



ESG



ESG REPORT

CĒH+
VALUE • SYSTEM

2023

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CEO'S MESSAGE

GRI 2-22

Dear Reader!

Throughout the 35 years of CÉH Ltd.'s development, we have always been open and flexible in our efforts to create value and consciously develop our activities in order to meet the needs of the market environment and our customers. In our development, we have paid special attention to shaping the community, of which our employees and contracted partners are important members. This community-centered approach is both a driving force for development and, we believe, a key characteristic of CÉH Ltd. For the managers, 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 Ltd. 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.

With this in mind, in 2022 we decided to launch an ESG compliance process, setting an example as a leading player in the engineering market, by consciously building a strategy for the sustainable operation of CÉH Ltd.

The ESG strategy of CÉH Ltd. continues to focus on two key areas that are specific to our activities:

Firstly, we have already reviewed all the key elements of our operations in the short term in terms of sustainability objectives and have incorporated the actions to be taken and how they will be implemented into our annual business plans.

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.

With our expanding ESG capabilities, we are also looking to enter new markets with new sustainability-related services: new construction products, materials and technical solutions to support our customers' efforts in this area.

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 labor 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 Ltd. 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 believe that our ambitions meet the personal aspirations and vision of our employees. We support their personal development, to which we add an important pillar through community building.

As one of the leading players in the engineering services market, our ambition is to set an example for our colleagues, partners, and clients, and to live up to our huge 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 second 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 organization	CÉH Planning, Developing and Consulting Ltd. (in the following referred to as CÉH Ltd. 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 2023 to 31 December 2023. For some publications, we also present data for 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 Ltd. 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 based on the disclosures set out in the BÉT Pilot ESG Consultancy Program 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 feasible 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.

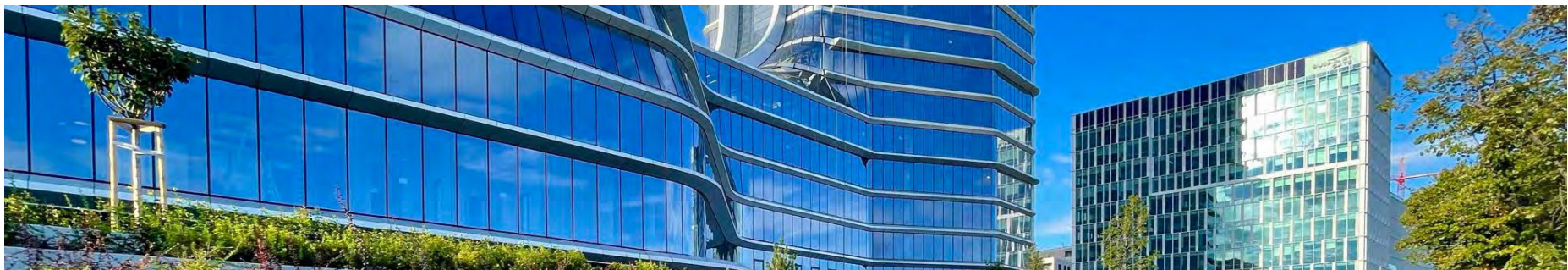
We aim to be a leading engineering player in the Hungarian construction and development market, adapting to technological, social, economic and environmental changes. Our goal is to promote a sustainable and healthy built environment for well-being, supported by the use of advanced digital technologies.

Today, CÉH Inc. employs more than 140 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.

13 253 million HUF
revenue

140 employees

100+
cooperating partner



2.2 Business sectors and services

GRI 2-6

Our organization is structured along three main specializations: 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 specializations are handled in-house, mainly by our own colleagues, while additional and supplementary specializations 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 Ltd. we are committed to building a sustainable economy, society and environment and believe that our organization 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 organization'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 Ltd.'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 organization 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 Ltd., 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 organizations 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 organizational 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 organizational culture, which we consider as a valuable investment.

