LIGHTWARE

INNOVATIVE. RELIABLE. MADE IN EUROPE.

SUSTAINABILITY REPORT

2024-2025

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LEGAL DISCLAIMER

This Sustainability Report does not qualify as a sustainability report under the CSRD or under the Hungarian Accounting Act (Act C of 2000 on Accounting), nor as an ESG report under the Hungarian ESG Act (Act CVIII of 2023 on environmental, social and societal aspects to be considered in promoting sustainable finance and encouraging unified corporate responsibility). It has been prepared voluntarily, as a summary, in a framework aligned with the company's intentions beyond statutory requirements, based on the GRI international sustainability reporting framework, and to support potential future reporting in line with other reporting standards as well. This summary has not been assured by an independent external party.

This report relates to Lightware Plc.
Company registration number: 01-10-141938
Tax number: 32017586-2-44
NACE: 7210 - Research and experimental development on natural sciences and engineering
Registered office: Budapest, Gizella Street.

Reporting period: 1 January 2024 to 31 December 2025. The company's financial year runs from 1 October to 30 September; our aim is to align and integrate the two reporting periods over time. The data presented relate to 31 December 2024 and 31 December 2025; any deviations are indicated.

Reporting frequency: biennially

Publication date of the report: 29 May 2026

Further information: sustainability@lightware.com

Dear Reader,

More than 25 years ago, Lightware began as a small Hungarian company. Today, we operate internationally, working in close cooperation with partners worldwide and supporting customers across multiple regions. This journey has not been without its challenges, however, each technological, societal, and market change has contributed to making us more resilient, more deliberate, and stronger. Over the past two years, significant external and internal developments have materially influenced our operations and, in several areas, have made it necessary to review our processes and operating frameworks.

From the very beginning, our organisation has been guided by innovation, an entrepreneurial mindset and openness. We continue to shape our product development and long-term direction around customer needs, emerging technology trends, and the wider global context. Responsible business - being accountable for our impacts and for our stakeholders - remains a cornerstone of how we operate. We are committed to ensuring that our products, and the ways in which they are used, create meaningful economic and social value, while we address climate-related risks and manage our environmental footprint. We also aim to contribute to more inclusive and diverse societies through our products, our support for education and healthcare, and our community engagement.

This year marks our second voluntary report on our sustainable operations. We regard this as part of an ongoing learning process. At Lightware, we believe that value is reflected not only in what we develop or manufacture, but also in how we do so. We therefore continue to strengthen our reporting practices. This report has been prepared in line with the guidelines of the internationally recognised and widely used GRI (Global Reporting Initiative) Standards, and it also takes into account the VSME standard recently issued in the EU, simplified guidance tailored to smaller companies under the CSRD/ESRS framework.

Operating in accordance with the principles and values of sustainability is not new to our organisational culture. Nevertheless, in recent years we have approached these commitments in a more deliberate, measurable, and systematic manner, formalising them, strengthening internal awareness, implementing them across our operations, and reporting on our progress. This summary sets out where we currently stand on this journey.

We believe that long-term success requires not only technological expertise, but also trust, cooperation, and care. Our people-centred approach is founded on our team - a community that not only adapts to change, but also contributes actively to shaping it.

Kind regards,

Gergely Vida

CEO

Loránd Gál

COO

Lightware Visual Engineering Plc.

1 ABOUT THIS REPORT

This is the second time we have summarised our sustainability performance in a report. Preparing it is not a legal requirement, it is a conscious, voluntary commitment. We consider it important to share our environmental, social and governance impacts with our stakeholders and, in doing so, to assess our performance, recognise our achievements and strengths, and identify opportunities for further improvement.

This report outlines our sustainability progress to date and our plans for the future. It aims to present our performance transparently and to support the development of regular reporting aligned with international standards.

Compared to the first edition, our second Sustainability Report has developed in both content and structure. At the same time, we have retained the ESG-based structure to ensure that topics remain clear and easy to follow. In compiling the content, we considered our annual plans, our sustainability roadmap, and feedback received from stakeholders.

This report focuses on the 2024–2025 period, however, where relevant, it also reflects on previous years. It was prepared using an approach that considers the full value chain, but it primarily concentrates on the operations of our Budapest headquarters and the company's central functions. This includes management, facilities operations, research and development, supply chain management, human resources, and our IT organisation.

Although the report primarily covers our corporate units operating in Hungary (our Plc. operations - the Budapest headquarters and the Szeged office), where relevant we also provide additional information on our global operations. This is intended to give a more comprehensive view of the company's sustainability performance and efforts, and to support preparation for group-level reporting.

In 2024–2025, we progressed in a more deliberate manner, guided by our sustainability roadmap adopted in summer 2024. The content presented is based on the data currently available and on our current level of knowledge, with a focus on accuracy and transparency.

The report was prepared in accordance with the GRI Standards and therefore provides a more detailed picture of the company's sustainability performance than the previous report. The report has not been assured by an independent third party auditor.

Alternate Tanácsadó Ltd. provided mentoring support during the preparation of the report, not only through professional guidance, but also by helping us tailor the approach to our culture, values, size, industry, and available resources.

With sustainability principles in mind, this report is published exclusively online.

We welcome feedback on this report via an online questionnaire, available **here.**

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ABOUT LIGHTWARE

Lightware Plc. is a privately owned Hungarian company that designs, develops and manufactures professional audiovisual solutions for customers across the global AV industry. As a member of Lightware Holding, our headquarters operates in Budapest, bringing together research and development (R&D and Technical Support & Service), manufacturing, logistics, quality assurance, and supporting functions. In 2024, we opened a new office in Szeged.

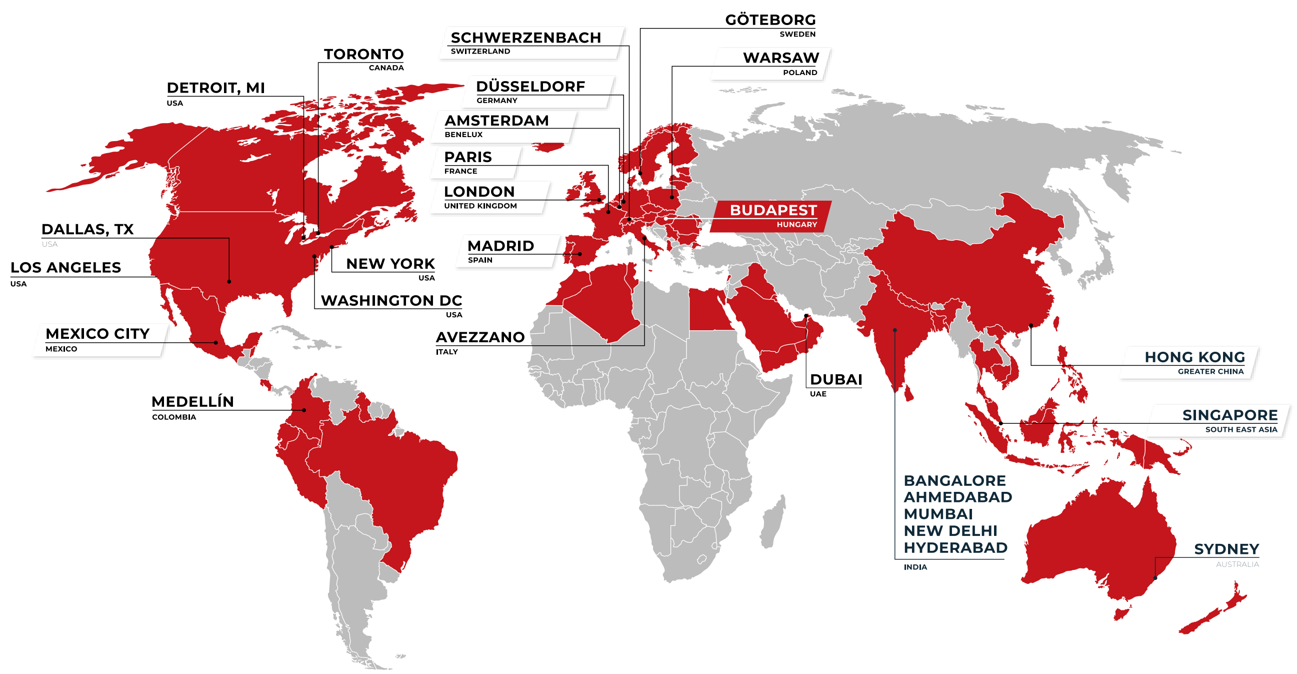
In recent years, Lightware has become a corporate group with a global presence within the audiovisual industry. We are proud that, starting from Hungary, we are now present across four continents and in more than thirty countries, with 18 offices, 2 training centres, and 6 demonstration locations. Our international offices primarily carry out sales activities.

Our products and services are available worldwide, including not only in Europe but also in the United States, Australia, India, Singapore, and the Middle East.

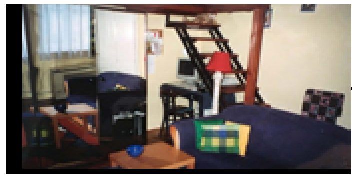
The members of Lightware Holding operate as independent legal entities in accordance with the legislation of their respective countries. At the same time, they align their activities with shared strategic directions defined by the Hungarian headquarters. In addition, subsidiaries are free to shape their day-to-day operations, allowing local culture and specific local needs to be reflected.

Lightware employs more than 400 people. Most are based in Hungary, while our international offices primarily perform sales and customer support activities.

OUR OFFICES WORLDWIDE

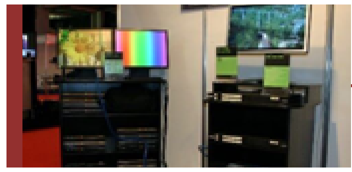


Key Milestones



1998

Driven by a passion for cutting-edge audiovisual technology, **Gergely Vida founded Lightware in a spare room of a city-centre apartment.** In its early years, the company focused on projector and display repairs, while also delivering audiovisual system integration and installation services.



2006

The first in-house developed product, the EDID Manager, was introduced, marking our entry into the international AV industry.

2007

We developed our first digital video multiplexer matrix (32×32 DVI and HDMI Matrix Switcher), a milestone for the industry.

2010s

International expansion: new offices opened, including in the United States, the United Kingdom, Australia and Asia. We also **introduced Event Manager** to support meeting-room automation.

2017

Introduction of UBEX, enabling ultra-low latency, lossless signal transmission over IP-based networks.

2020

Launch of the **Taurus UCX product family**, providing video, audio, charging, and network connectivity over a single USB C cable.

2022

The company changed its legal form and became a **private company limited by shares.**

2024

We opened a new engineering services centre in **Szeged**, creating jobs for 43 highly qualified development engineers.

2025

Our Budapest headquarters **moved to a new office.**

Our portfolio includes more than 200 products, ranging from meeting-room applications to AV-over-IP systems and large-scale matrix switchers. Our solutions focus on the reliable routing and transmission of video signals, supported by the development of extender and matrix switching devices. Our solutions are typically used by system integrators and AV professionals in environments where stable, predictable signal transmission and long-term operability are critical.

Our development approach is based on lifecycle thinking: we consider our products and solutions not only up to their launch, but throughout their entire lifecycle from design and manufacturing through to installation, operation, and support. The aim is to enable our partners to build systems that are stable, predictable, and future-ready over the long term.

During development, requirements and experience from real-world installation environments play a central role. Compatibility, ease of operation, and feedback from system integrators continuously shape our product portfolio. Manufacturing and quality assurance help ensure that our solutions deliver consistent performance and are produced in a repeatable manner, based on shared design principles.

Our operations are defined by collaboration, sustainability, and continuous improvement. These values are reflected not only in product development, but also in our internal processes, partner relationships, and organisational culture.

Our goal is to build a stable, forward-looking operating model that creates long-term value for all stakeholders.

Changes in the Recent Period

The 2024–2025 period was, for Lightware, defined by continuous adaptation and renewal. The external environment presented a number of challenges: the global economic slowdown and the changes to US tariff regulations in 2025 directly affected our sales activities and created conditions to which we needed to respond with agility.

Significant transformation also took place within our operations. As the organisation grew, the close-knit, family-like operating model typical of a smaller community was gradually replaced by a more team-based way of working. This shift has been - and continues to be- a genuine cultural challenge. We are consciously working to ensure that the spirit of collaboration, mutual respect, and our core values are preserved, while recognising that it has also become essential to establish a predictable, performance-based operating framework. We identified the organisational changes required to achieve this and began implementing them.

The 2024–2025 period was also shaped, in practical terms, by our relocation to a new site. Operating temporarily across two locations presented significant logistical and people-related challenges. Throughout this transition, we placed particular emphasis on maintaining team cohesion and ensuring that no one felt isolated. In addition, we opened a new development office in Szeged to reach talented professionals who are based further from Budapest. This also marked the start of establishing a new model of collaboration.

The past two years were not without product-related issues either: we faced a number of technical challenges that affected the organisation as a whole. Addressing these required strong teamwork and provided valuable experience from both a professional and an operational perspective.

We also significantly modernised our infrastructure. As the result of a project lasting nearly two years, in October 2024, following ten years on FS, we migrated to the SAP S/4HANA enterprise resource planning (ERP) system, while continuing to develop our Salesforce and Service Cloud systems in parallel.

This infrastructure renewal is closely linked to improving our data management and data accessibility, and it provides the foundation for making our processes more efficient. Our objective is to enable colleagues to devote a greater share of their working time to high value-added activities; accordingly, reducing administrative burdens, systematically discontinuing low-priority or redundant tasks, and simplifying processes remain ongoing priorities.

The implementation period was not without challenges. However, we were able to keep to the planned timetable. From the customer perspective, we did not experience any material negative impact, and the process strengthened internal collaboration and mutual understanding across the organisation. We also placed particular emphasis on supporting the professional development of our employees.

Economic Overview

Indicator	2023	2024	2025
Total headcount – HQ FTE* (people)	303	316	302
Number of international offices (no.)	18	18	18
Number of employees working abroad (people)	112	101	105
Financial data (HUF bn)			
Revenue**	16.86	18.37	19.30
of which export	16.74	18.21	19.03
Distributed economic value	15.55	17.18	18.59
Operating costs	11.13	12.60	13.27
Employee wages and benefits	3.87	4.00	4.63
Payments to providers of capital	0.04	0.07	0.10
Taxes paid	0.51	0.51	0.58
Community investments	0.07	0.08	0.08
Retained economic value	1.31	1.19	0.71
Total assets	13.30	14.30	13.96

** FTE - Full-Time Equivalent*
***The financial data cover the period from September to September; all other data relate to the calendar year.*

More than 99% of the company's revenue is generated from exports, which clearly reflects our international focus and global presence. In 2025, our revenues reached EUR 49.36 million. The geographic distribution of revenue is balanced, with the largest share split almost evenly across Europe, North America, and Asia.

OUR VALUE CHAIN

Product Development

Our engineers and technical specialists design new products based on market demand, our customers' specific requirements and technology trends.

Procurement

Our procurement team ensures the continuous availability of the electronic components required, as well as items supplied by contract manufacturers.

Manufacturing

During manufacturing, products are assembled, programmed, tested, and quality-checked. Supporting functions, including infrastructure, IT systems, manufacturing support engineers, quality assurance, and back-office teams, ensure efficient and stable operations.

Sales

Sales forecasts play a key role in planning procurement and manufacturing processes, enabling inventory levels to be maintained in an optimal and cost-effective way. Sales links customer requirements with the company's product and service portfolio, ensuring that customers receive the most suitable solutions.

Logistics

Logistics covers the warehousing of raw materials and inventory, as well as the safe packaging and efficient, on-time delivery of products to global markets.

Use

During the use phase, our company provides technical support, troubleshooting, and service to ensure the continuous and optimal operation of products for customers.

End of Product Life

We aim to extend product lifecycles by designing for repairability and disassembly. We provide the information required for proper waste handling and draw users' attention to the importance of responsible disposal and recycling, in line with local regulations and the available technological and market options.

Sustainability at Lightware

Our Governance Structure

At Lightware, the performance evaluation of the highest level of management is linked to the company's business and operational results, as well as progress towards strategic objectives. In qualitative terms, the evaluation includes sustainability-related values and principles; however, quantitative, measurable sustainability targets have not yet been set.

The Owner/Chief Executive Officer is actively involved in the company's day-to-day operations and, together with senior management, plays a decisive role in strategic governance, particularly in relation to key decisions, development directions, and risk management.

We operate in line with the provisions set out in the deed of foundation and apply sound governance practices. At Lightware, we aim to support high-quality, swift, and efficient decision-making, with the active involvement of senior management.

LEADERSHIP

When selecting the executive management, the most important criteria are professional suitability, leadership experience, and the extent to which a given leader can contribute to the company's operations and culture. In this context, particular emphasis is placed on:

- relevant professional experience,
- problem-solving and decision-making capability,
- supporting collaboration and teamwork,
- alignment with corporate values.

Conflict-of-interest principles are set out in the company's Code of Conduct and Policy Compendium. These define the responsibilities associated with roles, acceptable business conduct, and the way conflicts of interest are managed, ensuring that leaders' and employees' decisions prioritise the interests of the organisation.

At Lightware, the performance evaluation of the highest level of management is linked to the company's business and operational results, as well as the achievement of strategic objectives. The Owner/Chief Executive Officer and the Managing Director regularly review the performance of senior management, with particular attention to the delivery of strategic goals, business performance, and organisational effectiveness.

