded by the organisation with extra remuneration payments in a profit-sharing approach. In addition, a separate budget is available to support innovative developments and reward outstanding individual performance.

In 2022, the unexpected and exceptionally high inflationary environment has also been a challenge for the CÉH zRt.'s employees. To compensate for this challenge, and to support employees, the company's management decided to pay out extra income in the middle of the year as an extraordinary measure, while maintaining stable financial management.

CÉH zRt. do not discriminate between male and female employees when determining the entry level wages. The gender differentials are only influenced by the experience of the entry/junior level hires in each job and the number of male and female employees entering the job.

6.2 Knowledge and talent management

We take responsibility for supporting the professional development of our employees and encourage them to develop their skills and participate in trainings. Accordingly, our training programme is available to all our employees. Tailored annual training plans are developed in consultation with line managers and HR, based on the results of annual performance appraisals and career planning, and considering the needs and requests of employees.

The training is organised around five main areas in a renewed approach. In 2022, the focus is on specific language training for the construction industry, individual development of international BIM skills and the development of cooperation for major projects. Also in 2022, we launched a new leadership development programme for CÉH zRt.

In the year of the report, the number of training hours per person has doubled compared to 2021, mainly due to the increase in knowledge needed for priority projects.

Types of training offered by CÉH zRt.

| | | | | |
|---|-----------------------|--------------------------------------|------------------|---|
| Management skills and general 'soft skill' development training | Professional training | Information Technology (IT) training | Language courses | Mental (self-awareness and resilience) training |
|---|-----------------------|--------------------------------------|------------------|---|

BÉT-18, GRI 404-1

*Total number of training hours and average annual number per employee (hours)**

| Number of training hours | 2020 | | 2021 | | 2022 | |
|--|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | Total number of hours | Number of hours per person | Total number of hours | Number of hours per person | Total number of hours | Number of hours per person |
| Total | 2253,28 | 17,88 | 2288,00 | 17,75 | 3939,20 | 29,84 |
| By gender | | | | | | |
| <i>Women</i> | 792,00 | 23,29 | 739,52 | 19,46 | 1172,80 | 30,46 |
| <i>Men</i> | 1461,28 | 15,88 | 1548,48 | 17,02 | 2766,40 | 29,59 |
| By employee group | | | | | | |
| <i>Junior, entry-level engineers</i> | 271,20 | 11,59 | 176,48 | 7,12 | 512,80 | 19,72 |
| <i>Independent, expert-level engineers</i> | 1599,04 | 23,69 | 1462,72 | 22,06 | 2113,60 | 32,52 |
| <i>Central management</i> | 350,40 | 14,60 | 624,32 | 22,30 | 1110,00 | 35,81 |
| <i>Top management</i> | 32,48 | 2,95 | 24,48 | 2,45 | 201,20 | 20,12 |

* The ratios are calculated as a proportion of the total number of employees. Data for all employees are provided on a headcount basis, based on the average over the reporting period.

6.3 A diverse and inclusive workplace

At CÉH zRt., we are building a professional and human community. This is an important element as this culture is based on mutual respect and acceptance. We value diversity of our workforce (age, gender, nationality and other criteria) and do not accept discrimination of any kind.

We have a healthy distribution of our employees in terms of age and seniority. We value experience-based knowledge retention and senior professional representation. We have 10% of our staff over 60 years of age, whose outstanding skills support knowledge-based performance in all our offices.

Our employees of foreign nationality contribute to the diversity of CÉH zRt., but we are also proud of our diverse customer base and the fact that our employees successfully serve customers from different cultural backgrounds.

In 2022, 13% of managers were women, which is in line with the industry average.

