

DANIELLA

VILLAMOSSÁG

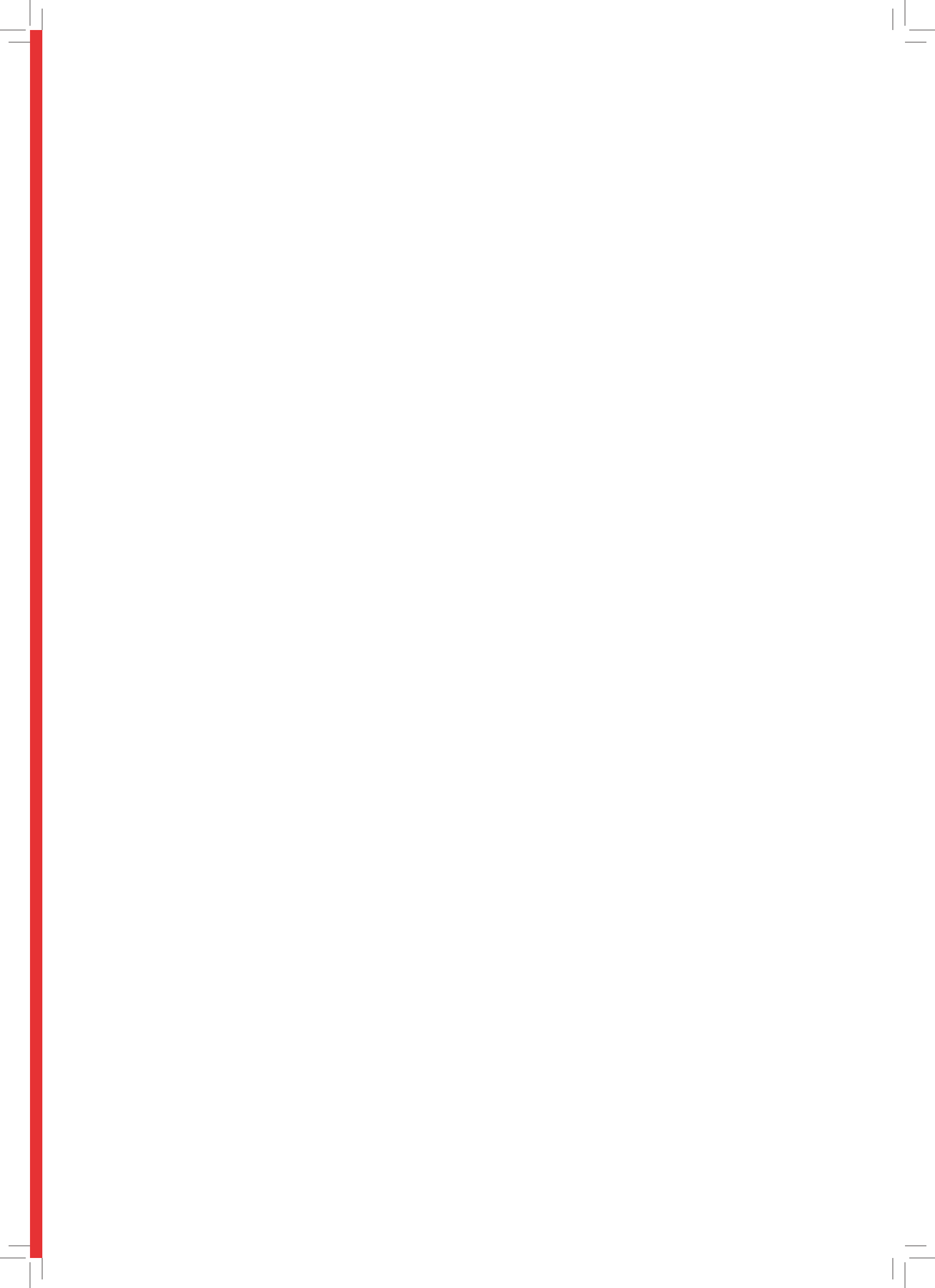
Az elektromos világ szolgálatában!



2021

SUSTAINABILITY REPORT







Dear Reader,

We live in a rapidly changing world. The economic and business life itself is just through hectic years. It is enough only to mention the fight against COVID, which has profoundly shaped our everyday life. Despite all these challenges our Group has made significant progress in recent years. In 2021, we managed to close another record year. These challenges motivated us to attach even higher priority to social responsibility, responsible corporate governance and the environmental impacts of our activities, in short to 'sustainability', building on our core values and business philosophy. We have tended to operate in a sustainable manner in various areas also in previous years, and in 2021 we began to deal more consciously with these issues. We have decided to present our operation from this perspective as well to the valued stakeholders and investors. As a result, our first Sustainability Report has been compiled and I am proud and delighted to present it to you.