Individual objectives are agreed by the Owner/Chief Executive Officer and the Chief Operational Officer, in alignment with organisational goals, with the executive managers for each functional area. Individual performance is assessed against these objectives. The assessment is based on the achievement of goals, typically defined in line with SMART principles, as well as the professional (hard) and collaborative (soft) skills associated with leadership. This is integrated into the individual performance evaluation system.

Lightware's benefits system is aligned with role, scope of responsibility, and individual performance. The aim of executive remuneration is to support the delivery of the company's long-term strategic objectives and to encourage responsible, results-driven operation. When designing the benefits and remuneration framework, the company takes into account market practices, internal fairness, and performance-based considerations, ensuring that executive incentives are aligned with the company's success and development.

Lightware's objective is for its leadership team to possess the key competencies required for effective corporate governance, including sustainability considerations. Priority areas include:

- strategic and business thinking,
- financial and risk management knowledge,
- an innovation mindset,
- professional expertise and language skills,
- international experience,
- corporate governance and ethics knowledge,
- a sustainability and ESG mindset.

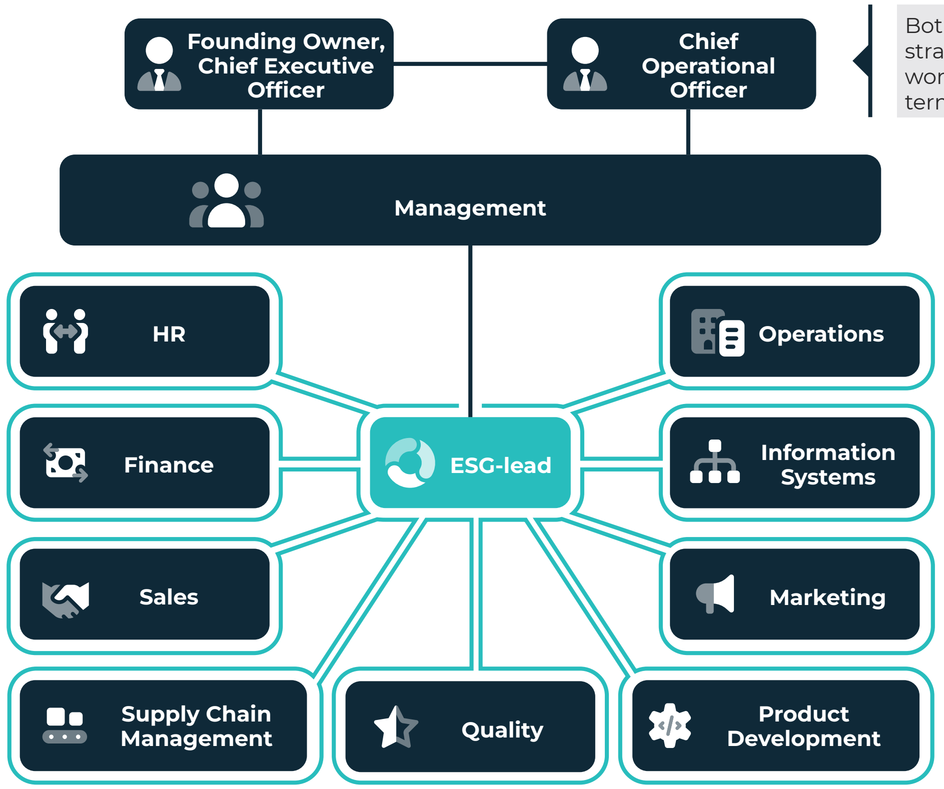
The organisation supports the development of leadership knowledge through internal knowledge sharing, training, and workshops, as well as by involving external experts. The aim is to ensure that leaders consistently demonstrate the desired skills and, at the organisational level, to embed ESG considerations in a more structured way into the company's operations.

The ESG Lead reports directly to management. Their responsibilities include coordinating ESG topics across the organisation, conducting stakeholder consultations, and coordinating the preparation of the sustainability report, including the coordination of data collection and evaluation processes. The finalisation of the report's content, including the identification of material topics, takes place with the approval of the leadership.

The ESG Lead regularly participates in management meetings, where progress on sustainability projects and initiatives is discussed and any emerging ESG-related challenges are addressed. ESG-related matters are addressed with the involvement of senior management whenever necessary, particularly in cases involving business, operational, or compliance risks. In day-to-day operations, a key challenge is the availability and quality of data, the adequacy of data reporting processes, and aligning these with stakeholder expectations.

To support transparency, in addition to regular reporting to management, the organisation also communicates internally. The organisation holds quarterly and annual management briefings, where we report on the previous period's financial and non-financial performance, annual targets and results, and on the next period's key questions, HR topics, and the company's and the team's key achievements.

ESG IN THE GOVERNANCE STRUCTURE



Both Managing Directors participate in strategic and operational management and work together on short-, medium-, and long-term decisions.

The management team is responsible for Lightware's strategic operations.

The company's ESG Lead reports directly to the management and maintains direct links with all business functions.

Our Sustainability Commitment and Strategy

Lightware identifies the environmental, social, and economic impacts of its activities and is committed to embedding sustainability and responsibility across all areas of its operations.

The development of our strategic direction was preceded by a review, benchmark analysis, a materiality assessment and carbon footprint calculation.

Our goal is to ensure that the company is prepared for sustainability-related challenges and expectations, taking into account the needs of internal and external stakeholders, as well as environmental protection.

We strive to ensure that sustainability is not treated as a separate issue, but as an integral part of day-to-day operations, supporting long-term value creation and financial stability.

Main Pillars of Our Commitment

We continuously seek and integrate sustainability considerations into our business strategy and operations.

We support social justice and respect for human rights across all areas of our operations, throughout the entire value chain.

We link policies, actions, and performance indicators to our operations and continuously measure our performance.

We place particular emphasis on employee engagement, wellbeing, and development, as we believe that success depends on a motivated and committed team.

We join national and international sustainability initiatives and standards, such as the UN Global Compact (currently on an informal basis), the UN Sustainable Development Goals (SDGs), and the EU Diversity Charter.

In our Sustainability disclosures, we provide a transparent overview of our full value chain and commit to continuous improvement in materials, energy, and resource efficiency.

We regularly review our operations and performance through internal and external audits.

Reporting Period and Outlook

The year 2024 primarily focused on measuring our sustainability activities, reviewing our current situation, identifying gaps, and strengthening leadership commitment, thereby laying the foundations for subsequent strategic steps.

The year began with an internal review of relevant areas and data collection. Based on this work, we prepared our first Sustainability Report in spring 2024. During the same period, we also prepared for the EcoVadis assessment, an international sustainability rating system used by our key customers to evaluate the sustainability performance of their suppliers. As part of the process, an external assessment was carried out to evaluate our environmental, social, and governance performance, as well as our benchmark results. In April 2024, we achieved an EcoVadis Bronze rating, placing our company in the top 35% of assessed organisations and above the industry average.

The EcoVadis assessment also provided valuable insights into our strengths and opportunities for improvement. While our performance is more advanced in environmental, labour, and human rights-related areas, we have identified corporate governance, business ethics, and sustainable procurement as key areas for further development and remain committed to strengthening our practices in these domains. We reviewed the results in leadership and functional consultations, and, on this basis, our sustainability roadmap was developed in summer 2024 with the support of an external advisor.

OUR SUSTAINABILITY RESULTS AND AMBITIONS

In 2025, we further strengthened our sustainability commitment and community engagement. As part of this, we selected several broad-based community initiatives, including the 'Girls' Day' event: delivered a workshop focused on the UN Sustainable Development Goals (SDGs), and introduced volunteer programmes and a renewed, structured donations framework that also involves our employees.

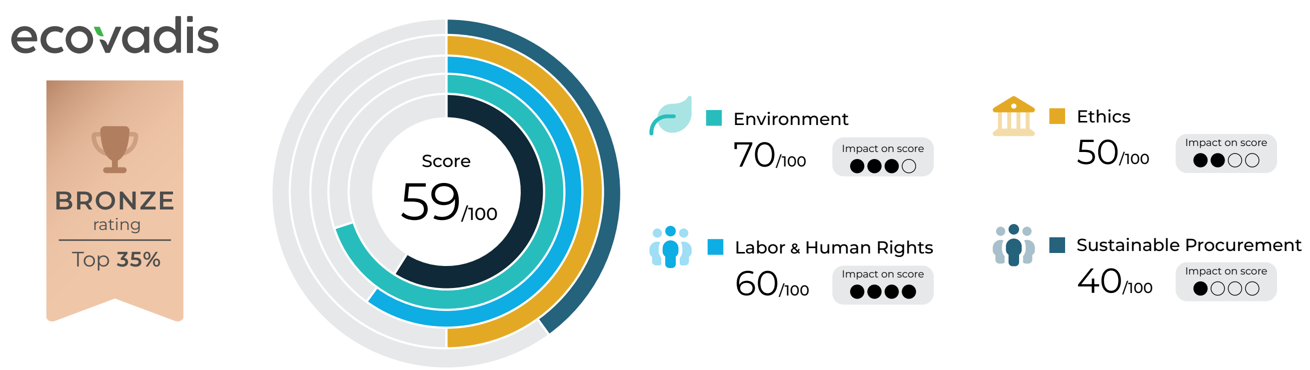
To reduce the environmental impacts of our operations, we transitioned to paper-based packaging for distribution. A major milestone was also reached in our infrastructure development: all departments moved into our new, environmentally conscious centre at HOP Technology Office Park. In addition, we began measuring our direct (Scope 1) and indirect (Scope 2) emissions.

In the area of social responsibility, we established a structured system to manage our donation activities. To support our employees, we launched wellbeing programmes and events that contribute to maintaining physical and mental health.

Looking ahead, our goal is to further develop our sustainable operations and strengthen our ESG framework, including by expanding professional relationships and dialogue with stakeholders. Strengthening collaboration with our suppliers and customers remains a key priority, enabling us to share knowledge, learn from one another, and drive the integration of sustainable practices across the value chain. We also continue to place a strong focus on energy efficiency throughout the lifecycle of our products, with the ambition of demonstrating progress through clear, measurable, and transparent metrics.

We remain committed to ongoing sustainability awareness training for employees, and we will continue our company-level volunteer programme, which is coordinated by our dedicated sustainability working group.

ECOVADIS ASSESSMENT



Key Memberships and Initiatives We Participate In

We are committed to long-term responsible operation, transparency, and continuous improvement. This is reflected in our participation in a range of industry, international, and domestic initiatives, and in our use of global standards and good practices as reference points.

Lightware is a member of the **SDVoE (Software Defined Video over Ethernet) Alliance**, which standardises the transmission of AV signals over Ethernet networks. In 2023, the company received the Project Excellence Award among alliance members.

Lightware has established strategic partnerships with leading technology companies (Google, Barco, Cisco, Lenovo, Sennheiser, and Netgear) and also works with a number of small and medium-sized enterprises on solutions that support the design, installation, and integration of high-quality AV systems.

The **PSNI Global Alliance** is an independent worldwide network of technology integrators and service providers, which collaborates with Lightware as a Preferred Vendor Partner (PVP). The purpose of the PVP programme is to connect manufacturers with Certified Solution Providers. Lightware's participation - and the Growth Driver Award received from PSNI - demonstrates that this collaboration supports the delivery of high-quality, innovative solutions for the professional AV market.

Although our size means we are not yet formally participating, we consider the ten principles of the UN Global Compact applicable to our operations. We have also included our self-assessment in the appendix to this report.

The **Sustainable Development Goals (SDGs)** do not require a membership commitment. However, the principle of "think globally, act locally" is important to us, and the SDGs therefore serve as a guiding framework.

In 2025, we joined the Diversity Charter, established by the EU and stewarded in Hungary by the **Hungarian Business Leaders Forum (HBLF)**, expressing our commitment to fostering diverse and inclusive employment and societies.

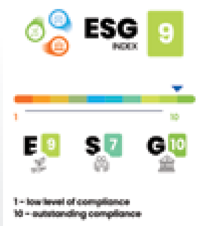
We also completed the **"Vállalható Vállalat" (Responsible/Viable Company)** self-assessment tool developed by Bridge Budapest, and we welcomed the positive result as feedback on our efforts to operate lawfully and ethically.

Recognitions, Ratings and Certifications

Based on the EcoVadis assessment, we achieved a Bronze rating in 2024.

We are proud to be part of the „Vállalható vállalatok" (Responsible/Viable company) business community.

We received the „Loveable Workplace" award in both 2024 and 2025, in recognition of our supportive workplace culture.



According to the OPTEN ESG Index, we achieved a rating of 9.

The index is based on analysing the non-financial risks and opportunities embedded in companies' day-to-day operations.

ISO 9001 CERTIFIED

ISO 14001 CERTIFIED

ISO 45001 CERTIFIED

Lightware's management system covering the manufacturing, wholesale distribution, and technical support of audiovisual signal processing equipment complies with the requirements of ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards.

Industry Awards

AV Awards Collaboration Technology of the Year 2024 Taurus	**ProAV Awards 2024 Best in Market** Taurus and UBEX	**ISE 2024 Best of Show** Taurus UCX-4x3-HCM40	**AV Awards 2025 Best in Market** Taurus UCX-4x3-HC40BD	**ISE 2025 Best of Show** Taurus TPN and Gemini GVN

Lightware's commitment to innovation and excellence was recognised through 11 industry awards in 2024. Among the most notable achievements were the AV Awards' Collaboration Technology of the Year award for Taurus TPX, the Pro AV Awards' Best in Market awards for Taurus and UBEX, as well as recognition for the UBEX Multiview feature. In addition, the Taurus UCX 4x3 HCM40 received the Best of Show award at ISE 2024, further reinforcing Lightware's position as a leading innovator in the professional AV industry.

Our results in 2025 were reflected in a number of further industry recognitions, including Best of Show at ISE 2025 for the Taurus TPN and Gemini GVN products. In addition, the Taurus Smart Dock received recognition at InfoComm, and Future's Commercial Integrator magazine and AV Technology magazine awarded the Pro AV Best in Market prize to Taurus UCX 4x3 HC40BD.

Stakeholders and Interested Parties

Our operations and long-term sustainability are built on the collaboration of many different actors. Our stakeholders include, among others, our employees, customers, suppliers, and local communities.

Our stakeholder landscape is not a static structure, but a dynamic network in constant motion, shaped by our systems of interactions and connections. During regular meetings, assessments, workshops, and industry events, we not only share information with stakeholders, but also listen to and incorporate their proposals and feedback.

We consider employee feedback to be particularly important, as we believe the company's success is closely linked to their commitment and active involvement. We ensure opportunities for continuous dialogue, so that colleagues can share their views, ideas, and any concerns.

Stakeholder Engagement

INVESTORS AND OWNERS

Stakeholders:
- Owner
- Financing bank
- Leasing companies

Engagement methods:
- Monthly and quarterly financial reporting
- In-person and ad hoc consultations
- Annual report

Frequency of engagement: Regular | Ad hoc (proactive) | Ad hoc (reactive)

Sustainability topics raised:
- Financial stability
- Liquidity and cash flow management
- Working capital efficiency
- Management reporting
- Transparency and data quality
- Compliance

EMPLOYEES

Stakeholders:
- Group leadership
- Employees in Hungary
- Employees abroad
- Indirect workforce
- Potential employees and the future technical workforce

Engagement methods:
- Company-wide briefings (townhall)
- Team meetings and one-to-ones
- Biannual performance evaluations
- Internal surveys (e.g., EPCS)
- SharePoint / Teams communication
- Exit interviews
- Community events

Frequency of engagement: Regular | Ad hoc (proactive) | Ad hoc (reactive)

Sustainability topics raised:
- Working conditions and safety
- Pay and benefits
- Work–life balance
- Training and development
- Health and safety training
- Equal opportunities
- Workplace stress and burnout
- Improving internal communication
- The company's financial stability and performance
- Flexible working arrangements, home office options

SUPPLIERS

Stakeholders:
- Strategic suppliers (components integrated into our products)
- Co-operation suppliers
- Operations and indirect suppliers
- Logistics service providers

Engagement methods:
- Procurement negotiations; quarterly and annual reviews
- Supplier audits
- Quality-related meetings
- Contract-related communication

Frequency of engagement: Regular | Ad hoc (proactive) | Ad hoc (reactive)

Sustainability topics raised:
- Supply chain resilience
- ESG compliance (RoHS, REACH)
- Ethical conduct
- Delivery reliability
- Introducing a Supplier Code of Conduct
- Supplier diversification
- Long-term partnerships
- Developing the risk management system

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CUSTOMERS

Stakeholders:

- Distributors
- AV integrators
- End-user companies

Engagement methods:

- Sales meetings
- Customer meetings
- Product and customer support (Support)
- Trade shows and events
- Day-to-day order management
- Project-based consultations
- Contract-related communication

Frequency of engagement:

Regular · Ad hoc (proactive) · Ad hoc (reactive)

Sustainability topics raised:

- Product reliability
- Energy efficiency
- Longer product lifetime
- Product lifecycle
- Service and support
- ESG compliance, reporting support

GOVERNMENT AND AUTHORITIES

Stakeholders:

- Hungarian authorities (e.g., tax authority/NAV, environmental protection, occupational safety)
- EU regulatory bodies
- Customs authorities

Engagement methods:

- Mandatory, legally required regular data provision
- Official inspections
- Permitting processes
- Industry consultations

Frequency of engagement:

Ad hoc (proactive) · Ad hoc (reactive)

Sustainability topics raised:

- Regulatory compliance
- Environmental requirements
- ESG reporting
- Developing the compliance management system
- Strengthening internal controls

NON-PROFIT ORGANIZATIONS

Stakeholders:

- Civil society organisations operating in Hungary

Engagement methods:

- Partnerships
- Targeted support/donations
- Joint projects
- Contract-related communication

Frequency of engagement:

Ad hoc (proactive) · Ad hoc (reactive)

Sustainability topics raised:

- Social responsibility
- CSR programmes
- Supporting education
- Environmental protection
- Donations

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Material Topics at Lightware

When identifying our material topics, our objective was to determine the sustainability issues that matter most to the company and to our stakeholders. We sought to understand where our most significant impacts occur within the business and across our value chain, and how we can manage them. We then linked the topics identified to our goals and day-to-day operations.