BÉT-15, GRI 405-1

Number (persons) and percentage (%) of female managers

| Distribution of managers by gender | 2020 | | 2021 | | 2022 | |
|------------------------------------|------------------|-----------|------------------|-----------|------------------|-----------|
| | Number of people | Share (%) | Number of people | Share (%) | Number of people | Share (%) |
| Women | 4 | 11,4% | 5 | 12,2% | 5 | 13,2% |
| Men | 31 | 88,6% | 36 | 87,8% | 33 | 86,8% |

** For the purposes of the data, employees at middle management level (team leaders, line managers, senior project managers) and at senior management level were considered as managers.*

6.4 Employee's well-being, health and safety

Our aim is to identify, eliminate and prevent occupational health and safety hazards and impacts early, and to raise awareness of safe working practices among employees. In addition, we support the mental and physical well-being of our employees and help them to maintain a good work-life balance. We offer our staff a health insurance package, flexible working hours, support sports activities and offer a range of discounted rest and relaxation options.

In the last 3 years, there have been no work-related accidents or injuries recorded at our company.

BÉT-16, GRI 403-9

Number (number) and percentage (%) of work-related injuries

| | 2020 | 2021 | 2022 |
|--|---------|---------|---------|
| Total hours worked | 220 561 | 217 063 | 215 757 |
| Total number of registered accidents at work | 0 | 0 | 0 |
| Rate for all recorded accidents at work | 0% | 0% | 0% |



BÉT-19, GRI 403-5

Total number of health and safety training hours and average number of training hours per employee (hours), by gender and employee category

| | 2020 | | 2021 | | 2022 | |
|--|-------|----------------------------|-------|----------------------------|-------|----------------------------|
| Number of health and safety training hours | Total | Number of hours per person | Total | Number of hours per person | Total | Number of hours per person |
| Total | 126 | 1,00 | 219 | 1,70 | 140 | 1,06 |
| By gender | | | | | | |
| <i>Women</i> | 34 | 1,00 | 68 | 1,79 | 38,5 | 1,00 |
| <i>Men</i> | 92 | 1,00 | 151 | 1,66 | 101 | 1,08 |
| By employee group | | | | | | |
| Junior, entry-level employees | 23 | 1,00 | 37 | 1,48 | 31 | 1,19 |
| Independent, expert-level employees | 68 | 1,00 | 120 | 1,82 | 68 | 1,05 |
| Central management | 24 | 1,00 | 52 | 1,86 | 31 | 1,00 |
| Top management | 11 | 1,00 | 10 | 1,00 | 10 | 1,00 |

THE ENVIRONMENTAL IMPACT OF OUR OWN OPERATIONS



7.1 Energy use and carbon footprint

The energy consumption related to the CÉH's own operations is linked to the use of electricity and natural gas in the company's leased headquarters building and the fuel consumption of the leased company fleet. In 2022, fuel accounted for 66% of our total energy consumption, mainly due to regular travel and commuting to rural project sites. In the year of this report, there was no energy use from renewable sources in the organisation.

BÉT-1, GRI 302-1

CÉH's own energy consumption (GJ)

| | 2021 | 2022 |
|--|---------|---------|
| Total energy consumption (GJ) | 3 336,1 | 3 925,2 |
| I. Non-renewable energy use (GJ) | 3 336,1 | 3 925,2 |
| Fuel | 2 009,2 | 2 580,1 |
| Petrol | 1 459,2 | 2 087,5 |
| Diesel | 549,9 | 492,6 |
| Natural gas | 640,4 | 648,4 |
| Electricity purchased | 686,5 | 696,7 |
| II. Renewable energy consumption (GJ) | 0,0 | 0,0 |

**Fuel calorific value conversion factors for petrol and diesel are based on BP's database ('Approximate conversion factors', 2021). For the conversion of natural gas from cubic metres to Joule, the data of Government Decree 70/2016 (29.12.2016) was used. For electricity, the standard conversion number 1 kWh = 3.6 MJ was used.*

Our company's own direct (Scope 1) GHG emissions result from the use of fuels, while the indirect (Scope 2) emissions result from the use of natural gas and electricity. Based on the regulatory protocols associated with CÉH headquarter, there were no refrigerant leaks or refills in 2021 and 2022, resulting in a fugitive (Scope 1) emission of 0. The increase in emissions between 2021 and 2022 is attributed to an increase in fuel consumption.