3.2 Corporate management of ESG issues

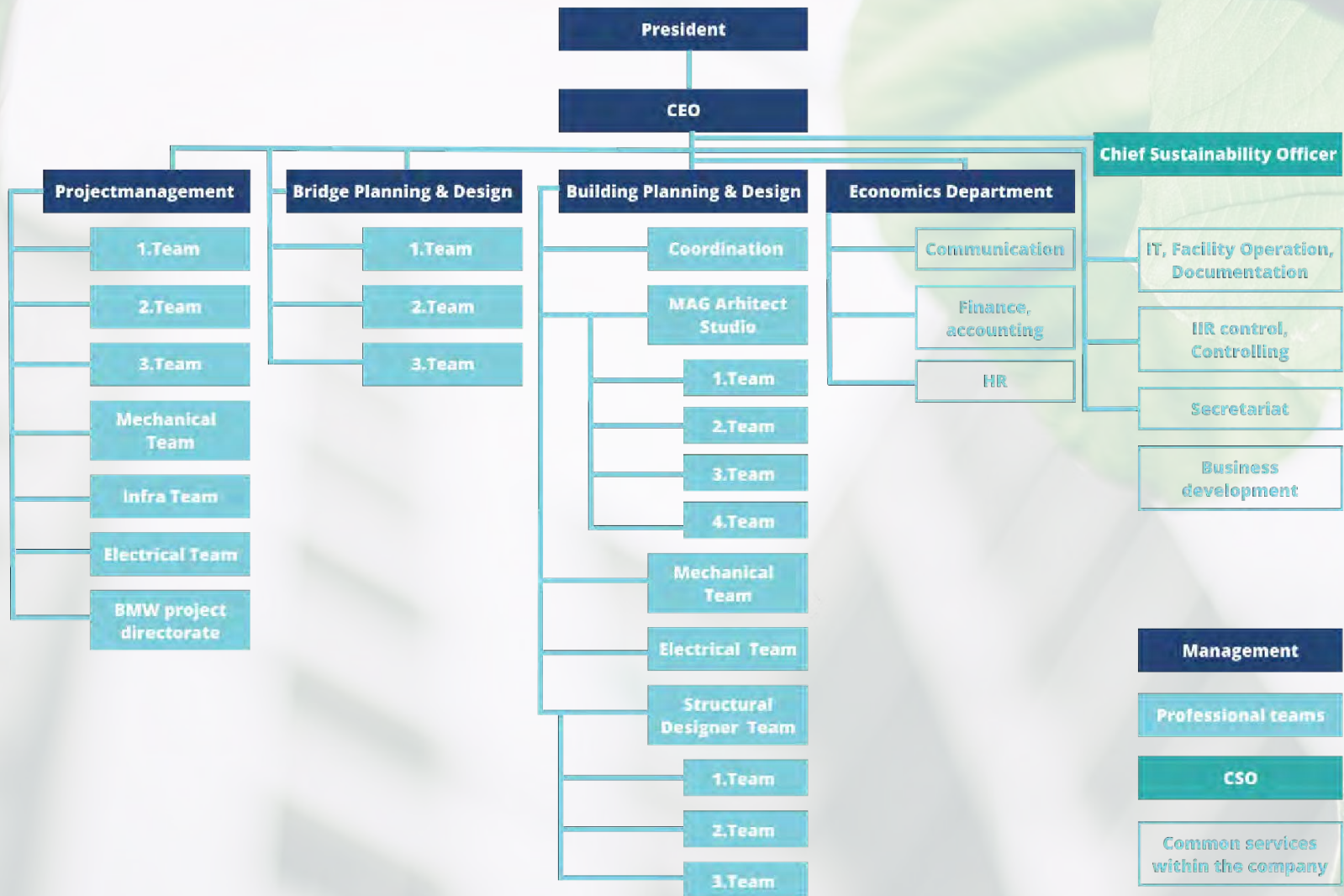
BÉT-26, GRI 2-12, GRI 2-13

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.