To do this, we gathered input from multiple sources: we involved leaders and employees, worked with external experts, considered international standards and industry best practice, carried out benchmarking, and integrated relevant professional recommendations and analyses.

Based on the information collected, we assessed which factors affect the environment, society, or the company's operations (impacts, risks, and opportunities). We evaluated and weighted these using two ranking perspectives, considering irreversibility, scale, and the likelihood of occurrence. We then finalised the list of topics together with ESG experts and external advisors, assessed them, and prepared the final ranking.

In determining our material topics, we also took the United Nations Sustainable Development Goals (SDGs) into account. In 2015, the UN adopted the 17 goals of the 2030 Agenda. These Sustainable Development Goals provide responses to some of humanity's most pressing challenges. From the SDGs, we identified six that are most relevant to us and that relate to our material topics:

- 3. Good Health and Well-being
- 4. Quality Education
- 9. Industry, Innovation and infrastructure
- 10. Reduced Inequalities
- 12. Responsible Consumption and Production
- 13. Climate Action

SUSTAINABLE DEVELOPMENT GOALS (SDG)

Our Material Topics

REDUCING MATERIAL AND ENERGY NEED – DESIGNING SUSTAINABLE PRODUCTS (E)

Related topics

Energy, climate change, circular economy, emissions

SDG 9 SDG 12 SDG 13

Positive impacts

- Lower energy consumption during use through energy-efficient AV devices
- Longer product lifetimes and reduced electronic waste
- Eco-design: a lower carbon footprint and less waste over the product lifecycle

Negative impacts

- Environmental impacts associated with product manufacturing
- Use of rare earth elements and critical raw materials
- Packaging waste
- Emissions from global logistics

Opportunities

- Growing demand for environmentally friendly products
- Lower operating costs through energy-efficient manufacturing
- Reaching new markets/customers through sustainable products

Risks

- Stricter regulation (e.g., eco-design requirements, carbon pricing)
- Volatility in energy and raw material prices

INNOVATION, QUALITY, AND RELIABILITY (S)

Related topics

Customer health and safety, value creation, quality information, user inclusion

SDG 3 SDG 9

Positive impacts

- Faster and more effective response to customer needs through new, innovative solutions
- Business continuity support for customers through stable systems

Negative impacts

- Replacement pressure caused by rapid technological obsolescence

Opportunities

- Market-leading technology position
- High-quality products supporting customer loyalty
- Competitive advantage driven by patents and innovation

Risks

- Falling behind technologically
- Inflation and exchange-rate volatility leading to cost increases and postponed investments
- Risks related to the protection of intellectual property

COMMUNITY ENGAGEMENT / CREATING SHARED VALUE (S)

Related topics

Local communities, social value creation

SDG 4 SDG 10

Positive impacts

- Community-building; strengthening social cohesion and prosperity through donations, collaboration, and social responsibility
- Educational partnerships
- Promoting a more inclusive society through our products

Negative impacts

- The risk of creating dependency

COMMUNITY ENGAGEMENT / CREATING SHARED VALUE (S)

Opportunities

- Positive reputation and long-term social acceptance
- Learning and innovation through partnerships
- Strengthening societal diversity

Risks

- A weakening civil society sector due to funding withdrawals, regulatory changes, or constraints that limit operations
- A weakening education system
- Inadequate impact measurement of CSR activities

STABLE EMPLOYMENT AND EMPLOYEE WELLBEING (S)

Related topics

Direct employees, stability, wellbeing, equal opportunities, working conditions, training and development, future engineers

SDG 3 SDG 4 SDG 10

Positive impacts

- Workplace safety and a healthy working environment
- Professional development and training
- Stable, long-term employment; a positive and inclusive workplace communit

Negative impacts

- High workload, stress, and risk of burnout
- Incidents related to workplace inequalities
- Workplace accidents and incidents

Opportunities

- Motivated, loyal employees supporting high-quality products and innovation
- Cost savings resulting from low staff turnover
- A strong employer brand

Risks

- Loss of key employees
- Labour market competition and rising recruitment and selection costs due to a tightening labour market

LAWFUL OPERATIONS AND BUSINESS INTEGRITY (G)

Related topics

Lawful and ethical operations, independence, accountability, fair conduct, supplier and partner relationships and payment discipline, human rights

SDG 10 SDG 12

Positive impacts

- Transparent operations
- Stable supplier, customer, and partner relationships
- Strengthening fair competition and meritocracy

Negative impacts

- Negative supply chain impacts linked to the use of conflict minerals
- Risk of data protection incidents

Opportunities

- Strong investor and market confidence
- Stable long-term partnerships
- Risk minimisation through a more transparent supply chain enabled by the development of track-and-trace technologies

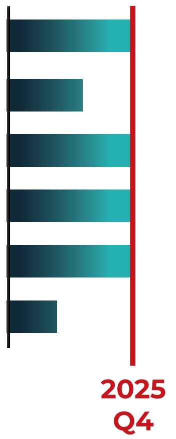
Risks

- Additional tasks and costs associated with tightening regulation
- Geopolitical and economic downturn
- Increasing transparency obligations related to suppliers' operations
- Cyberattacks

Sustainability Roadmap (2024–2027)

ESG STRATEGY AND CORPORATE GOVERNANCE

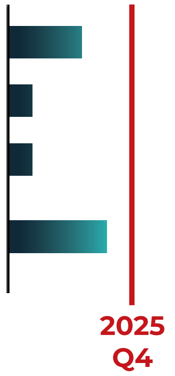
Implementation status



Sustainability objectives (2024-25)	Plans and actions (2026-2027)
Develop a sustainability strategy and identify material topics	Prepare a climate strategy
Topic-level action planning and measurement	Harmonise and improve the measurement framework
Establish an ESG working group	Strengthen operations and mobilise resources
Obtain an EcoVadis rating	Renewal, maintaining current level, or further improvement
Publish a Sustainability Report	Group-level, GRI Standards-based Sustainability Report
Join the UN Global Compact	Formalise UN Global Compact participation

REDUCING MATERIAL AND ENERGY NEED – DESIGNING SUSTAINABLE PRODUCTS (E)

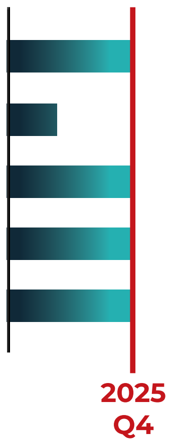
Implementation status



Sustainability objectives (2024-25)	Plans and actions (2026-2027)
Carbon footprint calculation (Scope 1 and 2)	Scope 3 calculation
Develop actions linked to the climate strategy	Increase the share of renewable energy sources
Product LCA and end-of-life	Strengthen and mainstream eco-design; carry out LCA analysis; measure material flows
Transition to paper-based packaging for the Taurus product family	Identify and develop further opportunities

INNOVATION, QUALITY, AND RELIABILITY (S)

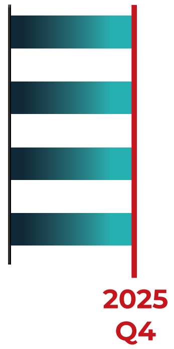
Implementation status



Sustainability objectives (2024-25)	Plans and actions (2026-2027)
Integrate customer needs and feedback into the product development plan	Proactive innovation
Further develop the complaints handling process	Systematic measurement of customer satisfaction and maintaining a high level
Cyber protection for products	Minimise the number of cyber security incidents
Make the Lightware Academy multilingual	Maintain the number of users and their satisfaction
Minimise the number of faulty products	Year-on-year reduction of the warranty failure rate; minimise product recalls

COMMUNITY ENGAGEMENT / CREATING SHARED VALUE (S)

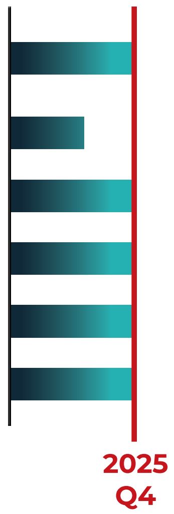
Implementation status



Sustainability objectives (2024-25)	Plans and actions (2026-2027)
Organise a Girls' Day event	Organise Girls' Day events
Establish and operate a volunteering framework	Deliver an annual volunteering programme
Build partnerships with civil society organisations	Continue and expand partnerships
Develop a social support / donations policy	Implementation, monitoring, and measurement

STABLE EMPLOYMENT AND EMPLOYEE WELLBEING (S)

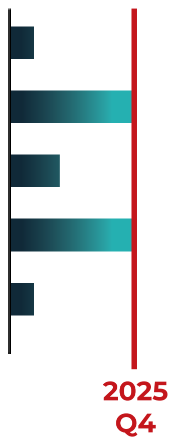
Implementation status



Sustainability objectives (2024-25)	Plans and actions (2026-2027)
Employee mindset- and behaviour-shaping training: SDG simulation; delivering #IAmRemarkable workshops	Identify and deliver further training and development opportunities
Awareness-raising education and sensitivity training	Provide general sustainability training for all employees
Physical and mental wellbeing programmes and benefits	Continue additional programmes
Framework for recognition and reward culture	Increase employee satisfaction
Establish group-level HR processes	Expand policies, internal regulations, and inclusion initiatives
Join the EU Diversity Charter	Review gender inequalities

LAWFUL OPERATIONS AND BUSINESS INTEGRITY (G)

Implementation status



Sustainability objectives (2024-25)	Plans and actions (2026-2027)
Review the Code of Conduct; provide ethics training for employees	Publish the updated Code of Conduct at group level and organise related employee training
Information security risk assessment; organise IT security training	Maintain, develop, and keep pace with requirements
Sustainable procurement strategy and policy	Update the sustainable procurement policy
Responsible and sustainable procurement training	Embed further sustainability practices into processes
ESG risk assessment for the supplier chain	Integrate supplier-chain ESG risk assessment; develop supplier due diligence methodology; pilot

3
ENVIRONMENT

In this chapter, we focus on our environmental impacts. We present our environmental footprint and energy use, our operational, product development, and manufacturing efforts, as well as our approach to waste management.

Material and Relevant Topics:

REDUCING MATERIAL AND ENERGY NEED – DESIGNING SUSTAINABLE PRODUCTS

- Product lifecycle
- Packaging
- Sustainable procurement and manufacturing
- Waste management
- Energy management
- Emissions and carbon footprint
- Environmentally conscious office practices and building operations

Product Lifecycle

Sustainability Considerations in Product Development

Lightware's product development strategy is shaped, over the long term, by energy efficiency and safe operation. Environmental responsibility is playing an increasingly important role in product design; we consider energy-efficiency aspects from the early stages of development.

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ENERGY USE

Our aim is to ensure that energy use does not exceed what is required for optimal operation, which is why we use high-efficiency DC–DC converters with over 90% efficiency. These convert voltage levels while minimising energy loss.

Within the company, we prioritise optimising our infrastructure to keep energy consumption under control. One of the key environmental benefits of Lightware systems is that they can operate at low running costs. While some competitors use solutions that consume up to 27W of power per device under full load, our systems operate with a power consumption of only 10–12 watts under the same conditions. In a larger system, this can result in an annual energy cost saving of up to 15,000 euros. Energy efficiency therefore brings not only environmental but also clear financial benefits.

When designing our products, we already aim to minimise energy use at the baseline level, particularly in environments such as meeting rooms, where devices often remain powered during working hours.

Some of our products include built-in software (such as Event Manager or the LARA room automation platform), which enables intelligent control of meeting rooms and other spaces. Thanks to motion sensing or occupancy detection, these solutions can switch off devices in unused rooms, improving energy efficiency. This not only reduces operating costs but also supports sustainable operations.

PRODUCT DESIGN

A key aspect in the development of our products is simple and environmentally conscious design. We use minimal painting and cleaning, and we use paper-based packaging to reduce the use of materials and hazardous substances during manufacturing. The number of accessories included with products has also been reduced consciously, so boxes contain only the most important cables and a concise, black-and-white Quick Start guide, while detailed user manuals are available exclusively in electronic format.

PRODUCT LIFETIME

During development, we place particular emphasis on product lifetime. As the product portfolio grows and investment needs increase, rationalising the portfolio and using resources more efficiently become increasingly important.

To ensure a long lifecycle, we design our products with modularity in mind so that, in the event of a failure, individual components can be replaced and operation can continue. Faulty modules are repaired by our service team and then reused.

In 2025, a total of 980 products were received in the service department, of which 39 were permanently discarded. This means that approximately 96% of the returned units were successfully repaired and put back into service.

The long lifecycle of our products is not only a business advantage but also beneficial from a sustainability perspective. Based on our experience to date, relatively few failures occur that are attributable to wear of the equipment. While we do not currently carry out formal product lifecycle analysis, customer feedback clearly indicates that our devices are reliable over the long term. In the future, we would like to place even greater emphasis on optimising lifetime.

In our cable business, product lifecycle data collection and product takeback have not yet been implemented, but the team sees a long-term opportunity to create a system that supports a circular economic model, for example by recovering copper raw materials. This could include providing discounts for returned end-of-life products. Although the energy efficiency of cables is not a relevant factor, further development directions are emerging in reducing environmental impact and optimizing waste management.

Lightware remains committed to environmental sustainability, energy efficiency, and social responsibility in the future.

Sustainable Packaging Materials and Material Use

Sustainability is not reflected only in energy use, but also in our manufacturing and packaging practices. We have aligned our manufacturing and operational processes with lean principles, thereby supporting efficient workflows, the economical use of materials, and the minimisation of waste.

In 2024, we began introducing paper-based packaging. Biodegradable cardboard and recyclable solutions offer a number of environmental advantages, while also ensuring adequate product protection. From the second half of 2025, for our leading products (Taurus UCX, Taurus TPX, Taurus TPN, OPTX, and OPTN), we use exclusively paper-based packaging.

In addition, for the cables we manufacture, we reuse a high proportion of waste-generated elements. In the manufacturing of electronic components, we use lead-free soldering technology.

When designing the packaging for each new product, our primary objective is to ensure compatibility with both existing and newly introduced packaging solutions. This presents a more complex task on the product side than it does on the packaging side; however, wherever possible, we aim to ensure that packaging can be used for both older and newer products.

For OEM items that we procure, where feasible we reuse the packaging received from suppliers at the end of our inbound process for outbound customer shipments, thereby significantly reducing waste generation.

When customers return products for service, we do not automatically discard the packaging. Instead, if it remains in good condition, we reuse it for future shipments.

In 2024, we reached a significant milestone in our cable packaging process. The previously typical, product-by-product variations were replaced by a unified system that is also advantageous from a sustainability perspective. Products are shipped in compostable, PLA (polylactic acid) based bags, alongside degradable paper packaging. For optical cables, where transport conditions are less demanding, protection is provided by corrugated cardboard instead of the previously used plastic cable ties, thereby reducing the amount of waste generated.

Packaging also received more informative and consistent labelling: a colour-coded, easy-to-read matrix is now used across all products, and the traceability of cables is supported through engraving. In addition, the standardisation of supplier codes has contributed to establishing and maintaining packaging standards.

Sustainable Procurement

Procurement plays a key role in ensuring that the materials and components required for Lightware's operations are available on time, in the right quantities and quality, and at a competitive cost level, while also supporting the company's long-term sustainability and business objectives.

Procurement works closely with Development (R&D), Quality, Logistics, and Finance, with particular attention to the complex supply chains and component-related risks typical of the electronics industry. Supplier selection follows a structured process that considers quality, financial, supply security, and sustainability criteria. The list of approved suppliers is continuously maintained and reviewed.

Given the industry's characteristics, a limited supplier base is available for a number of key electronic components, which creates increased risk in terms of supply security, pricing, and product lifecycle. To manage this, procurement actively contributes to:

- identifying alternative components (second source),
- supplier diversification,
- establishing long-term partnerships, and
- reducing inventory and lifecycle-related risks.

Since 2022, we have used the SiliconExpert database to track sourcing compliance and risks for components, including compliance with REACH and RoHS requirements, as well as component lifecycle status (e.g., EOL – End of Life). This enables us to manage obsolescence risks proactively and minimise inventory write-offs.

We manage quality assurance documentation (measurement records, inspection plans, specifications) digitally, reducing paper use, and we expect the same operating approach from our partners.

Our expectations for suppliers are set out in the Supplier Code of Conduct, covering:

- minimising environmental impacts,
- resource efficiency,
- waste management, and
- legal and regulatory compliance.