BÉT-8, BÉT-9, GRI 305-1, GRI 305-2

Direct (Scope 1) and indirect (Scope 2) GHG emissions (tCO₂e)

| | 2021 | 2022 |
|--|-------|-------|
| Total own GHG emissions (tCO ₂ e) | 209,4 | 249,4 |
| Direct emissions (Scope 1) | 140,9 | 179,9 |
| Indirect emissions (Scope 2) | 68,5 | 69,5 |

**The carbon footprint calculation is based on the GHG Protocol methodology, using the operational control principle. The calculation covers all greenhouse gases as defined in the Kyoto Protocol (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃), the results are presented in carbon dioxide equivalent. The calculation was carried out for the first time by CÉH, with 2021 as base year. The source of the emission factors was the EPA database ('Emission Factors for Greenhouse Gas Inventories', 2018) for fuels and the IEA database ('Emissions Factors 2022') for electricity and natural gas. The Scope 2 purchased electricity category was calculated using the location-based approach only, based on the average specific emissions of electricity in Hungary (195.2 gCO₂e/kWh). The natural gas-fired heat generation equipment in the office building leased by CÉH is operated by the owner of the office building, so emissions related to the consumption of heat generated on-site are reported in Scope 2 category based on Annex F of the GHG Protocol Corporate Standard, using operational controls. As the organisation does not have fugitive emissions, no conversion of refrigerant GWP values has been performed. Emissions from own energy production and process operations are not relevant for the organisation.*

***The biogenic emissions of the organisation were 0 in both years.*

To calculate the intensity indicator of our own GHG emissions, we use the total direct (Scope 1) and indirect (Scope 2) emissions (tCO₂e) of the organisation. The indicator is calculated on two factors: the total turnover of the company and the number of engineer days worked per year.

BÉT-10, GRI 305-4

CÉH's own GHG emission intensity (tCO₂e)

| | Unit of measurement | 2021 | 2022 |
|--|--------------------------------|----------|----------|
| Total own GHG emissions (direct and indirect) | tCO ₂ e | 209,4 | 249,4 |
| Revenue | million HUF | 7 902,2 | 8 728,2 |
| GHG intensity indicator - based on revenue | tCO ₂ e/million HUF | 0,0265 | 0,0286 |
| Number of engineer days | day | 23 627,9 | 22 415,0 |
| GHG intensity indicator - based on number of engineer days | tCO ₂ e/day | 0,0089 | 0,0111 |

7.2 Waste management

BÉT-3, BÉT-4, GRI 306-3, GRI 306-4

A significant amount of paper waste (packaging, internal documents, newspapers, publications, discarded binders, folders, files), municipal kitchen waste and hazardous waste (toners, ink cartridges, batteries, accumulators, discarded computer parts, chemical and detergent bottles) is generated by the activities of CÉH zRt.

Wastepaper is collected separately by employees in each office and transported by the documentation department with the help of a specialist company partner. In the case of hazardous waste, surplus batteries, accumulators, toners, and ink cartridges, as well as discarded computer parts, are removed by separate contractors. Our employees can also bring batteries and accumulators that are surplus at home to the office collection points, from where they are transported to an organised and safe place. Chemical and detergent rolls generated during the cleaning of the office - with an external contractor - are collected with the municipal waste as hazardous waste, due to their low volume and the bulky system of waste collection in the capital.

| | 2020 | 2021 | 2022 |
|-----------------------------------|------|-------|-------|
| Total waste produced (tonnes) | 1,34 | 15,84 | 16,27 |
| Hazardous waste (tonnes) | 0,21 | 0,02 | 0,20 |
| <i>Hazardous electronic waste</i> | 0,21 | 0,02 | 0,20 |
| Non-hazardous waste (tonnes) | 0,92 | 15,80 | 15,88 |
| <i>Wastepaper and cardboard</i> | 0,92 | 0,66 | 0,74 |
| <i>Municipal waste</i> | | 13,05 | 13,05 |
| <i>Selective waste (plastic)</i> | | 0,25 | 0,25 |
| <i>Selective waste (paper)</i> | | 1,85 | 1,85 |

