



## **DECLARATION OF ETHICS**

**THE PURPOSE OF THE DECLARATION OF ETHICS IS TO MANIFEST—IN LINE WITH THE CODE OF ETHICS—THE COMMITMENT OF OUR COMPANIES TO ETHICAL AND RESPONSIBLE OPERATION; WHICH ALL OUR EMPLOYEES AND PARTNERS ARE EXPECTED TO COMPLY WITH.**

### **Compliance with laws**

Laws and other rules applicable to the operation of the Company must be complied with in full. All activities shall be carried on in accordance with the Code of Ethics and the provisions of internal regulations. In the case of any discrepancy between the Code and the internal regulations, the stricter rule shall apply.

### **Responsibility**

All employees of the Company as well as all persons working for the Company in other legal arrangements are expected to take a responsible individual attitude that respects the values of the Company; in the context of which, employees shall be responsible for compliance with the legal, professional and ethical rules concerning their respective jobs and level of responsibility.

### **Equal opportunity and respect**

Everyone has the right to be treated in an equal, polite and respectful manner. The personal dignity and beliefs of others must be respected. Discrimination will not be tolerated in our working environment. No one shall be discriminated against on account of their personal features or beliefs such as gender, age, religion, political opinion, marital status, racial, ethnic, national or social origin, health status, impairments, pregnancy, sexual orientation, or membership in workers' organisations, including trade unions.

As part of our commitment to diversity, the Company upholds a zero tolerance policy on harassment and bullying. Workplace oppression, such as repeated negative measures against certain employees are not permitted. All employees shall take an attitude of respect, dignity and mutual courtesy to one another. Harassment may appear in the form of written or verbal remarks, gossip, jokes and sarcasm, defamatory or offending terms or comments, or bullying, where persons with power behave in an insulting, intimidating or malevolent manner, abusing their positions.

In order to ensure equal opportunities, the Company is preparing an **equal opportunity plan**, which is set out in Regulation SZ-14 Equal Opportunity Policy.

### **Confidentiality**

Any information relating to the activities of the Company that one becomes aware of shall be



treated confidentially, and may only be used lawfully, for the execution of tasks. All data one becomes aware of in the course of their work and any information derived from these shall constitute the Company's property. The Company protects its own and its business partners' confidential data and trade secrets, as well as the personal data of its own and its partners' employees.

## **Fair business conduct**

### *Unlawful payments and gifts*

In our business relationship with suppliers, intermediaries or other agents, no influencing by way of gifts (other than those of minor value) and entertainment will be tolerated. This applies to both gifts given and accepted.

In the case of an existing working relationship with external third parties and business partners, modest gifts of minor value—not exceeding HUF 20,000 (twenty thousand Hungarian forints)—may be given or accepted as an expression of satisfaction or professional partnership or as part of a generally recognised business routine; however, the purpose of the giving or acceptance of such a gift must not be to obtain business, to put the Company, its customers, business partners or employees at a disadvantage, or to unreasonably influence a partner's business decision.

Attendance of an event not organised by the Company is subject to the line manager's prior written permission.

### *Fair business relationship with consumers, competitors and other partners*

The Company's relationship with its business partners is characterised by trust, fairness and a high degree of independence when making business decisions. The Company's business decisions are not influenced by private interests or personal goals.

### *Conflict of interest rules*

Any situation that may result in an assumed or actual conflict with the Company's interests should be avoided. It is forbidden to use one's position at the Company or the Company's assets in order to obtain personal advantages, or when this may result in a conflict with the Company's interests. Advantages obtained for one's family, friends, or related entities are also regarded as personal advantages.

The purpose of conflict of interest rules is to ensure the loyalty of executive and other employees towards the Company, and their independence in relation to one another. The application of conflict of interest rules prevents individual interests from prevailing without any



control to the detriment of common corporate interests.

In addition to the conflict of interest rules set out in the Company's **Articles of Association**, Human Resources Management and Personnel Policy, **SZ-10 Internal Audit Policy**, and **Public Procurement and Procurement Policy**, the following provisions shall prevail:

Breaches of conflict of interest rules may be reported by any employee to the *compliance officer*, who shall investigate the report in accordance with the relevant rules.