We expect our partners to actively pursue sustainable operations, including the application of environmentally responsible practices and increasing supply chain transparency.

PROCESS AND OPERATIONAL IMPROVEMENT FOCUS AREAS AND FUTURE DIRECTIONS

As we develop our procurement function, our goal is to continuously improve operational efficiency and the quality of our supplier partnerships, particularly in the following areas:

- Structured measurement of supplier performance (quality, delivery, cost, ESG)
- Introducing an ESG-based supplier assessment system and extending risk assessment to ESG dimensions
- Establishing supplier audits and development programmes
- Closer integration of procurement and product development decisions (e.g., the impact of component selection on inventory and lifecycle)
- Reducing inventory-related risks (minimising slow-moving and obsolete stock)
- Further strengthening supply chain risk management (with particular attention to geopolitical and industry risks)
- Digitalisation and automation in procurement processes
- Strengthening data-driven operations (e.g., SAP-based reporting and decision support)
- Expanding long-term strategic partnerships with key suppliers.

Waste Management and Supporting the Circular Economy

Waste type	2022	2023	2024	2025
Hazardous waste (tonnes)	N/A	0.052	N/A	0.000
▪ **Batteries and accumulators**	N/A	0.052	N/A	0.016
Non-hazardous waste (tonnes)	0.230	1.740	7.151	9.142
▪ **Electronic waste**	0.018	N/A	0.050	0.984
▪ **Paper and paper packaging**	0.005	1.420	5.889	6.728
▪ **Metals**	0.140	N/A	N/A	0.050
▪ **Other waste**	0.067	0.320	1.212	1.380
▪ **Municipal waste**	N/A	N/A	N/A	N/A
Share of waste recycled or returned to reuse*	N/A	N/A	100%	100%
Share of waste sent for final disposal or landfill*	N/A	N/A	0%	0%

** We do not yet have data on the amount of municipal waste; therefore. it was not included when calculating the share of waste returned to reuse or sent to landfill.*

At Lightware, the vast majority of the waste generated is linked to our office and manufacturing activities. In our waste management approach, we place strong emphasis on selective collection, supporting recycling, and the proper handling of hazardous waste. Paper, metal, electronic, and other waste generated during manufacturing processes is categorised and managed responsibly.

Both at our Peterdy Street location and at our new site (HOP), we have the opportunity to collect waste selectively. At the HOP site, we operate a waste compactor in the basement to compress sorted waste. At HOP, the handling of sorted waste has been organised through a single external service provider, Reko Waste Management Kft.

In 2022, we collected a total of 0.23 tonnes of non-hazardous waste. This increased to 1.74 tonnes by 2023 and to 9.14 tonnes by 2025. The increase is primarily driven by a rise in paper and paper packaging: while this waste type accounted for only 0.005 tonnes in 2022, it reached 1.42 tonnes in 2023 and 6.73 tonnes in 2025. This is linked to changes in packaging and administrative processes, as well as to our increased production volumes.

The amount of electronic waste generated was 0.018 tonnes in 2022, and it reappeared in 2025 at 0.98 tonnes. In addition, a more significant amount of other waste was generated, reaching 1.38 tonnes by 2025.

In the hazardous waste category, in 2023 we handled 0.052 tonnes of batteries and accumulators (no data are available for previous years).

We collect electronic and other hazardous waste separately and have it removed by authorised organisations once or twice a year. Used batteries are collected separately and sent for disposal accordingly. Hazardous waste generated in connection with the production line is stored in dedicated containers in line with applicable requirements and then transported for proper treatment. Surplus mobile phones, computers, and monitors are sold so that they can be given a second life, either as functioning devices or for use as spare parts. The proceeds are used to purchase new equipment.

With many of our local suppliers, we use returnable, multi-use containers, which do not become waste at the end of the delivery process. Packaging waste and other internal waste materials are brought to our internal collection point for sorting for recycling.

Each waste type is transferred to a partner specialised in waste recycling. The receiving colleague records the key details of unpacked shipments in the materials receipt log.

Our objective is to minimise our environmental impact even as the amount of waste generated increases. We achieve this partly by improving selective waste collection and partly by digitising internal processes, including increasing digital usage and reducing printing. We place particular emphasis on the reuse and recycling of our electronic devices and their components, working closely with partners that ensure proper recycling, especially for components containing rare metals.

In line with circular economy principles, we continuously seek solutions that reduce the use of single-use materials and increase the proportion of recycled materials. Lightware remains committed to contributing to environmental protection through sustainable operations alongside technological innovation.

Energy Management, Climate Change, and Resource Use

Electricity Consumption

A significant share of our operational energy use comes from electricity. The data from the past three years reflects the changes taking place within the company's operations and, in particular, our energy consumption. In 2023, we used 484 MWh, by 2024, this had increased to 612 MWh.

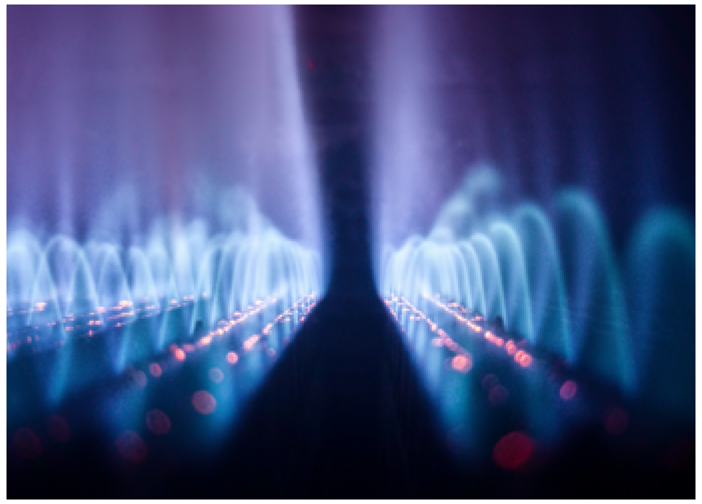
The nearly 30% increase is primarily attributable to the temporary parallel operation of our former and new sites. In 2025, following our move to the HOP office building, total annual electricity consumption across our Budapest and Szeged offices was 306 MWh, less than half of the previous figure. (For 2025, no data are available for the Peterdy Street site, as we do not have "master-month" data.)

Looking ahead, increasing the share of renewable energy sources and using energy-efficient technologies and equipment will be key priorities.

Gas Consumption

Natural gas is another defining element of our energy use. In 2023, our gas consumption was just under 49,000 m³; in 2024, it rose significantly to approximately 79,000 m³, and in 2025 it increased further to 94.86 thousand m³ (combined for the HOP building and the Szeged office; the period spent at the Peterdy Street site is not included). This increase of more than 90% is a cause for concern, as natural gas is a fossil fuel energy source with a significant impact on carbon dioxide emissions and, consequently, our carbon footprint. The rise may be linked to the change of site and the maintenance of a new, larger base building.

In the future, we aim to improve the efficiency of building operations—for example through modern HVAC solutions and energy-saving heating systems—as well as the gradual introduction of renewable alternatives.

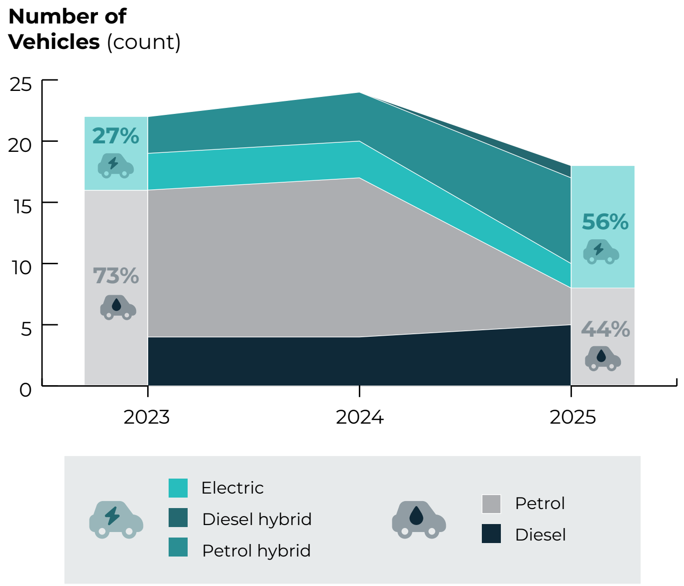


Although the current trend is not favourable, it also represents an opportunity: one of the key focus areas of our sustainability efforts will be to reduce our gas consumption.

Fuel Consumption

Our mobility and logistics activities also contribute to our overall energy use. Based on detailed data for 2024–2025, our fuel consumption was primarily concentrated on petrol and diesel, with premium fuels used to a lesser extent. Monthly breakdowns clearly show that our fleet uses both energy carriers on a regular basis, which is directly linked to the transport and delivery needs that are essential to our operations.

The most straightforward way to reduce our fuel consumption in the future is to introduce lower-emission vehicles and increase the share of electric or hybrid cars in our fleet. This would not only help reduce our carbon dioxide emissions, but could also deliver long-term economic benefits through lower operating costs. We recognise that there are significant opportunities for improvement in this area, and we are committed to the gradual adoption of more modern, more sustainable solutions.



Our new office building in Budapest is easily accessible by public transport, bicycle, and e-scooter, enabling us to further reduce the environmental impact associated with car use.

Summary of Energy Consumption and Fuel Use

	2023	2024	2025
Energy consumption (MWh)			
▪ **Electricity**	484	612	306
▪ **Gas**	463	746	1,001
▪ **Renewable energy**	-	-	-
▪ **Energy intensity**	N/A	N/A	N/A
Fuel consumption (liters)			
▪ **Petrol**	12,979	10,996	9,956
▪ **Diesel**	3,449	3,310	5,571
Number of cars (count)			
Total	22	24	18
▪ **Diesel**	4	4	5
▪ **Petrol**	12	13	3
▪ **Electric**	3	3	2
▪ **Petrol hybrid**	3	4	7
▪ **Diesel hybrid**	0	0	1

We compiled energy consumption data based on utility invoices, internal metering systems, and fuel purchase records. Gas (m^3) was converted using calorific value.

Climate Action

Lightware recognises the significance of climate change and its business, environmental, and social impacts, and is committed to gradually reducing its carbon footprint across its operations and value chain.

We measured our direct (Scope 1) and indirect (Scope 2) emissions annually in 2024–2025; however, we do not yet have quantified data for our other indirect emissions (Scope 3). Our goal for the next two years is to establish a Scope 3 measurement framework and to review our total greenhouse gas emissions and climate-related risks.

At present, the company does not yet have a formally adopted, publicly disclosed climate transition plan with targets. Following the introduction of Scope 3 measurement, we plan to develop this during 2026–2027.

In addition, our objective is to carry out a structured assessment of physical climate risks, such as heatwaves, extreme weather events, or supply-chain disruptions, and to prepare a medium- and long-term climate adaptation plan.

When developing our future climate transition strategy, we will also consider social aspects, including potential transition impacts on employees and suppliers, in line with the principles of a just transition.

Our direct (Scope 1) emissions arise from the combustion of fossil fuels (primarily natural gas) in our boiler, as well as from the combustion of fossil fuels used by company vehicles.

Our indirect (Scope 2) emissions arise from the consumption of electricity required for building operations and manufacturing, as well as from the use of district heating and the generation of heat and steam.

Our other indirect (Scope 3) emissions include emissions related to raw materials used in manufacturing, packaging, business travel, employee commuting, and emissions arising from waste management. We do not yet have quantified data for these; our goal is to develop the measurement framework.

Category	2023	2024	2025
Scope 1 – CO_2 emissions [tCO_2e]	93.11	183.13	217.13
Scope 2 – CO_2 emissions [tCO_2e]	107.49	135.70	67.90
Total Scope 1+2 CO_2 emissions [tCO_2e]	200.60	318.83	285.03
GHG intensity*	0.01	0.02	0.01

** tCO_2e / 1,000 HUF (total Scope 1 + Scope 2 emissions)*

Water Consumption

Our annual water consumption in 2024 was 2,738 m³, which is considered low compared to industry standards. Our activities do not pose a significant environmental burden in terms of water use. However, since water is a valuable resource, we continue to emphasize conservation and mindful usage.

In 2025, our Budapest office relocated to a new site. Thanks to the building's modern water efficiency, our annual water consumption was reduced to less than half, down to 1,239 m³.

The use of water-saving equipment, continuous monitoring, and fostering environmental awareness among our employees all contribute to ensuring our water usage remains sustainable in the future. We start from a strong position in this regard, as our current consumption presents a very favorable picture.

We use almost exclusively environmentally certified cleaning products, this was also a key criterion when selecting our cleaning partner. In our kitchens, we use dishwashers to wash dishes in an energy and water-efficient way.

At both our Peterdy Street location and our new site (HOP), we have installed drip irrigation systems in the ground-floor relaxation garden and on the rooftop terrace. This water-saving irrigation helps us avoid having to replace perennial plants year after year, supporting their lifecycle over many years.

	2023	2024	2025
Water Consumption (m^3)	2,486	2,738	1,239
Sewage (m^3)	2,486	2,738	1,239

All wastewater from the company is discharged into the municipal sewage system, which is treated by the local wastewater treatment facility in accordance with relevant regulations; no direct discharge into surface waters occurs.

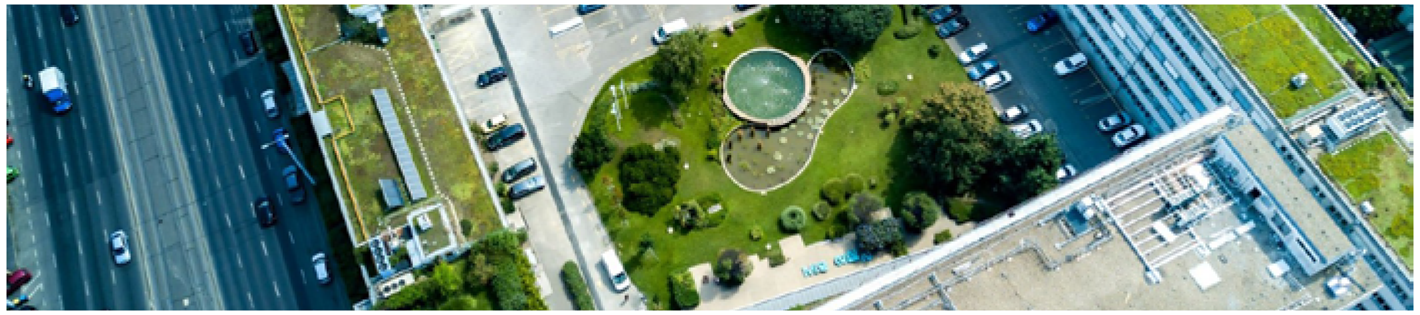
Summary

Based on data from the past three years, our energy and resource consumption shows an increasing trend, especially in electricity and gas usage. This is a natural consequence of our growth and expansion, but it also highlights the need for further measures to ensure sustainability.

In terms of fuel consumption, future decarbonization initiatives will be crucial, while our low water consumption provides a favorable starting point for future strategies.

We are committed to implementing measures in the coming years that will both reduce our environmental footprint and establish the long-term foundations for more sustainable operations. This commitment supports environmental protection, enhances our competitiveness, and ensures the satisfaction of our partners and customers.

Building Management and Environmentally Conscious Office Practices



Thanks to Lightware's growth, the company relocated to a new office building. The move took place in several phases starting in 2023: in the first phase, warehousing, manufacturing, quality control, production support, and logistics activities moved to the new HOP site. By the first quarter of 2025, the entire HQ also relocated to the HOP office building, bringing HQ and manufacturing back together on one site as before.

The criteria for selecting and renovating the office building included:

- Keeping the central areas, as well as development and manufacturing, on the same site.
- An office meeting ESG criteria, considering client and environmental needs.
- Significant reduction in harmful emissions by renovating an existing building.
- Energy-efficient equipment and fittings solutions.
- To reduce the building's carbon dioxide emissions, a full solar panel system is planned to be installed on the roof.
- Good accessibility by public transport.
- Support for cycling, including bicycle storage facilities.

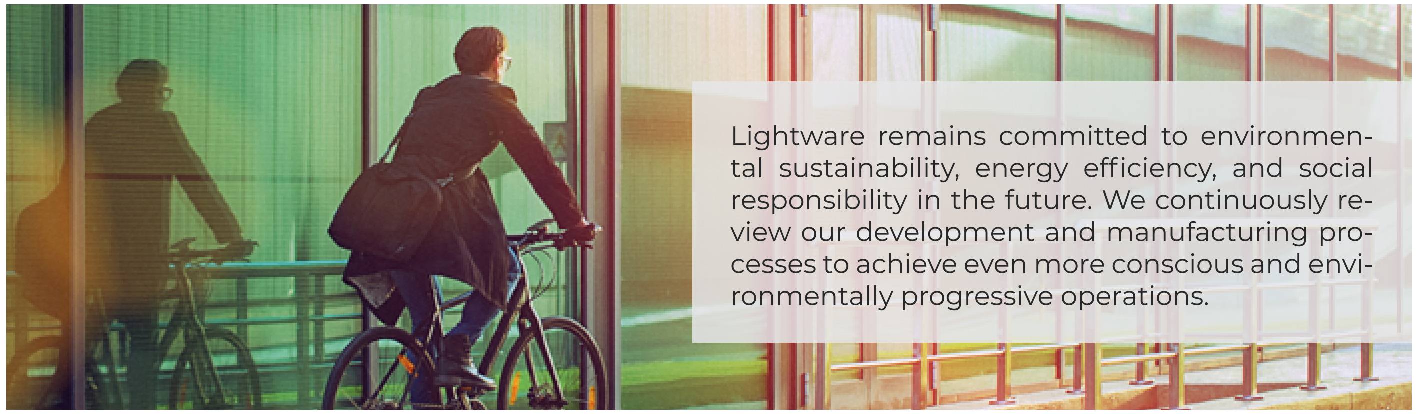
Green Office

We consider it important that environmental awareness becomes a fundamental value for all our employees. Related awareness messages are displayed in several places within our office building and on the Intranet.

