

# KUDELSKI GROUP 2022 ESG REPORT

# IMPROVING OUR PRACTICES TO BETTER OUR SUSTAINABILITY PERFORMANCE

› THE KUDELSKI GROUP

As a company renowned since its creation for its reliable and sustainable products, the Kudelski Group is fully aware of its impact on society and the environment. Through our actions and services as well as the products we create, we aim to make this impact as positive as possible.

## ENVIRONMENTAL

### Reducing our overall environmental footprint

**We aim to reduce the environmental footprint, induced by our activities, through various initiatives related to energy and water consumption as well as waste management.**

- Optimizing energy and water consumption with well-designed solutions and products.
- Continuously optimizing energy efficiency and promoting the use of renewable energy in the buildings owned by the Group and in our other locations by improving thermal insulation, installing solar panels and ensuring natural lighting where possible, resulting in a significant decrease in energy and water consumption. For example, at the Group's Swiss headquarters in Cheseaux-sur-Lausanne, energy consumption has been reduced by 27% from 2017 to 2022, while in the same period water consumption has dropped by 26%.
- Enabling access to green energy for employees and clients through the installation of electric charging stations.
- Providing advanced video conferencing tools to optimize corporate travel.
- Promoting sustainability in the workplace by actively engaging employees and advising our customers with the most sustainable and energy-efficient solutions in mind.
- Working with local suppliers where possible in each country the Group is present, including for company restaurants.
- Replacing aging equipment and vehicles with newer and more energy efficient options.

- Optimizing the use of energy in our data center premises by reducing the size and number of servers and improving their efficiency.
- Reducing waste with a focus on lowering disposable material consumption and on recycling waste through selective sorting.

### Embedding sustainability and high-added value in our products

**NAGRA's products have been sustainable by design for more than 70 years. This is a core value of our company.**

- Since 1951, the Group's historical products, the NAGRA recorders, are designed in a way that optimizes lifecycle and recycling. They are renowned for their low power consumption, robustness and durability. Decades-long owners of such devices are still using them today.
- Our digital TV solutions have been adopted by professionals, with unparalleled efficiency, for twenty to thirty years.
- Sustainability is built into our product design, enabling devices and solutions to be maintained easily over time and to have a minimal environmental footprint. For example, promoting the use of cloud-based solutions, conditional access modules and USB devices for digital television solutions guarantees a longer lifecycle, lower energy consumption and smaller quantities of materials, with a significant impact on the millions of consumers using such products worldwide and every day.
- The Group's products are designed with high quality and reliability in mind as well as a secure by design approach and optimal product lifecycle, extending

the limits of obsolescence. Offering maintenance and support services across its product lines, the Group also enables long-term use by customers.

- With the implementation in 2022 of its Supplier Code of Conduct, the Group strives to ensure that all its suppliers respect environmental standards in the components they produce and deliver.
- To address market needs in the most efficient manner, the Group is expanding its product portfolio to include sustainable cloud-based solutions.
- Through its Public Access business, the Group supports cities in their continuing effort to become more efficient and sustainable. The Group is a pioneer in parking management solutions offering charging stations for electric cars that are completely integrated into the operator's global-management platform, also allowing users to connect to additional mobility options. It also actively promotes the use of e-commerce and mobile solutions in its parking and venue access activities, substantially reducing waste linked to tickets and receipts.

## SOCIAL

### **Taking care of our employees and suppliers**

**We seek to foster optimal conditions in day-to-day life at work and we strive to increase our employees' skillsets in order to better grow together.**

- The Kudelski Group's values, notably integrity and respect, promote fairness in personal and business dealings.
- The Group promotes personal and environmental health and safety by identifying, controlling and monitoring risks, adapting safety processes to best practices and ensuring appropriate response and crisis management systems are in place.
- The Group expands its training programs to develop its talent pool, promote self-development and address market needs. The Group maintains the Learning Hub, a digital learning platform for employees that boosts the sharing of knowledge and the development of high-level expertise. And in partnership with the platform Digital Switzerland, the Group gives its employees the possibility to follow continuous learning courses on digitalization.
- In 2022, the Group implemented Amplify, an internal labor market tool for all its employees. This platform enables employees to upgrade their career, assess their professional skills, apply for positions within the company and share projects they want to develop.
- The Group promotes apprenticeship programs in Switzerland, Austria and the USA by hiring and training apprentices through their graduation. As Switzerland's apprenticeship system is renowned as a model in vocational training internationally, the Kudelski Group is a signatory to a Memorandum of Understanding between the Swiss Confederation and the US Department of Labor to develop apprenticeship programs in the USA. This initiative promotes Swiss-style apprenticeships to other companies and educational institutions as a viable approach to developing talent, and supporting workforce, economic development, professional growth, and personal prosperity.
- The Group welcomes interns to provide them with hands-on training within its various divisions.
- The Group cares about a good work/life balance, enabling flexible working hours and supporting healthy living through the promotion of sports and cultural activities. Employees are therefore encouraged to organize their work time in accordance with their personal activities.
- A company with a rich international heritage and strong family roots, the Kudelski Group promotes equity and avoids exclusion at the workplace, taking into account the local demography to respect its diversity.
- With the implementation in 2022 of its Supplier Code of Conduct, the Group strives to ensure that its suppliers respect the working conditions of the people they hire.
- Each year, the Group updates its Modern Slavery Statement in order to better identify and prevent any actual or potential involvement in modern slavery in its supply chain and to stay aligned to any changing regulations.