Sustainability leadership roles are fulfilled by a dedicated senior manager from January 2023. As set out in the job description, the Sustainability Director leads our internal Sustainability Cabinet. He is responsible for, among other things, monitoring the implementation of the ESG strategy, senior management reports and presentations on ESG progress, and contributes to the ESG report. On the technical side, he supports CÉH's projects from a sustainability perspective, proposing sustainability elements of internal systems for planning and project management processes, developing and running "sustainability checklists". He also represents CÉH Ltd. at relevant events, conferences, professional meetings, builds cooperation with higher education institutions and professional organizations, and supports internal knowledge sharing on sustainability



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 Ltd. Our Sustainability Director, together with other members of senior management, attended two ÉVOSZ Conference in 2023, and several members of senior management also attended the FIDIC International Conference, which focused on sustainability. A member of our senior management also visited Denmark and Sweden to learn more about the key role of sustainability.

GRI 2-13

Our Sustainability Cabinet is responsible for the internal knowledge management of the ESG, whose working schedule and regular operation from next year onwards was established in 2023. According to this, volunteer members will carry out continuous research on selected topics, collect and evaluate the information obtained and disseminate it within the organization through the defined channels. The Cabinet meets monthly according to a co-operative schedule and a report of each meeting is prepared by the Cabinet leader for the management. 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 Cabinet reports regularly to the President and CEO on its work.

Formal channels for knowledge sharing include the CÉH Forum, which is open to all employees, where the structure and main elements of the first ESG report were presented in June 2023, and a presentation on the importance of sustainable solutions was given by our Sustainability Director in October 2023. Other channels included the quarterly IQLUB, which in 2023 covered the key findings of the Digital Construction Summit in Prague, the FIDIC International Conference on Sustainable Infrastructure Development in Singapore, and the Shanghai study tour report, which also featured a strong focus on sustainability solutions.

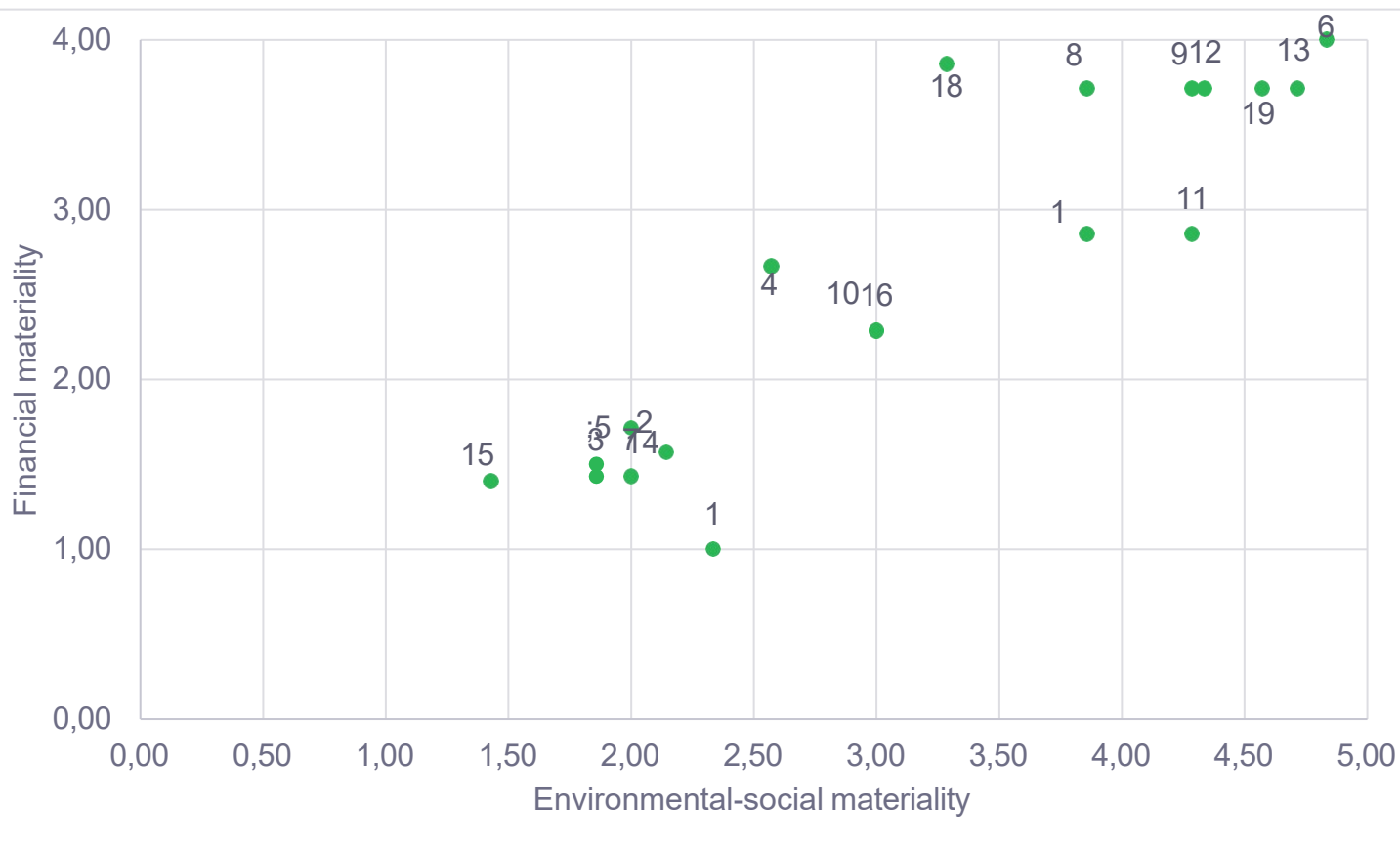
3.4 Relevance assessment and our relevant topics