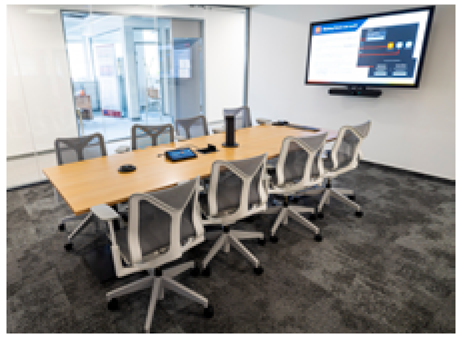
In our office building, we collect waste selectively and use recycled paper for printers. Printer stations remind users to consider whether printing documents is really necessary. Our IT department has switched to completely paperless operation.

We provide two home office days per week for our colleagues, helping to reduce the environmental impact of commuting. Additionally, we encourage our staff to use public transport, electric cars, and bicycles.

We have joined the global Plastic-Free July initiative, the national TeSzedd litter-picking campaign, and encouraged our employees to participate in Earth Hour and World Water Day.



Lightware remains committed to environmental sustainability, energy efficiency, and social responsibility in the future. We continuously review our development and manufacturing processes to achieve even more conscious and environmentally progressive operations.



4 SOCIAL

In this chapter, we focus on human rights, employment practices, people's health, safety, well-being, education, engagement, as well as our overall social impacts and efforts.

Material and Relevant Topics:

STABLE EMPLOYMENT AND EMPLOYEE WELL-BEING

- Equal opportunity and non-discrimination
- Workplace health and safety
- Performance evaluation, bonuses, rewards, compensation
- Education and training
- Employee well-being
- Employee engagement, dialogue, community building
- Future workforce

INNOVATION, QUALITY, AND RELIABILITY

- Product quality and safety
- Incorporating customer needs, proactive innovation
- Customer satisfaction, complaint management
- Cybersecurity
- Knowledge sharing, professional community building

COMMUNITY ENGAGEMENT - CREATING SHARED VALUE

- Donations, support, volunteering
- Knowledge sharing

Our Employees

Our greatest asset as a company is our employees. The diversity, life experiences, knowledge, resourcefulness, innovation, self-expression, unique skills, and talents that our colleagues bring to their work form not only the foundation of our corporate culture but also a defining part of our reputation and achievements.

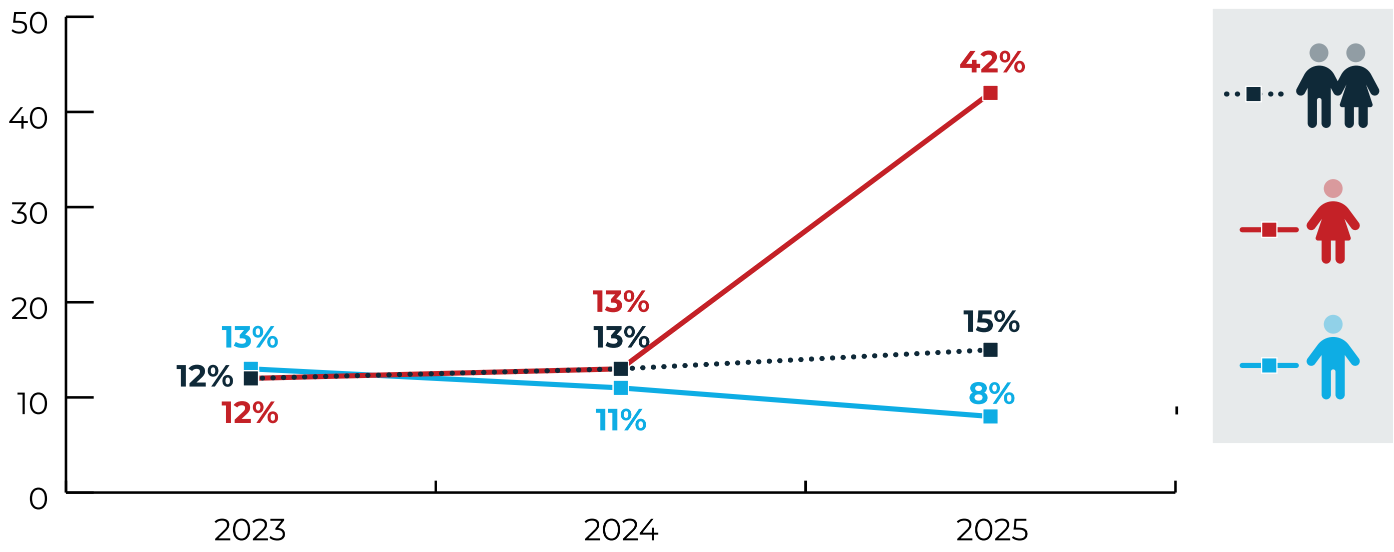
We are proud that our team was awarded the „ Lovable Workplaces" award in both 2024 and 2025, recognizing our positive and supportive workplace culture.

Headcount Data

	2023	2024	2025
Year-end total headcount (FTE)	**303**	**316**	**302**
▪ **Women**	74	82	76
▪ **Men**	229	234	226
Full-time	**228**	**301**	**285**
▪ **Women**	69	77	71
▪ **Men**	219	224	214
Part-time	**15**	**15**	**17**
▪ **Women**	5	5	5
▪ **Men**	10	10	12

Note: Based on year-end closing headcount, full-time equivalent (FTE), individual reporting for the company (Private Limited Company). During the reporting period, we had no employees on fixed-term contracts or with non-guaranteed working hours.

ANNUAL TURNOVER BY GENDER



In 2025, the unfavorable economic environment also impacted our organization's workforce management. During the year, certain positions were eliminated, and some employees left the company. Some of the departing employees' positions were not refilled, particularly in support functions. The changes affected female employees to a greater extent, contributing to an increase in the female turnover rate that year.

Our company makes employment and selection decisions based solely on the competencies required for the role and business needs. However, the operating environment is traditionally a male-dominated labor market. Analysis of the data did not identify any systemic factors or practices indicating differential treatment of female employees; the outcome was also influenced by unique personnel changes during the period.

	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Number of New Hires (persons)	27	57	16	37	16	37
Number of Departures (persons)	7	28	8	35	22	44
Annual Turnover (%)	12	13	13	11	42	8
Total Annual Turnover (VSME*/ESRS)** (%)	**12**		**13**		**15**	

**VSME (Voluntary Sustainability Reporting Standard for non-listed SMEs)*
***ESRS (European Sustainability Reporting Standards)*
Turnover was calculated using the formula:
(Number of employees leaving during the year / Average number of employees in the year) x 100

Equal Opportunity and Non-Discrimination

Lightware is committed to creating an inclusive, supportive, and diverse community where it is our shared responsibility to accept and respect one another and to ensure equal opportunities for all, regardless of our differences. To reinforce this commitment, in 2024 we joined the international Diversity Charter.

Our personnel policy defines the behavioral principles that shape the culture and values of workplace collaboration. At Lightware, we apply zero tolerance for all forms of harassment and discrimination. Our corporate values and internal regulations clearly prohibit direct or indirect discrimination based on race, skin color, gender, religion, origin, sexual orientation, or any other personal characteristic.

Workplace reports related to such issues are handled according to our principles, including fair process, presumption of innocence, independent investigation, privacy protection, and the application of proportionate and fair sanctions.

It is of utmost importance to the company that human rights and human dignity are respected in its employment policies, practices, and in the behavior of leaders and employees. No discrimination cases were reported during the reporting period.

Due to industry-specific characteristics, our company has a higher proportion of male employees; however, female managers and senior leaders are overrepresented relative to the total workforce.

Support for Parents

We respect the active role of mothers and fathers in the family, and in our decisions and operations, we always consider the needs of parents and gender equality. In this spirit, Lightware provides new fathers with additional days off beyond the legally mandated paternity leave, supporting families during the early, crucial period of child-rearing. At Lightware, all employees are entitled to maternity/parental leave, and in the case of a child's birth, we provide a total of 15 working days of paternity leave.

Among our female employees, 6 took maternity leave in 2023, another 6 in 2024, and 4 in 2025. We regard it as a particularly important achievement that 100% of mothers returning from maternity leave were employed by the company for at least an additional 12 months.

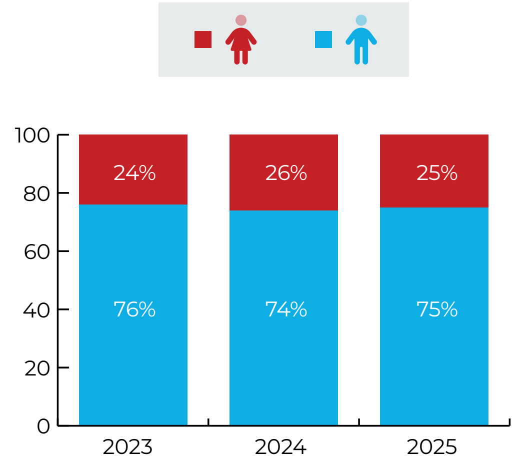
Among men, 8 took parental or paternity leave in 2023, 9 in 2024, and 8 in 2025.

The data show that Lightware's environment supports responsible and balanced family roles for all employees.

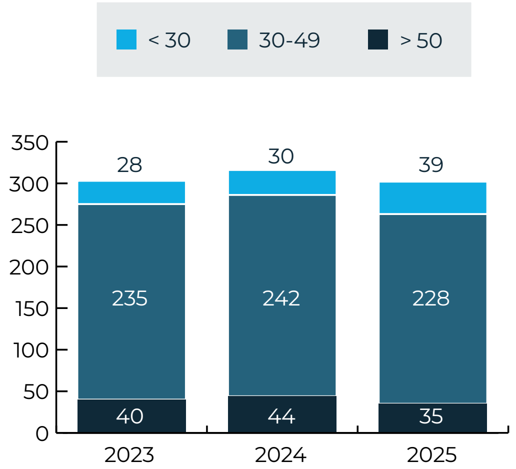
Employee Composition

ALL EMPLOYEES

DISTRIBUTION BY GENDER

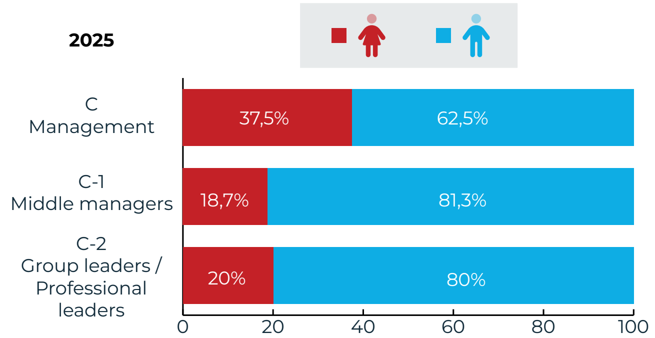


DISTRIBUTION BY AGE

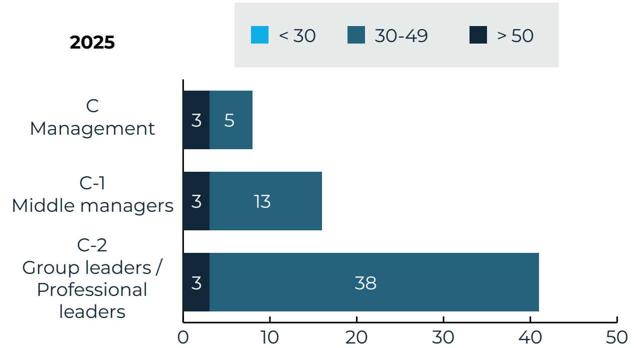


LEADERSHIP TEAM

DISTRIBUTION BY GENDER

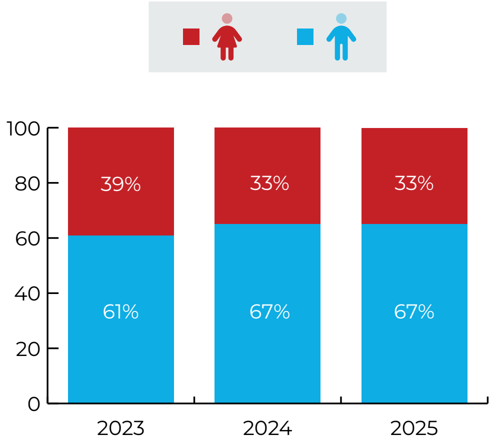


DISTRIBUTION BY AGE

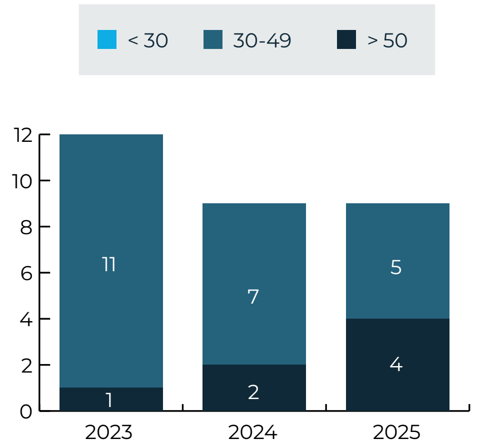


MANAGEMENT

DISTRIBUTION BY GENDER



DISTRIBUTION BY AGE



The distribution by gender and age was calculated based on the year-end headcount data.

Occupational Safety and Accident Prevention

Lightware places great importance on the mental and physical well-being of its employees. Accordingly, we strive to create a work environment that supports safe and healthy work practices. A dedicated occupational safety specialist is responsible for managing safety tasks, supporting the organization in prevention, continuous improvement of working conditions, and ensuring regulatory compliance.

Identifying, managing, and monitoring workplace risks is a shared interest and responsibility of all employees. As part of this, we regularly train our staff on safety regulations and provide them with the necessary protective equipment and work environment.

Our health and safety policy applies to all employees, subcontractors, visitors, and anyone working on behalf of Lightware. The policy covers all activities, sites, and operations under our control.

The effectiveness and efficiency of our occupational safety and accident prevention efforts are ensured by our integrated management system. This system is certified in accordance with ISO 45001.

	2023	2024	2025
Number of Employees (persons)	303	316	302
Total Hours Worked (hours)	562,240	580,312	527,250
Number of Serious Injuries (cases)	0	0	0
Number of Minor Injuries (cases)	1	2	3
Number of Fatal Accidents (cases)	0	0	0
Accident Rate (Incidents with lost work time reported to authorities %)	1.78	3.45	5.69
Lost Workdays Due to Accidents (days)	0	46	34
Number of Occupational Illnesses (cases)	0	0	0
Number of Participants in Safety Training (persons)	71	65	56

Our accident insurance program covers all employees, providing financial support in case of accidents, hospitalization, and long-term disability. The benefits aim to offer security and predictability to our staff during difficult life situations. Additionally, we offer access to private healthcare services, which can also be extended to family members.

To continuously improve our occupational safety performance, we maintain a strong focus on prevention, employee training, and creating a safe work environment.

Workplace safety also includes emergency preparedness. We place great emphasis on ensuring that a sufficient number of colleagues hold official first aid qualifications. While in 2022 only 7 employees were certified in first aid, this number increased to 34 in 2023 and 2024, and 27 in 2025. The presence of trained first aiders further enhances workplace safety and employee confidence.

Sickness and Other Absences

Our company pays employees 100% of their salary for the first 15 working days of sick leave, instead of the 70% covered by the state, and provides one paid sick day per year without requiring a medical certificate.

Reason for Absence	2023	2024	2025
Sick Leave (days)	1,118	1,362	1,501
Unpaid Leave (days)	19	26	100
Unexcused Absences (days)	0	1	0

Education and Training

Training and development play a significant role in the growth and motivation of our colleagues. We provide equal opportunities for all employees to participate in training that aligns with their interests and is relevant to their job roles.

Beyond mandatory training (e.g., fire safety and occupational health and safety), employees can also express their training and development needs, which can be fulfilled with the involvement of their managers and HR. We have expanded our training offerings with Udemy courses, an online platform where employees can choose from a wide range of courses.

In 2023, a total of 6,612 hours, in 2024, 4,394 hours, and in 2025, 3,977 hours of optional training were completed (in addition to mandatory training).

In May 2025, as part of a month-long training initiative, our employees were given unlimited access to various professional courses and trainings in e-learning format on any topic.

Unfortunately, we do not have statistical data on the usage of this program, so we cannot accurately determine the number of participants or the time spent on these trainings. Accordingly, the training hours presented above do not include the learning time completed during this initiative and therefore are not considered comprehensive.