**With data available in m3 for our municipal waste and separately collected waste generated, we have used an estimate to express the values in tonnes. The full capacity of our municipal waste bins was estimated at 181.2 kg per cubic metre based on FKF data. Data for selective bins was not directly available from the partner, so we used the EPA database ('Volume-to-Weight Conversion Factors', 2016) to estimate the conversion of our selective waste from cubic metres to tonnes. Based on this, we estimated 19 kg/m3 for our plastic waste and 92.3 kg/m3 for our paper waste*

7.3 Water management

Our water consumption consists of drinking water used in the central office building of CÉH zRt. and collected rainwater. The office building's watering systems have separate water metering clocks, which consumed 0 m3 in the years indicated. This indicates that the watering of the garden can be fully covered by the collected rainwater. In 2022, our consumption of potable water increased compared to the previous year due to the increase in office use, as in 2021, due to COVID, there was still a significant amount of work from home. Drinking water consumption data is summarized based on bills, while an estimate is used for rainwater.

BÉT-5, BÉT-6, GRI 303-5

Total water consumption and amount of water reused (litres)

| | 2021 | 2022 |
|----------------------------------|-----------|-----------|
| Total water consumption (litres) | 1 020 000 | 1 720 000 |
| Use of piped drinking water | 620 000 | 1 320 000 |
| Use of rainwater | 400 000 | 400 000 |
| Total water emissions (litres) | 0 | 0 |
| Water reused (litres) | 0 | 0 |

**The organisation does not use water in water deficit areas, so the data presented only refer to consumption in non-water deficit areas. Since the company has no water discharges, the total water consumption is equal to the total water withdrawals.*

7.4 Reducing environmental risks and impacts

Environmental risk assessment and management

BÉT-12

In the context of environmental thinking, we have identified the environmental factors in our activities that affect the environment and what we can influence through our activities. Environmental factors are assessed according to their impact and frequency of occurrence and are reviewed annually as documented information. To address factors with a significant impact, the Quality Manager, with the approval of the CEO, develops contingency plans that include actions to be taken, who is responsible for the actions, the identification of the tools to be used.

When we identified our environmental impact factors for 2022, no topic met our internal threshold for significant impacts on our environment. We identified the operation of electrical equipment, municipal wastewater treatment, noise emissions from our refrigeration and the operation of our vehicles as factors with manageable impacts.

Biodiversity conservation

BÉT-11, GRI 304-1

CÉH zRt. during its developments and in the future will continue to pay special attention to the protection of habitats and living organisms. To anchor our commitment, we produced our Biodiversity Statement in the first half of 2023, which details the role of biodiversity in our organisation's ESG strategy, associated measurement methodologies and targets.

We are committed to strongly communicating the values of sustainability and biodiversity, and the use of sustainable technical solutions to all participants in the design and project management processes, especially. We consider it an important objective to raise the level of biodiversity-related knowledge (especially for designing colleagues involved in the design process) and to develop guidelines to enable a better integration of biodiversity considerations in the design process. CÉH commits not to participate in the development of sites in areas of high nature conservation value and will pay particular attention to minimising the impact on the environment of developments near such sites.

Our current area of operation covers office buildings, none of which are in protected areas or in areas of high biodiversity outside protected areas. This means our direct impact on biodiversity is minimal.