GRI 3-1, GRI 3-2

To identify the sustainability issues that are most relevant to our organization'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 organization represented the views of the stakeholder groups of the CÉH Ltd. considering 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
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Key topics	
6	Encouraging a green transition, creating a circular economy
13	Creating an organizational culture of innovation
19	Overall efficiency gains through improvements (dimensions ESG)
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

Recognizing the transformative trends and crises in the world in our industry, CÉH Ltd. is moving towards 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 digitalization.

Our goal is to continuously improve CÉH Ltd. 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 the Sustainability Cabinet, which has been in operation since 2023, is essential to facilitate this. The Cabinet 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 organization of lectures and events, the Cabinet 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. Our design and project management activities will soon be based on full life cycle analysis, but we pay particular attention to the integration of new EU sustainability regulations, energy efficiency standards and Green Deal directives. For the projects we design or manage, we aim to reduce water use in line with the Blue Deal directives. Digitalization of the construction industry and sustainability are mutually reinforcing in our ambitions.

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 organizational and resource efficiency. We believe that these organizational 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 customer satisfaction survey scores have remained consistently high over the past 3 years. In 2023, our clients rated the professionalism of our service (5.79 points), the personal attitude and style of our staff (5.77 points) and the professional knowledge and competence of our staff (5.74 points) as particularly high.

Client satisfaction survey results

Year	Total score (1-6)
2021	5,61
2022	5,80
2023	5,67

**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 organizations

GRI 2-28

Memberships of CÉH Ltd.