	2023	2024	2025
Total Headcount (persons)	303	316	302
Number of Participants in Trainings (persons)	119	125	121
Percentage of Participants in Training (%)	39	39	40
Training Hours per Employee (hours)	22	14	13

Currently, no further breakdown of training data (e.g., by gender, managerial vs. non-managerial roles) is available. We will begin collecting these data from the next reporting period, so they will only be available for future periods.

2024-2025 TRAINING LIST

CONFERENCES
- Connect conference
- HR Fest

WELL-BEING LECTURES AND WORKSHOPS
- Mental Well-being
- Burnout
- Stress Management
- Self-awareness, Personal Branding, Self-promotion
- #IAmRemarkable

FIRE AND OCCUPATIONAL SAFETY TRAINING

CYBERSECURITY TRAINING

ENGLISH LANGUAGE COURSES

SUSTAINABILITY-RELATED COURSES
- SDG Workshops
- Awareness Training and Sensitivity Workshops

COMMUNICATION TRAINING
- Feedback Training
- Coaching
- Conflict Management and Assertive Communication

LEADERSHIP DEVELOPMENT PROGRAMS
- 360-Degree Feedback and Evaluation
- Performance Evaluation Training
- Leadership Kick-start Training

ONLINE COURSES
- Udemy Training
- LinkedIn Learning Hub

PROFESSIONAL DEVELOPMENT
- Power BI Training
- Lean Six Sigma White Belt Training
- Tactical Team Shadowing
- Sustainable Procurement
- Responsible and Inclusive Employment

Performance Evaluation, Bonuses, Rewards, Compensation

Our Compensation Principles:
- **Performance-based**
- **Long-term value creation**
- **Market competitiveness**
- **Internal pay equity**
- **Legal compliance and ethical conduct**

Compensation is approved by management, and the company's conflict of interest policies ensure that involved managers do not decide on their own compensation.

The total compensation ratio, which compares the income of the highest-paid employee to the median income of the entire employee population (excluding the highest-paid), is as follows at Lightware:

	2023	2024	2025
Total Compensation Ratio (%)	5.15	3.84	3.50
Annual Growth Rate (%)	-	-1.31	-0.34

The calculation is based on full-time equivalents (FTE). Total compensation includes base salary, bonuses, and other monetary benefits. The median value is based on data from all employees, excluding the highest-paid individual.

The overall compensation ratio declined between 2023 and 2025. This change was primarily influenced by changes in the organizational structure, which led to an increase in the proportion of employees working in development and the filling of several positions requiring high levels of expertise. In addition, during the period under review, the average wage increase for the workforce exceeded that of employees in management positions.

RATIO OF ENTRY-LEVEL SALARIES FOR WOMEN AND MEN COMPARED TO THE MINIMUM WAGE

	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Ratio to Minimum Wage (%)	3.49	4.08	2.65	3.94	2.62	4.54

PERCENTAGE DIFFERENCE BETWEEN FEMALE AND MALE EMPLOYEE SALARIES (%)

	2023	2024	2025
Gender Pay Gap (%)	18.65	11.66	16.21

Our company operates a performance evaluation and career management system covering all employees. Rewards are distributed based on year-end individual performance evaluations and the achievement of group objectives.

We believe that performance recognition should not only come from managers but also from employees evaluating each other's performance.

At year-end, a portion of the bonus (a predetermined amount) is distributed anonymously among colleagues based on performance. Along with the awarded reward, they also express thanks to each other for their efforts throughout the year.

Additionally, there is an option for mid-year rewards: in this democratic form of recognition, any colleague can publicly acknowledge and reward any coworker for outstanding individual performance.

In 2024, rewards were distributed 99 times among 84 individual employees, totaling HUF 7,350,000. In 2025, employees were rewarded 56 times, with 53 individuals receiving recognition, amounting to HUF 5,590,000.

Approximately 26% of employees received some form of reward in 2024, and about 17.5% in 2025. Over the two years, a total net amount of HUF 12,940,000 was distributed among employees across three reward categories.

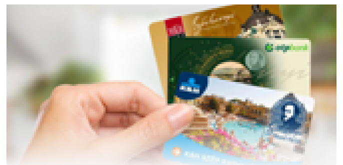
	Immediate Reward	Managerial Reward	Senate Reward
2024	49 times	33 times	17 times
2025	27 times	12 times	17 times

Employee Share Program

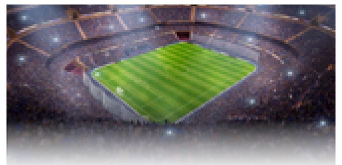
Our employee share program operated for the third year in 2024 and was redesigned in 2025 based on experience. Initially, employees could join the program after more than 2 years of service, which was then reduced to 6 months.

In the program, all employees can purchase shares at a nominal price and, as shareholders, receive a portion of the company's profits in the form of dividends paid at the end of the year.

Cafeteria Benefits



Hungarian Leisure and Hospitality Benefit (SZÉP) Card



Sports Event Tickets

Cultural Event Tickets (single-entry)

Nursery and Kindergarten Support

Community Car Sharing (until 2024)

Housing Support (from 2025)

Edenred

Edenred Gift Vouchers (also for close relatives)

Employees eligible to receive the benefits are those with fixed-term contracts of at least 3 months. They can use the selectable benefits proportionally according to the contract duration specified in their employment agreement.

Additionally, full-time and part-time employees working at least 4 hours per day with indefinite-term contracts and who are actively employed by the Company are eligible. Part-time employees are entitled to a proportional benefit amount based on the ratio of their working hours to full-time hours during their active employment (for example, an employee working 5 hours a day is entitled to 5/8 of the monthly benefit amount).

New employees with indefinite contracts and employees returning to active status (e.g., after long-term illness, maternity leave, childcare leave, unpaid leave) are eligible for the benefit from their first day of work.

The benefit is also available during the probationary period.

Wellbeing

We believe that achieving a work-life balance supports the physical and mental wellbeing of our employees. We continuously develop our wellbeing programs by providing wellness initiatives and resources to encourage employees to take care of their physical and mental health and overall wellbeing.

LWR

WELLBEING BENEFITS AND PROGRAMS AT LIGHTWARE:

We provide **flexible work schedules and home office options** for tenured employees to help them effectively manage their work and personal commitments.

We provide **fresh (typically seasonal) fruit** daily for our employees.

We launched the **Dry November challenge** company-wide.

Our employees can also enjoy **office chair massages**. This service was used by 130 colleagues a total of 748 times.

We offer various **sports opportunities** for our colleagues:

- We support employees' sports activities through contributions to the **All You Can Move sports card.**
- Employees have the opportunity to visit the **Paskál Thermal and Beach Bath** once a month.
- **Table tennis, foosball, and darts** are available in the courtyard as recreational options for staff.

We have launched a **Workplace Mental Health Program:**

- We regularly share articles on mental health topics.
- We organize **lectures** on various aspects of mental health, such as burnout and stress management.
- We conduct **workshops and training sessions**.
- **Individual mental health counseling** is available.
- We joined the global **#IAmRemarkable** initiative and held interactive workshops as part of it.

Colleagues can **report workplace-related needs and complaints** to the Facility team at any time.

Through our **satisfaction surveys and Idea Collection app,** employees can provide feedback and suggestions.

Employee Engagement, Feedback, and Satisfaction

We believe that collaboration is based on involvement and dialogue, which is why we strive for clear and timely communication. We are open to each other's opinions and ideas, aiming for constructive feedback and problem-solving.

The company does not have a collective agreement, nor is there a works council or trade union. We respect employees' right to freely associate, but our lean decision-making structure, employee feedback forums, direct communication, and close-knit organizational culture ensure effective representation of employee interests and flexible cooperation.

We provide many verbal and written opportunities for our colleagues to express their views:

- Quarterly eNPS and then EPC employee satisfaction surveys
- Performance evaluation discussions
- Biannual 360° leadership assessments
- Satisfaction surveys related to internal services
- Leadership reports (annual and quarterly)
- Organized events

EMPLOYEE SATISFACTION SURVEY - WOULD YOU RECOMMEND THIS WORKPLACE TO OTHERS? (%)

	2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
eNPS (HQ)	50	49	48	42	-18	3	3	28	-	-10	-9	-9

From 2025, we conduct EPC surveys instead of eNPS, but results are presented using the eNPS calculation method for comparability.

Based on the results of the Employee Pulse Check survey, the score has decreased compared to the previous period. However, the feedback accurately reflects the intense environment of change in which the organization has operated recently. A cultural and operational transformation is underway simultaneously: moving from a previously family-like operation to an organizational model based on collaboration, accountability, and performance, while new performance management and operational processes are being introduced.

The survey results indicate that employee experience is influenced not only by internal changes but also significantly by the external economic environment. Limited salary increase opportunities, changing customer order trends, and the general economic slowdown noticeably affect employees' sense of security and satisfaction.

The most common feedback continues to relate to operational efficiency, process simplification, collaboration, and communication. Management treats this feedback as a priority and uses it as important input for organizational development measures.

Our goal is not only to improve results in the short term but to create a more stable, transparent, and predictable operating environment in the long term. Leaders are continuously working to ensure that during the changes, employees experience greater involvement, clearer priorities, and a stronger feedback culture.

The survey also highlights that maintaining employee satisfaction in a rapidly changing environment is a complex task requiring ongoing attention. Therefore, the organization will continue to emphasize strengthening dialogue, improving leadership practices, and gaining deeper insights into employee experiences in the coming period.

Feedback also shows that the rapidly changing economic and operational environment creates increased expectations for stability, transparency, and predictability. For this reason, leaders strive to share the impacts of external and internal changes as transparently as possible based on available information, while acknowledging that not all market or economic effects can be fully managed at the organizational level.

Innovation, Quality, and Reliability

At the core of our business strategy is a commitment to technological innovation and quality, which ensures long-term customer satisfaction and trust. Our business model is based on in-house research and development, responsible manufacturing, and operating a global sales and support network.

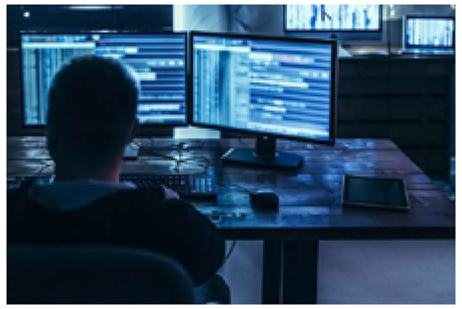
Our continuous improvements aim to offer modern, stable, and future-proof solutions to our partners, while striving to incorporate sustainability and quality considerations throughout the entire lifecycle of our products. Customer feedback and needs play a key role in our innovation processes, fostering long-term collaborations.

VERTICAL MARKETS

EDUCATION

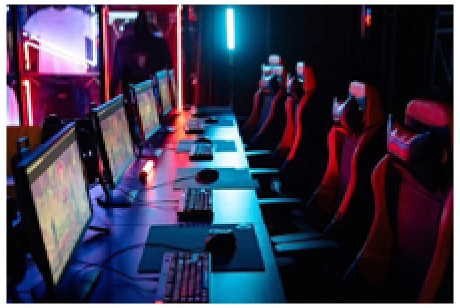
CORPORATE

LIVE EVENTS



SECURITY AND DEFENSE

DIGITAL SIGNAGE



ESPORT AND GAMING

MEDICAL

GOVERNMENT

INDUSTRIAL

Vertical Markets and Focus Areas

Our focus areas include developing reliable, long-lasting products, providing user-friendly and flexible solutions, and maintaining global support with local presence.

Lightware's value chain covers the entire process from idea conception to the use of products and services, ensuring that our solutions create value for our customers, partners, and the environment. We design and develop our products at our Budapest headquarters, with manufacturing and quality control carried out in-house. Our products are shipped worldwide to more than 30 countries with the support of our local offices, and we provide long-term operation and maintenance for durable and reliable use.

TYPICAL APPLICATION AREAS

- **Corporate meeting rooms and collaboration spaces**
- **Educational institutions**
- **Event and rental technology systems**
- **Control rooms and showrooms**
- **Specialized installations requiring high reliability** (e.g., healthcare environments)

In corporate environments, the stable operation and ease of use of signal paths in meeting rooms, training rooms, and collaboration spaces are key, especially to support hybrid work. In educational institutions, solutions serve the needs of classrooms, lecture halls, and campus-wide infrastructures by ensuring consistent signal quality over longer distances and scalable expandability.

Technological Directions and Responses to Customer Needs

Lightware does not merely offer products but follows a development philosophy centered on accurately mapping customer needs and responding to them quickly and precisely. Through agile product development and short feedback cycles, the company ensures that truly relevant solutions are created.

When shaping our product portfolio, it is important to consider that different geographic regions have significantly different expectations for technological solutions: while price competitiveness is the decisive factor in price-sensitive markets, in Northern European countries - such as Norway, Sweden, and Denmark - the focus is on environmental impacts, sustainable packaging, and minimizing energy consumption. Our goal is to ensure that the product portfolio always features characteristics relevant to each market, reinforced by communication tailored to the target audience.

The future development focus remains on the AV-over-IP-based TPN ecosystem, with particular emphasis on systems applicable in corporate and educational environments. At the same time, traditional AV solutions, such as matrix-based video transmission, remain important, allowing the company to create sustainable, long-term value across multiple technology markets.

Quality and Safe, Sustainable Product Use

At Lightware, reliability and long-term sustainable operation are core values at every level of product development. Our goal is to produce robust devices that integrate seamlessly and operate flawlessly within our customers' systems, whether involving our own or third-party components.

For our products, safety compliance focuses primarily on protection against electrical shock, fire hazards, and mechanical impacts. These concerns mainly relate to safety-critical components.

For devices using optical transmission, we inform users about hazards according to laser safety standards. All devices with internal power supplies are equipped with fuses that comply with electrical safety regulations, protecting both the products from overcurrent and the environment from unnecessary fire risks.

Our development processes follow strict quality assurance structures. We rigorously test product functionality down to the smallest units using unit and regression tests. During validation, every function is checked against specific test cases stored in a centralized database that supports preparation and qualification of new features.

Passing these software and hardware tests is a prerequisite for mass production. End-of-line testing is also an integral part of the development chain: 100% of our products are tested to ensure that only fully functional, verified products reach the market.

Eighty percent of our suppliers have been manufacturing for Lightware for over 10 years. We maintain strong partnerships and strive for long-term cooperation. All organizational units maintain close dialogue with suppliers through feedback meetings and workshops, continuously working on improving quality, innovation capacity, and sustainability.

AV-OVER-IP AND CYBERSECURITY

Cybersecurity is becoming increasingly important in our developments. With the spread of AV-over-IP systems, there is growing demand for devices integrated into corporate networks to meet the highest IT security standards. For over three years, our devices have complied with the IEEE 802.1X authentication standard. This protocol not only protects data streams but also authenticates devices on the network, excluding unauthorized connections.

The FIPS 140-2 certification is especially important in North American markets. This federal information security standard defines encryption methods that devices must support. While not a traditional IT security requirement, it determines the environments in which devices can be used, particularly in government or financial sectors. Lightware's FIPS-certified products (e.g., the Taurus family) meet these requirements, enabling market access even in the most stringent security environments.

The company also actively responds to new European regulations, such as the EU Cyber Resilience Act, which from November 2026 mandates digital product manufacturers to manage product vulnerabilities, report active attacks and data breaches to authorities, and from December 2027 requires cybersecurity compliance as part of CE marking. Lightware began preparations in 2025 by reviewing products and preparing necessary developments. As a first step, we introduced the use of FIPS 140-2 validated cryptographic modules to achieve appropriate encryption. We implemented regular vulnerability assessments and a vulnerability management system to ensure timely fixes. Following the new security-by-design approach, the organization will continue revising its products to comply with the CRA, including making firmware updates more secure and strengthening user management systems.

SUSTAINABILITY PRACTICES IN LIGHTWARE'S CABLE BUSINESS

Our cable division has recently taken conscious and consistent steps to ensure that its products and operational processes meet modern sustainability expectations. This approach, combining technological and business considerations, aims not only to reduce environmental impact but also to responsibly meet high customer demands.

One of the key strengths of Lightware cables is their reliability, ensured through comprehensive testing and compliance processes. Our products meet multiple international standards, including fire resistance requirements (e.g., plenum cables) as well as mechanical and dimensional specifications. Detailed technical documentation ensures users know exactly in which environments the products can be used, such as whether a connector fits inside a cable duct.

Testing procedures serve not only to certify compliance but also to demonstrate why Lightware products offer higher value compared to lower-quality alternatives on the market. The selection process is transparent, and the cable team consistently rejects products that fail necessary tests, whether due to missing fire resistance certification or inadequate test results.

Flexible Customer Demand Management and Customiaztion

Lightware not only follows but often anticipates customer needs. The company can quickly respond to special requests, such as cables with unique material compositions or sizes manufactured exclusively for Lightware and unavailable to other customers. Customization capabilities provide a competitive advantage, whether addressing region-specific environmental regulations or dedicated requirements from large enterprise clients.

Health, Safety, and Ethical Business Practices

Safety and reliability are also paramount for our cable business. Compliance with health and safety regulations is non-negotiable in both internal processes and manufacturing. The team's ethical principle is to never market a product that raises technical or safety concerns.

During the reporting period, the company is not aware of any incidents or accidents related to its products that would have posed a health or safety risk.