#### *True and fair financial statements*

The integrity of our financial statements is essential to maintaining confidence in the Company. It is not allowed to enter information obscuring the essential nature of transactions or misleading information in our books or registries, or to record misleading information in order to influence objectives or key indicators. The concept of accounting fraud also includes distorting incomes, expenses, assets and liabilities. Manipulating or changing accounting rules in order to meet financial objectives is prohibited.

#### *Protection of assets and intellectual property*

The Company's intellectual property, such as know-how, ideas, trade secrets, patents, trademarks, domain names, design rights and copyrights are valuable assets of the Company. In the event of any abuse or inappropriate disclosure of these assets such value may be lost or impaired. Intellectual property may be protected not only through applications, registration or renewals, but also via protests, invalidation or infringement proceedings against third parties, so that we can be certain that we have the widest possible freedom to operate. All employees shall be liable—at their respective levels—for the Company's assets and property, and shall use, preserve and manage these for the Company's benefit. Everyone shall be liable for the Company's intellectual property, and protect the Company's patent rights, trademarks, know-how and other intellectual property rights. The Company shall also respect the intellectual property rights of others.

#### *Protection of the environment*

Sustainable development is of particular importance for the Company and in this context, the Company continuously endeavours to use its resources appropriately. The Company operates in consideration for the ecological, economic and social environment, uses valuable resources carefully and frugally, avoids procedures that have a negative impact on the environment, and treats its employees responsibly. Sustainability considerations are unavoidable in business transactions and business relationships, where the Company shows itself to be exemplary in acting ethically. The concerns prevailing in the Company's activities are in line with the environmental, ethical and social norms accepted in Hungary, and the Company regards maintaining this state as binding. The Company makes sure that hazardous and non-hazardous wastes are collected separately at its head office as well as at its business sites, and removed in accordance with the applicable laws. Through computerisation and the utilisation of digital opportunities, an effort is made to reduce paper-based communication. The employees, both as members of the community and individually, are responsible for the implementation of the



above goals. The employees shall adhere to the effective environmental and technological requirements, facilitating compliance with the strictest requirements serving to reduce the negative environmental effects resulting from business activities.

## **Special provisions of the Code of Ethics beyond the requirements concerning our employees**

### **Communication and teamwork**

We are committed to honest and open communication in both the Company's internal relations and in our relationships with customers and business partners. We represent the Company's position at professional forums as well as in internal relations genuinely and credibly. Instead of complaining and putting emphasis on the downsides, we endeavour to solve problems, communicate positively, and cooperate. We do not transfer arising problems and responsibilities to external factors or to other functional areas, but will work out a common solution in order to successfully achieve our corporate goals.

### **Protection of inside information**

Inside information must be treated strictly confidentially. All forms of insider trading is forbidden, and will entail legal sanctions. All persons who possess non-public information that may have a material impact on the operation of the Company shall be regarded as insiders. Insiders must not use the information they become aware of—until the same is publicly disclosed—in order to obtain any advantage in relation to their own transactions, whether such transactions are concluded by them directly or with the involvement of third parties. Inside information must not be transmitted to colleagues or third parties.

### **Political activities**

The right of our employees to carry on political and public activities is acknowledged; however, political activities should only be conducted outside the workplace. During their political activities or manifestations, the employees must not abuse their positions held at the Company, and their conduct must not adversely affect the Company's reputation. Before accepting an office in any political or state organisation, employees must inform the employer in advance. During their work, the employees must not abuse their roles or positions held in political or state organisations, and shall do their work irrespective of their affiliation with political parties, keeping only and exclusively the Company's interests in mind. It is forbidden to use the Company's resources (personnel, facilities, other assets) to support political events.

### **Social media**

When appearing in social media, the employees must refrain from any manifestations that may have an adverse effect on the Company's reputation. The Company expects its employees to behave during their communications in the social media as private individuals in line with the ethical norms of the Company and worthy of the same norms, in particular if their activities or person may be associated with the Company in any way, or may appear as if they acted or expressed their opinion on behalf of the Company.