ÉVOSZ (Építési Vállalkozók Országos Szakszövetsége)	MAGÉSZ (Magyar Acélszerkezeti Szövetség)	MAÚT (Magyar Út- és Vasúti Társaság)	Mesterséges Intelligencia (MI) Koalíció	FIABCI (Nemzetközi Ingatlanszakmai Szövetség)
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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 Vision and Strategy Task Force Leader (sustainability, digitalisation)	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 Ltd., so developing our knowledge and creativity is the basis of our development. Therefore, CÉH organizes 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-organized structure within the CÉH Ltd. 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 Ltd. is to pass our current knowledge and experience to future generations. We are constantly monitoring the political, economic 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

Our company has a Code of Ethics detailing the fundamental principles of the CÉH philosophy, which guide the way CÉH conducts its business and the way it seeks to relate to the profession, the economy, society, local communities and natural resources. Within the community, we strive to ensure that opinions are diverse and free. We also avoid conflicts of interest at the company and individual levels. It is the responsibility of management to find the right balance, a framework for cooperation and partnership with other companies, individuals and organizations in a way that allows us to maintain 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 behavior of management.

Ethical principles guiding the operation of CÉH Ltd.



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.

In 2023, in addition to the existing Complaints Handling Mechanisms, we have developed a Whistleblowing Policy and procedures that apply to all members of our organization. Under these, complaints can be made to resolve issues relating to unfair treatment at work, harassment and/or health and safety concerns, violation of personal rights, damage to professional prestige, deliberate obstruction of work, unjustified or negligent causing of business loss.

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 Ltd. is committed to responsible and sustainable procurement policies, which are summarized 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 organization 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 Ltd. 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 Ltd. 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 Ltd. 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 labor. We consider it is important to make it clear that our non-Hungarian workers also have the same rights as Hungarian citizens. CÉH Ltd. do not have any operation, business partner or supplier where there is a risk of forced labor or exposure of young workers to hazardous work.

Principles of partnership at CÉH

Working with our partners, the 'CÉH Partnership' operates as an organized 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 organized 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 extensive project portfolio 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 organization and can also help develop new competences.

More than 140 people are employed at CÉH Ltd. of which over 90% are engineers, with the remainder working in head office.

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

	2021	2022	2023
Total employees	129	132	140

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

At CÉH Ltd. 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 Ltd. 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 Ltd.

- 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 organize 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 organized community programs. Employee-initiated community programs 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
2023	4,98

**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 2023, the turnover rate was 0.7%, which confirms the success of our community building and is an important element in the successful implementation of the major projects underway. 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

	2021	2022	2023
Number of entrants	19	18	20
By gender			
<i>Female</i>	6	6	5
<i>Male</i>	13	12	15
By age			
<i>Under 30 years</i>	11	9	8
<i>Between 30-50 years</i>	5	7	10
<i>Over 50 years</i>	3	2	2
Percentage of new employees*	14,7%	13,6%	14,3%
Number of turnovers	19	6	1
By gender			
<i>Of which women</i>	6	3	0
<i>Of which men</i>	13	3	1
By age			
<i>Of which under 30 years</i>	4	0	0
<i>Of which between 30-50 years</i>	14	4	0
<i>Of which over 50 years</i>	1	2	1
Percentage of workers leaving (turnover)*	14,7%	4,5%	0,7%

**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 organization 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 2023, despite the hectic external economic environment, we have been able to ensure the sustainability of earnings and the payment of additional bonuses for a successful financial year, while maintaining stable management.

CÉH Ltd. 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 program 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 organized around five main areas in a renewed approach. In 2023 the focus was on specific language training for the construction industry, individual development for software skills, and the development of cooperation for major projects, as well as support for sustainability-related study contracts. In 2023 the first phase of CÉH Ltd.'s new leadership development program was completed.

The number of training hours per capita in the year of the report was also slightly above the high mark reached in 2022.

Types of training offered by CÉH Ltd.