Customer Satisfaction and Complaint Handling

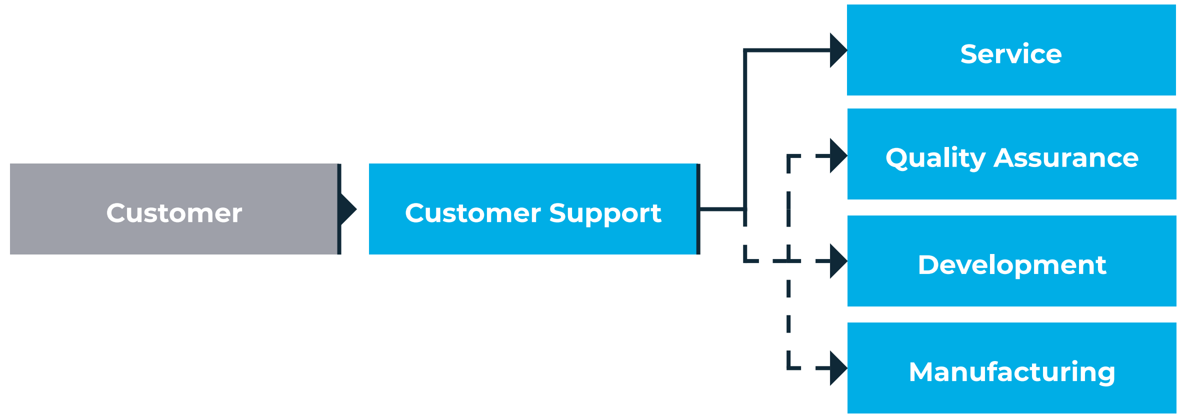
Our Support team ensures the prompt and effective handling of customer issues related to product use, operation, troubleshooting, potential malfunctions, and failures.

Support staff initiates investigations of cases. When resolving the reported problem requires the physical return and inspection of the product, the complaint is transferred to the Service department.

If necessary, Quality Assurance, Development, and Manufacturing teams are notified and involved. Products under complaint are automatically replaced within the first 6 months after sale, and the defective unit is requested back.

If the nature of a customer complaint requires suspension of shipments and/or production, the Stop Ship process is activated.

COORDINATION OF OUR TECHNICAL SUPPORT PROCESS:



Lightware Academy

At Lightware, we believe in knowledge sharing and that learning should be accessible to everyone, regardless of where they live or what language they speak. That's why we created Lightware Academy, a free online and in-person training platform offering on-demand videos and downloadable materials curated by our expert team.

With over 10,000 users, Lightware Academy has been supporting professionals worldwide since 2023 in developing AV competencies and understanding how Lightware products work. The platform's global appeal is reflected in 6,143 new registrations in 2024 and an additional 4,701 in 2025. Since 2025, most of our courses also include multilingual subtitles.

We are committed to building an inclusive learning community and look forward to welcoming even more learners worldwide.

Community Engagement – Creating Shared Value

Our framework, principles, and guidelines for community engagement are outlined in our Corporate Social Responsibility (CSR) concept.

Our goal in social responsibility is to create a positive impact on communities and sustainable development through our activities, while sharing our values and strengthening the trust of our employees, partners, and customers. We consider it important that every form of cooperation and support whether volunteering, financial, material, or pro bono (intellectual) is part of conscious decisions and transparent processes.

When setting our corporate social responsibility objectives, we focus on addressing social issues closely related to our core activities, ESG focus areas, and the social and environmental challenges faced by our stakeholders and communities. Collaboration with local communities and families is fundamental to us, as we are committed to strengthening community values, as well as national and cultural identity.

In developing our CSR concept, we took into account the ESG Act and the Sustainable Development Goals (SDGs) related to community development to consciously contribute to their achievement.

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

GOOD HEALTH AND WELL-BEING

With our tools and expertise, we contribute to supporting health and wellbeing, as we are present in the medical industry with our products and services. Our solutions help improve the quality of healthcare, create safe environments, and enable efficient patient care.

We are committed to supporting the health and wellbeing of communities, and as part of our corporate social responsibility, we collaborate with healthcare institutions and organizations, support prevention and health awareness programs, and contribute to the development of safe and modern healthcare environments.

QUALITY EDUCATION

Through our products and services, we directly support the development and accessibility of quality education. Education is one of our main markets, where our innovative solutions help enhance learning environments and promote quality knowledge sharing.

As part of our social responsibility, we cooperate with educational institutions and professional organizations to make modern, practical knowledge more accessible to everyone and support lifelong learning.

REDUCED INEQUALITIES

In our activities, we are committed to reducing inequalities, believing that everyone should have equal opportunities regardless of gender, social, or economic background.

At the same time, we recognize that inequality remains a serious social issue. Therefore, within our community engagement, we collaborate with civil organizations and professional partners to support disadvantaged groups, fostering a more inclusive and just society.

Our Corporate Social Responsibility Focus Areas and Initiatives

DIVERSITY IN THE SCIENTIFIC CAREERS

We support the development of a diverse engineering community, with special attention to increasing the active participation of women in scientific and engineering careers.

EDUCATION AND KNOWLEDGE SHARING

We build partnerships with schools and organizations that support educational programs.

HEALTHCARE INITIATIVES

We collaborate with hospitals and foundations actively working in the healthcare sector.

LOCAL COMMUNITIES

We establish partnerships with organizations working for a more sustainable world in our immediate environment.

PROGRAMS IMPLEMENTED

2024 – Room painting in Pomáz at the **SARA Home**, in cooperation with the Hungarian Charity Service of the Order of Malta.

2024 2025 – **„Adopt a Gift!"** Christmas charity program: gifting children at the **Alföldi Reception Child Home** of the Child Protection Service.

2024 – We joined the national **„TeSzedd!" litter collection campaign**.

2025 – We provided financial support of HUF 400,000 to the **Hintalovon Child Rights Foundation** and joined the **charity bake sale campaign**, donating all proceeds to the foundation.

2025 – Room and bathroom painting, as well as yard landscaping, were carried out at the **Zombori Street Homeless Elderly Home** in cooperation with the Hungarian Charity Service of the Order of Malta.

2025 – We have joined the **national „Girls' Day" initiative**, which introduces girls to the world of technical and scientific careers through interactive programs.

2025 – We provided financial support of HUF 200,000 and established active cooperation with the **Trauma Center Public Benefit Nonprofit Ltd.** and the InDaHouse Hungary Association.

2025 – We also provided financial support of HUF 200,000 and established active cooperation with the **Magic Lamp Wish Granting Foundation.**

2025 – We provided financial support of HUF 400,000 to the **A Ray of Hope Foundation for Sick Children, the Needy, and the Sick Foundation.**

2025 – We also provided financial support of HUF 400,000 to the **Red Nose Clown Doctors Foundation**.

2024 2025 – We organized a school supplies collection as part of the **Hungarian Ecumenical Charity Service's „Back to School Together" program**.

2025 – Our company contributed nearly 3 million HUF to the 9th National IT Competition, which aims to identify and honor professional excellence in information technology and software development.

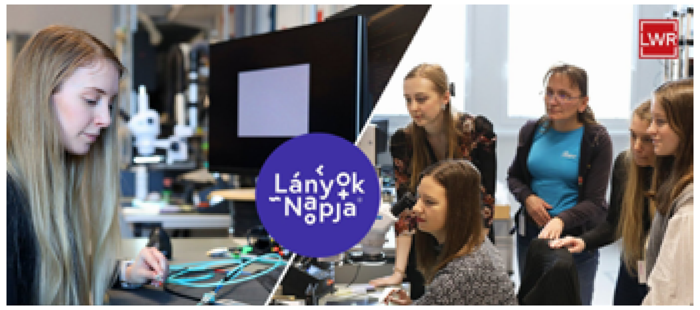
2025 – We provided financial support of HUF 200,000 and established active cooperation with the **Foundation for Science Education in Memory of Szabolcs Szabó.**

2025 – We donated **refurbished worn-out equipment** (monitors, projectors, projection screens) **to schools and institutions in need.**

2025 – We participated in the national **„Million Steps – Company Steps!"** challenge, supporting disadvantaged schools through daily physical activity.

The Sustainability Group Leader (ESG Officer) is responsible for coordinating community initiatives and contributions. Based on principles and focus areas, they designate supported or supportable organizations with employee involvement. In 2025, we selected seven organizations to support based on votes from our staff.

During our CSR activities, we regularly evaluate the impact and results of programs and maintain ongoing communication with our partners. For transparency, we request statements on how financial and non-financial contributions were used and implemented.



Girls' Day

Girls' Day is an annual nationwide initiative inviting upper primary and high school girls to leading companies, universities, and research institutes. The interactive programs and hands-on experiences aim to increase interest in technical fields and encourage more girls to choose STEM careers in the future.

In April and October 2025, we participated in Girls' Day to contribute to promoting diversity in STEM. Lightware opened the doors of its Budapest office for the first time in spring 2025 to girls aged 14-18, offering a full-day program showcasing various company departments and professions.

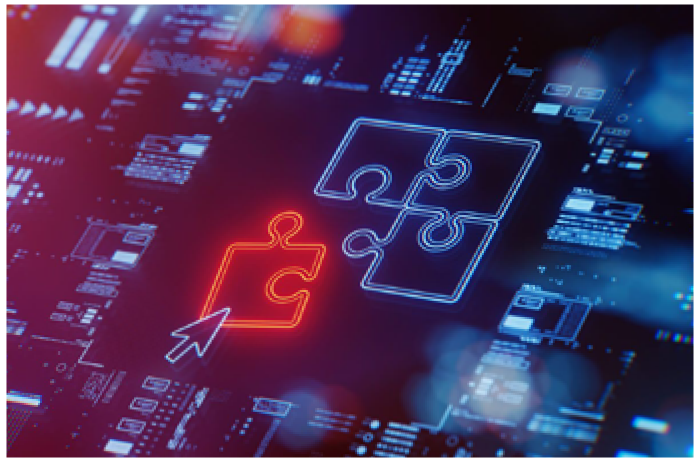
Six different departments organized the event, with over 20 Lightware colleagues directly contributing to its success, while many others supported behind the scenes. Their passion and dedication played a key role in making the event a meaningful and inspiring experience for all participants.

Accessible Products – Supporting an Inclusive Society

Our products, through advanced audiovisual and collaboration technologies, support the development of an inclusive society and economy by providing reliable, accessible, and innovative digital infrastructure. They reduce geographical barriers through remote access and collaboration capabilities, lessen travel needs and related environmental impact, and make educational and business opportunities more widely available.

- Our products support hybrid collaboration.
- They operate reliably with all major videoconferencing systems.
- Many of our products can extract and process embedded audio from video to assist users with hearing impairments.
- User manuals are translated into multiple languages beyond English to enhance ac-cessibility.
- Our devices' firmware update capabilities have evolved from initial manual methods to continuous improvements.

Our innovation initiatives include a voice-controlled prototype that potentially enables device control for blind and visually impaired users. While this development is currently at the conceptual stage, our long-term goal is to invest in AI-based technologies that provide barrier-free and inclusive user experiences for everyone.



Supporting the Local Economy

Lightware is Europe's largest manufacturer of professional audiovisual solutions, with the entire product design and manufacturing process based at our Budapest headquarters. Our operations have created over 300 stable jobs in the region. In 2024, we opened a new engineering center in Szeged, creating nearly 40 new highly skilled developer positions, thereby strengthening the region's innovation ecosystem.

In 2024, Lightware signed a state aid agreement with the Hungarian government based on a unique government decision for research and development (EKD) worth HUF 8.2 billion to develop a new generation, UX-driven AV over IP technology (the funds had not yet been disbursed at the time of this report). The project is implemented in Budapest, with a key goal of enhancing high value-added R&D activities in Hungary. This supported program directly contributes to local economic development and the expansion of knowledge-based jobs.

As part of the project, the company committed to creating 18 new R&D jobs, increasing the R&D workforce from 95 to 113. Most of these new positions require higher education qualifications in engineering and technology, supporting the retention and development of domestic expertise.

In the 2025 business year, Lightware Zrt. spent EUR 7.85 million on research and development activities (including material costs, services used, and personnel expenses), representing 15.9% of the company's revenue.

In the 2025 business year, Lightware made investments (CAPEX) worth EUR 3.5 million, most of which were related to the new office building project, the implementation of the SAP enterprise management system, and the development and launch of the company's new website.

In its procurement and supply chain practices, the company prioritizes local suppliers. A significant portion of our procurement budget is spent with local suppliers, thereby contributing to the involvement of local micro, small, and medium-sized enterprises and retaining economic value within the region. Of the annual procurement value for raw materials, components, and cooperative suppliers used in manufacturing, 39.2% is spent with companies located in Hungary.

Collaboration with local partners not only strengthens the stability and flexibility of the supply chain but also contributes to the development of regional businesses and sustainable economic growth.

5 GOVERNANCE

The foundation of Lightware's operations is honest and ethical conduct, essential for our long-term success and sustainability.

Material and Relevant Topics:

LEGAL OPERATION AND BUSINESS INTEGRITY

- Business ethics
- Anti-corruption and whistleblowing
- Regulatory compliance
- Responsible supply chain
- Cybersecurity

Our Code of Conduct and policy collection form the solid basis of our operations. We are committed to ethical, impeccable corporate and business behavior that prioritizes wellbeing, inclusion, and fair treatment.

Lightware ensures that employees and other stakeholders can report any ethical, human rights, labor, or other negative impacts and concerns through appropriate channels. Reports are investigated based on internal policies, corrective and preventive measures are taken as needed, and efforts are made to mitigate negative impacts and prevent similar cases.

The practical implementation of quality, environmental, occupational safety, and social values is supported by integrated management systems, whose operation is verified by independent external audits.

INTEGRATED MANAGEMENT SYSTEM

Every employee is responsible for adhering to, maintaining, and continuously improving the principles of the integrated management system. Management ensures the effectiveness of these systems and regularly reviews their performance.

The following organizational units actively participate in maintaining and developing the integrated management system:

- **Quality management units:**
  Inventory management, Procurement, Warehouse mana-gement, Manufacturing, Quality assurance, Production support, Logistics, Support, and Service.
- **Environmental management units:**
  Product development, Procurement, Manufactu-ring, Facility, and ESG areas.
- **Workplace safety units:**
  HR, Facility, and ESG areas.

Business Ethics

Anti-Corruption and Whistleblowing

Lightware currently does not have a formally documented, dedicated anti-corruption policy. However, the company's operations are supported by internal regulations, ethical expectations, and managerial controls that ensure fair business conduct and the handling of irregularities.

Employees have the opportunity to raise concerns through the HR organization or their direct supervisors.

Since July 24, 2023, Hungarian law requires large companies to operate an internal whistleblowing system that allows employees, contractual partners, and other stakeholders to report observed illegal acts or omissions, even anonymously. Accordingly, in 2023 Lightware decided to emphasize ethical and moral issues by establishing a whistleblowing and complaint handling procedure alongside the ethical code and introduced the whistleblowing system in summer 2023.

Although employees could previously report ethical concerns to HR or their managers, formalizing the process created a unified framework for handling reports. All received reports are investigated, and appropriate measures are taken if necessary.

Lightware aims to further strengthen its anti-corruption and business integrity framework. It expects all employees and managers to become familiar with anti-corruption policies and related procedures. Structured training programs are planned to ensure that management, employees, relevant business partners, and suppliers understand the expectations for ethical business conduct, applicable rules, and complaint and reporting channels.

No confirmed cases of corruption, related investigations, or fines occurred during the reporting period.

WHISTLEBLOWING CASES

	2023	2024	2025
Total Inquiries	4	1	1
Total Investigations	4	1	1
Types of Investigations	Inappropriate / Disrespectful Behavior	Inappropriate Workplace Behavior	Unauthorized Benefit Claim / Misuse
Investigation Duration	3 to 30 days from report	3 to 30 days from report	3 to 30 days from report
Outcomes of Closed Investigations	3 dismissals	1 warning	2 verbal warnings

Legal Compliance and Competition Law

Lightware is committed to full compliance with laws and fair business practices. During the reporting period, no significant legal violations occurred, no substantial fines or non-monetary sanctions were imposed, and the company was not involved in any legal proceedings. Lightware was not subject to any antitrust, monopoly, or anti-competitive investigations. When assessing the significance of non-compliance cases, financial, legal, operational, and reputational impacts, as well as potential consequences for stakeholders, are taken into account.

Responsible Supply Chain

Lightware is committed to operating a responsible, transparent, and sustainable supply chain.