Therefore, during their activities in social media (when posting comments, sharing or liking contents, uploading photos) our employees in particular



- shall behave in a way that reflects their respect and acceptance of others' religious, national, ethnic, sexual, political and philosophical identities and beliefs;
- shall refrain from making comments or disclosing contents that are racist or incite hatred; - shall respect others' constitutional and legally guaranteed rights;
- shall behave in a respectful manner towards the Company's competitors as well;
- shall not disclose any untrue, deliberately misleading or false information;
- shall refrain from disclosing materials that are unlawful or incite unlawful activities; - shall avoid vulgar, obscene, defamatory or libellous expressions and manifestations.

### **Economic crimes**

With the means available to it, the Company actively fights against money laundering and terrorist financing, in order to prevent, control and detect economic crimes.

The Company endeavours to prevent anyone from using its organisational system, infrastructure, products and services for committing economic crimes or for the purpose of money laundering and terrorist financing, or that the Company provide or appear to provide any kind of assistance to such activities.

The Company shall cooperate with the competent authorities upon even the slightest suspicion of crimes, and take the necessary measures. The Company does not support any illegal arms business, drug trafficking, the economic exploitation of children, slave trade, prostitution, or corruption.

### **Competition**

The Company and all its employees are committed to fair market competition that fully in compliance with effective laws and with the core principles of business ethics, and that ensures maximum possible social welfare. The Company shall refrain from all conduct that may result in the limitation of competition or the abuse of dominant economic positions. We support competition for customers and the fair markets resulting therefrom, where businesses and consumers enter into fair, mutually beneficial agreements.

### **Corporate social responsibility**

It is ethical behaviour and the preservation of credibility and integrity that guarantees the achievement of the Company's goals and its successful operation. The Company regards lawful, ethical and responsible business conduct as a fundamental and essential part of its corporate and social responsibility.

### **Quality requirements**

During the design, development, manufacturing, marketing and sale of its products, the Company acts in compliance with the statutory requirements and the relevant quality and safety rules. Products may not be delivered to the customers until quality requirements, safety standards and conformity requirements are satisfied in full. We describe and present our products and services accurately, and the verifiability of our statements is a requirement.



## **Relations with the authorities and partners**

### *Acting on the basis of authorisation*

Apart from the *Managing Director*, only and exclusively employees expressly authorised to do so—primarily the *Department Head Responsible for Corporate and Social Communication*—may make statements to external third parties about the Company's operation, activities, executives or public interest activities.

### *Impartiality*

The employees are also expected to adhere to the Company's rules and ethical norms towards the persons, companies, organisations and authorities they get in touch with when performing their work, as well as to act in accordance with the Company's interests.

### *Rejection of unlawful advantages and benefits*

Any unlawful advantages and benefits offered to the Company's employees must be rejected. The employees must not abuse their position in order to gain unlawful advantages and benefits. Employees must avoid any relationship that might carry the risk of corruption, or that may give rise to doubts concerning their independence.

Employees must do their best to maintain the security and confidentiality of the data they become aware of, also observing the Company's **SZ-04 Data Processing Policy** in the process. Data may be disclosed to other parties subject to the applicable laws and internal regulations only.

Mediation in one's own or others' affairs, resulting in unlawful advantages and benefits, by reference to one's employment relationship with the Company, is impermissible.

*In their relationship with the Company's business partners, the employees should also pay attention to the following:*

Attention should be paid to the orderly appearance of the head office, business site, branch or office, as well as to image requirements, and the display and updating of posters and information boards.

In the absence of appropriate authorisation, it is forbidden to enter into any agreement with a business partner, or to provide any product, goods or raw materials to partners free of charge or on credit. Delivering goods falling in the category of product samples is also subject to managerial approval.

It is forbidden to carry on any kind of production activities for personal gain at the factory/workplace with the employees, or using the Company's equipment and/or material.

It is forbidden to ask for or accept cash, gifts or any other advantage in exchange for information provided to a business partner or for any other activity, as well as to cause any disadvantage to the Company, its customers, business partners or employees.

It is forbidden to deal with internal affairs of the Company, labour conflicts or personal problems in a business partner's presence, or to share confidential information and trade secrets with a business partner. It is unethical to express a negative opinion on the Company or the exerciser of owner's rights.