## Supporting local communities

**We get involved in the communities where we operate around the world including volunteering and supporting various social initiatives.**

- In terms of recruitment, the Group remains as close as possible to its markets, where the local talent is.
- The Group maintains close relationship with local universities and high schools on both the scientific and recruitment fronts, and also supports Master's and Ph.D. programs from local universities and engineering schools. It is one of the founding members of the Center for Digital Trust (C4DT) of École polytechnique fédérale de Lausanne (EPFL), fostering research in trust and cybersecurity.
- Through its partnership with TrustValley, the Group takes part in the Trust4SME program built to help Swiss small and medium businesses to address lack of knowledge and resources to face cyber-threats.
- Through its partnership with Digital Switzerland, the Group works together with educational institutions in Switzerland to promote STEM and digital professions among young students.
- Volunteer time-off policies encouraging employees to be active members of their community are in place at selected locations.
- The Group supports charitable organizations serving the communities in which we operate.
- The Group is a partner of the Greater Phoenix Economic Council, the World Economic Forum and the Montreux Jazz Festival.

## GOVERNANCE

### Structure

**We privilege a human approach to management and promote open-minded relations at all levels of the company.**

- Effective and transparent governance is central to the success of the company. The Kudelski Group implements lean and efficient governance structures at all levels. While the Board of Directors is responsible for executive management, the Executive Board is

responsible for operational management tasks.

The Board of Directors is made up of eight members and has an Audit Committee, Strategic Committee and a Compensation Committee.

- The Group has organized the appropriate departments internally to monitor sustainability and energy management of its buildings, products and services.
- Quality management, risk management, data protection and information security are among the key focus areas of the Group's management.
- The Group has its own department dedicated to intellectual property protection.

## Building trust and responsibility

**We actively promote fair business practices internally and with clients and partners.**

- The requirement for uncompromisingly ethical behavior is fundamental for the Group.
- A fundamental responsibility of employees is to adhere to Group values, policies and procedures and to respect the appropriate legislation and local laws.
- The Group takes care of its employees by providing them with the appropriate work environment. It seeks to ensure that the performance and results of the Group are aligned with responsible HSE (Health, Safety and Environment) awareness and action.
- The Group favors long-term relationships with partners rather than a short-term opportunistic approach.
- The Group actively supports its customers and the media industry in fighting illegal media distribution that harms content creators. It is a founding member of Latin America-based Alianza contra Piratería de Televisión Paga, an industry association launched in 2013 that aims to fight pay-TV piracy in Latin America. The company is also involved in several anti-piracy alliances such as IBCAP (International Broadcaster Coalition Against Piracy, USA), CAOVP (Coalition Against Online Video Piracy), CAP (Coalition Against Piracy, APAC), AAPA (Audiovisual Anti-Piracy Alliance, Europe), ABTA (Brazil), Convergence (Africa), Broadcast Satellite Anti-Piracy Coalition (MENA) and Sygnal (Poland).

- As a key global player in digital security and a pioneer in patent protection, the Group plays an essential role in respecting and protecting content creation, copyrights and international regulations while helping people and companies preserve their reputation and develop their business.
- The Group promotes architectures that enable security and data privacy by design and fully support GDPR policies.
- Working closely with government agencies and critical infrastructure providers, the Group helps protect against cyber-attacks that would impact the general public.
- Implementing responsible procurement processes is an essential task that the Group is continuously reviewing.
- The Group takes appropriate measures to prevent corruption and to anticipate and avoid conflicts of interest.
- The Group seeks to abide by applicable rules regarding competition, protection of information and confidentiality and to act in accordance with national and international legal provisions.

Demonstrating continuous efforts and improvements in sustainability performance, the Kudelski Group has been rated Bronze for 2022 by EcoVadis, the sustainability ratings services.

The EcoVadis ratings measure organizations' activities to ensure and promote respect on the environment, human rights, ethics, sustainable procurement, and more.

We remain committed to evolving our practices in order to better our sustainability performance in the years to come. To achieve this, the Group has structured its ESG commitment in the coming years around 6 of the Sustainable Development Goals set by the United Nations. These goals are: Good Health and Well-Being; Quality Education; Affordable and Clean Energy; Decent Work and Economic Growth; Industry Innovation and Infrastructure; Sustainable Cities and Communities.



Aware of its impact on society and the environment, the Kudelski Group will continue efforts to improve its sustainability performance.

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