Our expectations are outlined in the **Supplier Code of Conduct** and our **Human Rights Policy**, which cover, among other things:

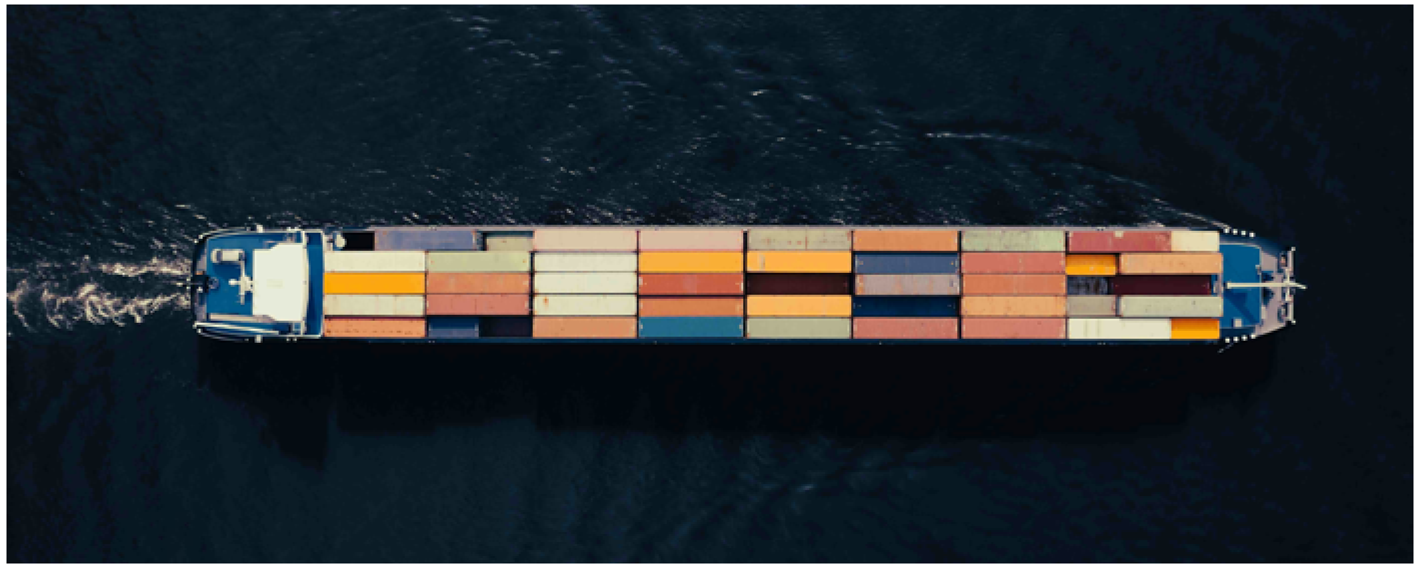
- Reducing environmental impacts,
- Ensuring fair working conditions,
- Respecting human rights,
- Ethical and lawful business conduct.

Supply Chain Responsibility and Transparency

We require our suppliers to consciously and systematically manage sustainability and ethical risks within their own supply chains and communicate these to their partners. This includes:

- Passing on Lightware's relevant requirements to their own suppliers
- Monitoring compliance
- Taking corrective actions when necessary to address non-compliance

Given the specifics of the electronics industry, we pay special attention to supply chain transparency and traceability, especially for critical components and raw materials.



Responsible Sourcing and Compliance

We expect our suppliers to:

- Ensure that supplied products and components originate from conflict-free sources
- Avoid contributing to environmental harm, human rights abuses, forced labor, or child labor
- Comply with applicable international and industry regulations

We place special emphasis on the following areas:

- Minerals from conflict zones (CMRT reports)
- Handling of hazardous substances (REACH, RoHS)
- Export control and trade compliance

Suppliers are required to provide necessary data and declarations timely and comprehensively and cooperate to ensure compliance.

Supplier Monitoring and Risk Management

We support supplier risk management with several tools:

- Supplier selection and approval process
- Continuous performance evaluation (quality, delivery, cooperation)
- Tracking component and supplier risks (e.g., SiliconExpert)
- Factory visits and on-site experience

Currently, formal ESG audits are conducted to a limited extent, but we aim to gradually develop the supplier audit and evaluation system. As part of this, a factory visit is planned in 2026 at a key Asian supplier, providing an opportunity to directly understand manufacturing conditions and operational practices.

Responsible Partner Relations

Lightware strives for fair, predictable, and transparent partner relationships in its own operations. As part of this:

- We apply fair and clear contractual terms
- We ensure transparent communication
- We aim for balanced payment terms
- We minimize late payments

To strengthen financial discipline and partner trust, we continuously monitor our payment practices.

Development Directions

In the future, we will further strengthen responsible supply chain management in the following areas:

- Implementing a structured ESG-based supplier evaluation system
- Developing a supplier risk map (e.g., geographic and industry exposures)
- Expanding audits and supplier development programs
- Improving supply chain transparency and data quality
- Strengthening strategic supplier partnerships

PAYMENT PRACTICES

	2023	2024	2025
Average Payment Terms (Days Payable Outstanding - DPO)	45 days	31 days	25 days
Occurrence Rate of Late Payments	Minimal	Minimal	Minimal

IT Operations, Security, and Data Protection

During the reporting period, we renewed the company's IT operational regulatory framework to structurally strengthen IT governance and control environments. The updated policy clearly defines responsibilities, access management principles, and minimum information security and operational requirements.

As a result of strengthened governance and risk management practices, the company successfully passed the **NIS2 compliance audit.** Feedback from the audit confirmed the fundamental adequacy of systems for IT risk management, incident and change management, and access controls.

The level of IT security improved in several areas during the reporting period. Network protection was enhanced with upgraded firewall infrastructure and new support agreements. Access security was strengthened by implementing **Windows Hello for Business**, enabling biometric authentication.

Between 2024 and 2025, there was **one data security incident**. The case was investigated, and necessary technical and organizational security measures were implemented. The company's IT and governance control systems proved effective in handling the incident, which did not result in significant business disruption.

Stable, Resource-Conscious, and Paperless Operation

A comprehensive IT asset inventory was introduced during the reporting period, covering end-user devices as well as server room infrastructure (servers, network equipment). Centralized tracking of assets ensures the foundational conditions for operational stability, information security, and cost-conscious management.

As part of infrastructure rationalization, **the physical server inventory was reduced by nearly 50%**, resulting in decreased energy consumption, operational costs, and hardware-related risks. Alongside server consolidation, a new virtualization platform and new on-premise server hardware were deployed to enhance the stability of critical systems.

The company transitioned to a unified, cloud-based digital environment, enabling safer and more efficient operations. Modernization of development and business systems, along with building automation foundations, supports faster and more predictable operations. The expansion of self-service IT solutions began with the introduction of self-service password management, reducing administrative burden and user downtime.

The IT department's operations became fully paperless. Infrastructure consolidation, reduction of physical assets, and increased use of cloud solutions contributed to reduced energy and resource consumption, aligning with the company's sustainability goals.

APPENDICES
GRI Content Index

Statement of use	**This report of Lightware, covering the period from 1 January 2024 to 31 December 2025, has been prepared in accordance with the GRI Standards.**	
GRI 1 used	**GRI 1: Foundation 2021**	
Applicable GRI Sector Standard	**Not applicable**	
Disclosure	**Explanation**	**Page number**
GRI 2 – General Disclosures 2021		
2-1	Organizational details	3., 6.
2-2	Entities included in the organization's sustainability reporting	5.
2-3	Reporting period, frequency and contact point	3.
2-4	Restatements of information	Reason for omission: Not applicable, as no such cases occurred during the reporting period.
2-5	External assurance	3.
2-6	Activities, value chain and other business relationships	6., 8., 10., 49-50.
2-7	Employees	37-38.
2-8	Workers who are not employees	The Company did not engage any workers who were not employees during the reporting period.
2-9	Governance structure and composition	11-12.
2-10	Nomination and selection of the highest governance body	11.
2-11	Chair of the highest governance body	11.
2-12	Role of the highest governance body in overseeing the management of impacts	11-12.
2-13	Delegation of responsibility for managing impacts	12.
2-14	Role of the highest governance body in sustainability reporting	12.
2-15	Conflicts of interest	11.
2-16	Communication of critical concerns	12.
2-17	Collective knowledge of the highest governance body	12.
2-18	Evaluation of the performance of the highest governance body	11. Partial disclosure due to commercially sensitive information.
2-19	Remuneration policies	11., 44-45. Partial disclosure due to commercially sensitive information.
2-20	Process to determine remuneration	11., 44-45
2-21	Annual total compensation ratio	44.
2-22	Statement on sustainable development strategy	4., 13.
2-23	Policy commitments	15., 58-62.
2-24	Embedding policy commitments	24-63.
2-25	Processes to remediate negative impacts	58-59.
2-26	Mechanisms for seeking advice and raising concerns	39., 48., 58-59.
2-27	Compliance with laws and regulations	60.
2-28	Membership associations	15.
2-29	Approach to stakeholder engagement	16-18.
2-30	Collective bargaining agreements	48.

Disclosure	Explanation	Page number
GRI 3: Material Topics 2024		
3-1	Process to determine material topics	19.
3-2	List of material topics	20-21.
3-3	Management of material topics	22-62.

Material topic 1 REDUCTION OF MATERIAL AND ENERGY USE – SUSTAINABLE PRODUCT DESIGN		Direct impact on stakeholders: Natural environment
GRI 3: Material Topics 2021		
3-3	Management of material topics	22-35.
GRI 102: Climate Change		
102-1	Transition plan for climate change mitigation	32.
102-2	Climate change adaptation plan	32.
102-3	Just transition	32.
102-4	GHG emissions reduction targets and progress	32.
102-5	Scope 1 GHG emissions	32.
102-6	Scope 2 GHG emissions	32.
102-7	Scope 3 GHG emissions	32.
102-8	GHG emissions intensity	32.
102-9	GHG removals in the value chain	Reason for omission: Information not available.
102-10	Carbon credits	The Company did not use carbon credits to offset its greenhouse gas emissions or to achieve its emission reduction targets during the reporting period.
GRI 103: Energy		
103-1	Energy policies and commitments	20., 24-25., 30-31.
103-2	Energy consumption and self-generation within the organization	30-31.
103-3	Upstream and downstream energy consumption	Reason for omission: Information not available
103-4	Energy intensity	Reason for omission: Information not available
103-5	Reduction in energy consumption	30-31.
GRI 301: Materials		
301-1	Materials used by weight or volume	Reason for omission: Information not available
301-2	Recycled input materials used	Reason for omission: Information not available
301-3	Reclaimed products and their packaging materials	25-26., Partial disclosure due to insufficient information.

Disclosure	Explanation	Page number
Material topic 1 REDUCTION OF MATERIAL AND ENERGY USE – SUSTAINABLE PRODUCT DESIGN		Direct impact on stakeholders: Natural environment
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	33.
303-2	Management of water discharge-related impacts	33.
303-3	Water withdrawal	33.
303-4	Water discharge	33.
303-5	Water consumption	33.
GRI 306: Effluents and Waste		
306-1	Water discharge by quality and destination	20., 25-27., 28-29., 34.
306-2	Waste by type and disposal method	25-29.
306-3	Significant spills	28.
306-4	Transport of hazardous waste	28.
306-5	Water bodies affected by water discharges and/or runoff	28.

Material Topic 2: EMPLOYMENT SECURITY AND EMPLOYEE WELL-BEING		Direct impact on stakeholders: Employees
3-3	Management of material topics	23., 37-48.
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	44.
202-2	Proportion of senior management hired from the local community	Considered as local are managers with Hungarian citizenship. Their proportion in 2025 is 89.9%
GRI 401: Employment		
401-1	New employee hires and employee turnover	38.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46.

Disclosure	Explanation	Page number
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	41-42., 62.
403-2	Hazard identification, risk assessment, and incident investigation	41-42.
403-3	Occupational health services	42., 46-47.
403-4	Worker participation, consultation, and communication on occupatio-nal health and safety	41-43.
403-5	Worker training on occupational health and safety	41-43.
403-6	Promotion of worker health	46-47.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	41.
403-8	Workers covered by an occupational health and safety management system	41., 62. All employees were covered: 100%.
403-9	Work-related injuries	41-42.
403-10	Work-related ill health	41. No such cases identified.
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	43.
404-2	Programs for upgrading employee skills and transition assistance prog-rams	42-43.
404-3	Percentage of employees receiving regular performance and career development reviews	45. All employees were covered: 100%.
GRI 405: Diversity and Equal Opportunitiy		
405-1	Diversity of governance bodies and employees	39-40.
405-2	Ratio of basic salary and remuneration of women to men	44.
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	39.
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48. Partial disclosure: information is not available regarding suppliers.

Material Topic 3: INNOVATION, QUALITY AND RELIABILITY		Direct impact on stakeholders: Costumers
GRI 3: Material Topics 2021		
3-3	Management of material topics	22., 49-53.
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	51-52.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	52. No such cases identified.

Disclosure	Explanation	Page number
Material Topic 4: COMMUNITY ENGAGEMENT – CREATING SHARED VALUE		**Direct impact on stakeholders: Local communities, society**
GRI 3: Material Topics 2021		
3-3	Management of material topics	23., 54-57.
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	9.
201-2	Financial implications and other risks and opportunities due to climate change	32., Partial disclosure due to insufficient information.
201-3	Defined benefit plan obligations and other retirement plans	Reason for omission: not applicable, as no such program exists.
201-4	Financial assistance received from government	57.
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	55., 57.
203-2	Significant indirect economic impacts	57.
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	57.
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	18., 20-21., 23., 54-56.
413-2	Operations with significant actual and potential negative impacts on local communities	20-21. No significant negative impacts were identified.

Material Topic 5: LEGAL COMPLIANCE AND BUSINESS INTEGRITY		Direct impact on stakeholders: customers, suppliers, business part-ners, employees
GRI 3: Material Topics 2021		
3-3	Management of material topics	23., 58-62.
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	59., Partial disclosure due to insufficient information.
205-2	Communication and training about anti-corruption policies and proce-dures	59.
205-3	Confirmed incidents of corruption and actions taken	59.
GRI 206: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	60.

VSME content index

Reporting period: January 1, 2024 – December 31, 2025	
GENERAL INFORMATION	
B1 – Basis for preparation	
B1 - Basis of preparation and modules used	VSME Comprehensive modul
B1 - General information about the company	3., 9.
B1 - List of the subsidiaries	6.
B1 - Sustainability-related certification or label	15.
B1 – List of sites	6.
B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	13-14., 19-23.
C1 - Strategy: Business Model and Sustainability – Related Initiatives	13-14.
C2 - Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	13-14., 19-23.
C3 - GHG reduction targets and climate transition	32., Partial disclosure due to insufficient information
C4 - Climate risks	32., Partial disclosure due to insufficient information
ENVIRONMENT METRICS	
B3 – Energy and greenhouse gas emissions	
B3 - Total energy consumption (MWh)	30-31.
B3 - Breakdown of energy consumption (MWh)	30-31.
B3 - Gross greenhouse gas (GHG) emissions	32.
B3 - GHG emissions intensity per revenue	32.
B6 – Water	
B6 - Water withdrawal	33.
B6 - Water consumption	33.
B7 – Resource use, circular economy and waste management	
B7 - Description of circular economy principles	24-29.
B7 - Waste generated	28.
B7 - The annual mass-flow of relevant materials used	26., Partial disclosure due to insufficient information
SOCIAL METRICS	
B8 - Workforce – General characteristics	
B8 - Type of employment contract	37.
B8 – Gender breakdown	37., 39.
B8 - Country of the employment contract	6.
B8 - Employee turnover rate	38.
B9 - Workforce – Health and safety	41.
B10 - Workforce – Remuneration, collective bargaining and training	
B10 - Remuneration and collective bargaining	44., 48.
B10 - The average number of annual training hours per employee	43.
C5 - Additional (general) workforce characteristics	
Female-to-male ratio	39.
Workers who are not employees	37. (none)
C6 - Additional own workforce information - Human rights policies and processes	13., 60-61.
C7 - Severe negative human rights incidents	None
GOVERNANCE METRICS	
B11 - Convictions and fines for corruption and bribery	59. (none)
C8 - Revenues from certain sectors and exclusion from EU reference benchmarks	Reason for omission: insufficient data available for disclosure.
C9 - Gender diversity ratio in the governance body	39.
Gender diversity ratio*	50%
*Calculation method: number of female managers / number of male managers.	

Commitment to the 10 Principles of the UN Global Compact

Due to its size, Lightware Plc. has not yet formally joined the UN Global Compact; however, we integrate its 10 principles as core values into our corporate culture and daily operations.

The table below shows where information related to each principle can be found in the report.

	Global Compact Principles	Chapter
1.	Businesses should support and respect the protection of internationally proclaimed human rights.	Our Sustainability Commitment and Strategy Responsible Supply Chain
2.	Businesses should make sure that they are not complicit in human rights abuses.	Our Sustainability Commitment and Strategy Responsible Supply Chain
3.	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Employee Engagement, Feedback, and Satisfaction
4.	The elimination of all forms of forced and compulsory labour.	Responsible Supply Chain
5.	The effective abolition of child labour.	Responsible Supply Chain
6.	The elimination of discrimination in respect of employment and occupation.	Equal Opportunity and Non-Discrimination
7.	Businesses should support a precautionary approach to environmental challenges.	Environment
8.	Businesses should undertake initiatives to promote greater environmental responsibility.	Environment
9.	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Product Lifecycle Technological Directions and Responses to Customer Needs
10.	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption and Whistleblowing

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Publisher: Lorand Gál, Chief Operational Officer
Text: Bianka Nagy (Lightware) and the experts at Alternate Consulting Ltd.
Images, illustrations, graphic design: Viola Kovács-Varga
Date of manuscript completion: May 29, 2026

We would like to thank the staff, experts, and management of Lightware Plc., as well as the external stakeholders involved in the process and the specialists at Alternate Consulting Ltd., for their assistance in preparing this report.

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We welcome feedback on this report via an online questionnaire, available **here.**

KEEP IN TOUCH!

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