BÉT INDICATOR TABLE

The table below summarises the performance indicators for the year 2022 as defined in the BÉT Pilot ESG Advisory Programme GINOP-1.1.7-17-BÉT-6-015 and their positioning in the ESG Report (page number).

| BÉT indicator serial number and publication reference | | Page number | KPI value (2022) | Unit of measurement |
|---|--|-------------|------------------|------------------------------------|
| 1 | Total energy consumption | | 3 925,16 | GJ |
| 2 | Total renewable energy consumption | | 0 | GJ |
| 3 | Total waste generated | | 16,27 | tons |
| 4 | Total recycled waste | | 3,03 | tons |
| 5 | Total water use | | 1 720 000 | liter |
| 6 | Reused water | | 0 | liter |
| 7 | Air pollution | | N/A | N/A |
| 8 | GHG emissions (Scope 1) | | 179,95 | tCO2e |
| 9 | GHG emissions (Scope 2) | | 69,46 | tCO2e |
| 10 | GHG intensity | | 0,03 | tCO2e emission / millionFt revenue |
| 11 | Impacts on biodiversity | | no | N/A |
| 12 | Environmental risk assessment | | yes | N/A |
| 13 | GHG emissions (Scope 3) | | N/A | N/A |
| 14 | Turnover | | 4,55% | % |
| 15 | Share of female managers | | 13,16% | % |
| 16 | Occupational accident rate | | 0% | % |
| 17 | Entry level pay (relative to minimum wage) | | 167,51% | % |
| 18 | Average number of training hours | | 29,84 | hour |

| | | | | |
|----|--|--|------|------|
| 19 | Average number of health and safety training hours | | 1,06 | hour |
| 20 | Remuneration policy | | N/A | N/A |
| 21 | Employee satisfaction | | yes | N/A |
| 22 | Client satisfaction | | yes | N/A |
| 23 | Human rights due diligence policy | | yes | N/A |
| 24 | Anti-corruption policy | | yes | N/A |
| 25 | Responsible procurement policy | | yes | N/A |
| 26 | ESG organisational responsibility | | yes | N/A |
| 27 | Protection of whistleblowers | | yes | N/A |
| 28 | Data security | | N/A | N/A |
| 29 | ESG competence development | | yes | N/A |
| 30 | Stakeholder involvement | | N/A | N/A |



GRI CONTENT INDEX

Statement on the use of the standard

The information contained in the GRI Content Index referred to herein has been prepared by CÉH zRt. for the period 1 January 2022 to 31 December 2022 "with reference to the GRI Standards".

Application of GRI 1

GRI 1: Foundation 2021

| GRI Standards 2021 | | | |
|---------------------------------|---|-------------|--|
| GRI indicator | GRI publication name | Page number | Comment / Reason for omission |
| GRI 2: General Disclosures 2021 | | | |
| 2-1 | Organisational data | | |
| 2-2 | Entities included in the organisation's sustainability report | | |
| 2-3 | Reporting period, frequency, and contact | | |
| 2-4 | Updating of information | | Not relevant, CÉH zRt. is publishing an ESG Report for the first time. |
| 2-5 | External validation | | |
| 2-6 | Activities, value chain and other business relationships | | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | | |
| 2-13 | Division of responsibility for impact management | | |
| 2-17 | Collective knowledge of the highest governance body | | |
| 2-22 | Statement on the sustainable development strategy | | |
| 2-28 | Organisational memberships | | |

| Key topics | | | |
|-----------------------------|---|--|--|
| 3-1 | The process of identifying the relevant topics | | |
| 3-2 | List of relevant topics | | |
| Topic-specific publications | | | |
| 202-1 | General entry wage as a percentage of the local minimum wage, by gender | | |
| 302-1 | Energy consumption within the organisation | | |
| 303-5 | Water consumption | | |
| 304-1 | Land owned, leased, or managed in or adjacent to protected areas or in or adjacent to areas of high biodiversity value outside protected areas. | | |
| 305-1 | Direct (Scope 1) GHG emissions | | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | | |
| 305-4 | Greenhouse gas emissions intensity | | |
| 306-3 | Waste produced | | |
| 306-4 | Waste withdrawn from disposal | | |
| 401-1 | New recruits and leavers | | |
| 403-5 | Employee training on health and safety at work | | |
| 403-9 | Work-related illness | | |
| 404-1 | Average annual training hours per worker | | |
| 405-1 | Diversity of governing bodies and employees | | The disclosure is broken down by managers and by gender. |