Management skills and general 'soft skill' development training	Professional training	Information Technology (IT) training	Language courses	Mental (self-awareness and resilience) training
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BÉT-18, GRI 404-1

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

Number of training hours	2021		2022		2023	
	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	2288,00	17,75	3939,20	29,84	4214,85	30,11
By gender						
<i>Women</i>	739,52	19,46	1172,80	30,46	1262,72	34,13
<i>Men</i>	1548,48	17,02	2766,40	29,59	2952,13	28,66
By employee group						
<i>Junior, entry-level engineers</i>	176,48	7,12	512,80	19,72	362,48	15,76
<i>Independent, expert-level engineers</i>	1462,72	22,06	2113,60	32,52	2629,76	34,15
<i>Central management</i>	624,32	22,30	1110,00	35,81	979,76	32,66
<i>Top management</i>	24,48	2,45	201,20	20,12	243,00	24,30

* 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 Ltd., 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 Ltd., but we are also proud of our diverse customer base and the fact that our employees successfully serve customers from different cultural backgrounds.

In 2023 12% 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	2021		2022		2023	
	Number of people	Share (%)	Number of people	Share (%)	Number of people	Share (%)
<i>Women</i>	5	12,2%	5	13,2%	5	11,9%
<i>Men</i>	36	87,8%	33	86,8%	37	88,1%

** 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

	2021	2022	2023
Total hours worked	217 063	215 757	228 200
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

	2021		2022		2023	
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	219	1,70	140	1,06	160	1,14
By gender						
<i>Women</i>	68	1,79	38,5	1,00	41	1,11
<i>Men</i>	151	1,66	101	1,08	119	1,16
By employee group						
Junior, entry-level employees	37	1,48	31	1,19	28	1,22
Independent, expert-level employees	120	1,82	68	1,05	88	0,36
Central management	52	1,86	31	1,00	33	1,10
Top management	10	1,00	10	1,00	11	1,10

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 2023, fuel accounted for 72% 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 organization.

BÉT-1, GRI 302-1

CÉH's own energy consumption (GJ)

	2021	2022	2023
Total energy consumption (GJ)	3 336,1	3 925,2	4 140,9
I. Non-renewable energy use (GJ)	3 336,1	3 925,2	4 140,9
Fuel	2 009,2	2 580,1	2 982,9
Petrol	1 459,2	2 087,5	2 574,8
Diesel	549,9	492,6	408,1
Natural gas	640,4	648,4	470,8
Electricity purchased	686,5	696,7	687,2
II. Renewable energy consumption (GJ)	0,0	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 meters 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 2021-2023, resulting in a fugitive (Scope 1) emission of 0. The increase in emissions between 2021 and 2023 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	2022
Total own GHG emissions (tCO ₂ e)	209,4	294,4	296,6
Direct emissions (Scope 1)	140,9	179,9	207,3
Indirect emissions (Scope 2)	68,5	69,5	62,3

**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 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 organization 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 organization.*

***The biogenic emissions of the organization were 0 in all three 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 organization. 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	2023
Total own GHG emissions (direct and indirect)	tCO ₂ e	209,4	249,4	269,6
Revenue	million HUF	7 902,2	8 728,2	13 253
GHG intensity indicator - based on revenue	tCO ₂ e/million HUF	0,0265	0,0286	0,0203
Number of engineer days	day	23 627,9	22 415,0	27 131,8
GHG intensity indicator - based on number of engineer days	tCO ₂ e/day	0,0089	0,0111	0,0099

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 Ltd.

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 organized 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.

	2021	2022	2023
Total waste produced (tons)	15,84	16,27	14,08
Hazardous waste (tons)	0,02	0,20	0,20
<i>Hazardous electronic waste</i>	0,02	0,20	0,20
Non-hazardous waste (tons)	15,80	15,88	13,68
<i>Wastepaper and cardboard</i>	0,66	0,74	0,74
<i>Municipal waste</i>	13,05	13,05	11,52
<i>Selective waste (plastic)</i>	0,25	0,25	0,24
<i>Selective waste (paper)</i>	1,85	1,85	1,17

**With data available in m3 for our municipal waste and separately collected waste generated, we have used an estimate to express the values in tons. The full capacity of our municipal waste bins was estimated at 181.2 kg per cubic meter 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 meters to tons. 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 Ltd. 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 2023, our consumption of drinking water increased compared to the previous year due to the increase in office use and staff numbers. Drinking water consumption data is summarized based on metered consumption reported in bills, while for rainwater an estimate is used.

2BÉT-5, BÉT-6, GRI 303-5

Total water consumption and amount of water reused (liters)

	2021	2022	2023
Total water consumption (liters)	1 020 000	1 088 000	1 204 000
Use of piped drinking water	620 000	688 000	804 000
Use of rainwater	400 000	400 000	400 000
Total water emissions (liters)	0	0	0
Water reused (liters)	0	0	0

**The organization 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 2023, 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 Ltd. 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 organization'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 minimizing 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.



8 BÉT INDICATOR TABLE

The table below summarizes the performance indicators for the year 2023 as defined in the BÉT Pilot ESG Advisory Program 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	27.	4140,9	GJ
2	Total renewable energy consumption	27.	0	GJ
3	Total waste generated	29.	14,08	tons
4	Total recycled waste	29.	0,94	tons
5	Total water use	31.	804 000	liter
6	Reused water	31.	0	liter
7	Air pollution	-	N/A	N/A
8	GHG emissions (Scope 1)	28.	207,3	tCO2e
9	GHG emissions (Scope 2)	28.	62,3	tCO2e
10	GHG intensity	29.	0,02	tCO2e emission / million Ft revenue
11	Impacts on biodiversity	32.	no	N/A
12	Environmental risk assessment	31.	yes	N/A
13	GHG emissions (Scope 3)	28.	N/A	N/A
14	Turnover	21.	0,7%	%
15	Share of female managers	24.	11,9%	%
16	Occupational accident rate	25.	0%	%
17	Entry level pay (relative to minimum wage)	22.	159,52%	%
18	Average number of training hours	23.	30,11	hour

19	Average number of health and safety training hours	25.	1,14	hour
20	Remuneration policy	21.	N/A	N/A
21	Employee satisfaction	20.	yes	N/A
22	Client satisfaction	13.	yes	N/A
23	Human rights due diligence policy	15.	yes	N/A
24	Anti-corruption policy	14.	yes	N/A
25	Responsible procurement policy	15.	yes	N/A
26	ESG organizational responsibility	6.	yes	N/A
27	Protection of whistleblowers	14.	yes	N/A
28	Data security	-	N/A	N/A
29	ESG competence development	8.	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 Ltd. for the period 1 January 2023 to 31 December 2023 ("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	3.-4.	
2-2	Entities included in the organisation's sustainability report	3.-4.	
2-3	Reporting period, frequency, and contact	3.-4.	
2-4	Updating of information	-	
2-5	External validation	3.-4.	
2-6	Activities, value chain and other business relationships	2.-3.	
2-12	Role of the highest governance body in overseeing the management of impacts	6.	
2-13	Division of responsibility for impact management	6.-8.	
2-17	Collective knowledge of the highest governance body	8.	
2-22	Statement on the sustainable development strategy	3.-4.	
2-28	Organisational memberships	13.	

Key topics			
3-1	The process of identifying the relevant topics	8.-9.	
3-2	List of relevant topics	8.-9.	
Topic-specific publications			
202-1	General entry wage as a percentage of the local minimum wage, by gender	22.	
302-1	Energy consumption within the organization	28.	
303-5	Water consumption	32.	
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.	33.	
305-1	Direct (Scope 1) GHG emissions	29.	
305-2	Energy indirect (Scope 2) GHG emissions	29.	
305-4	Greenhouse gas emissions intensity	30.	
306-3	Waste produced	30.	
306-4	Waste withdrawn from disposal	31.	
401-1	New recruits and leavers	21.	
403-5	Employee training on health and safety at work	26.	
403-9	Work-related illness	25.	
404-1	Average annual training hours per worker	23.	
405-1	Diversity of governing bodies and employees	24.	The disclosure is broken down by managers and by gender.