Responsible governance, rooted as deeply as possible at all levels of management, is a core value to follow for us as a family business. Recognizing that people are of outmost importance whether they are our employees or our external stakeholders, as a trading company, we pay particular attention to respect for people, to the continuous and conscious development of our employees, to the establishment of a stable existence and to the consumer-centeredness of our operations. In this Sustainability Report we also outline our aspirations and future goals in this respect. Obviously, we have also sought to assess the environmental impacts of our operations in addition to showcasing our achievements to date and our commitments for the coming years.

We hope that this Report provides the opportunity to present to our dear Readers our operations and our commitments also from the point of view of sustainability!

Debrecen, September 15. 2022

Ernő Hadnagy
Owner, CEO

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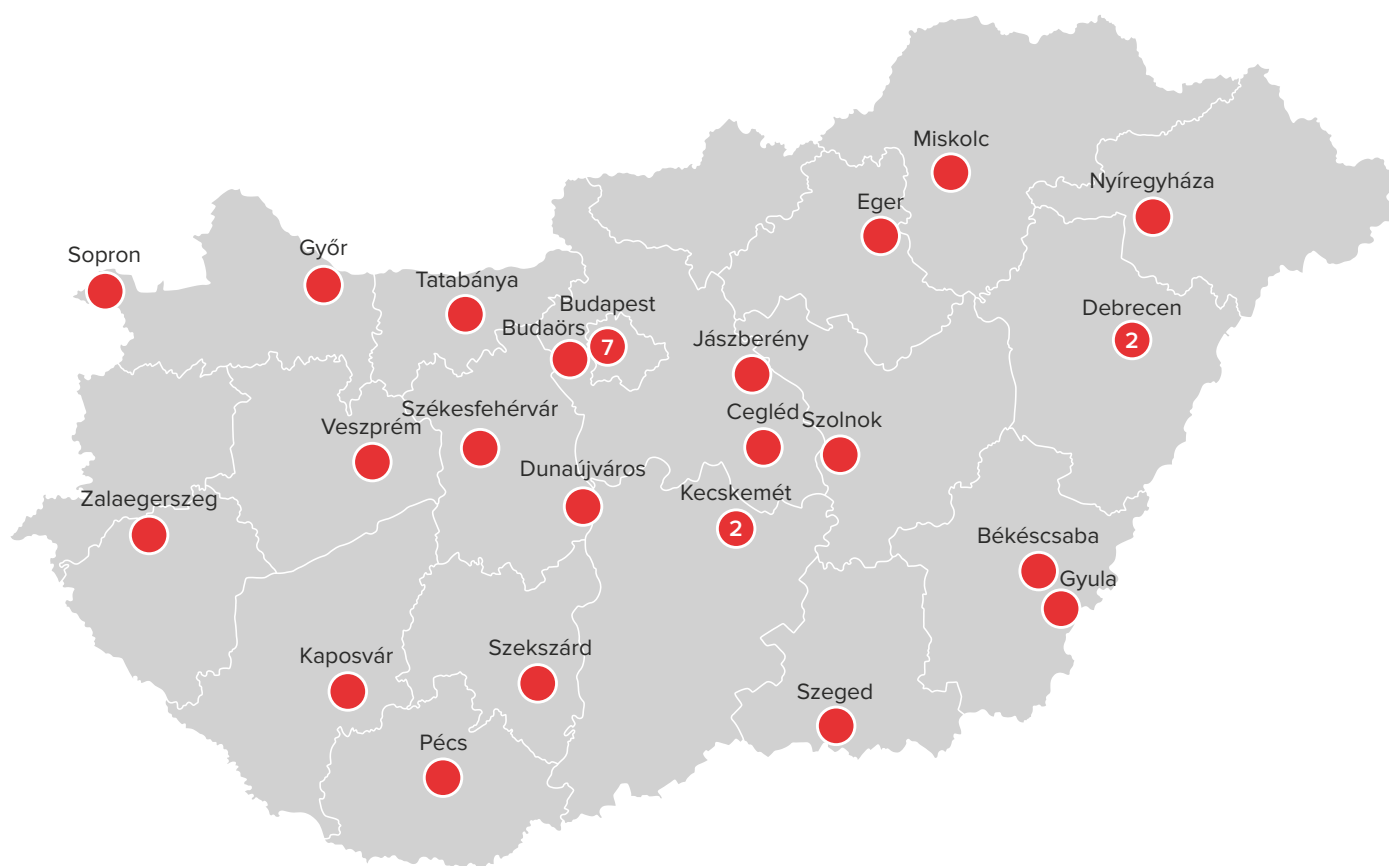
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INTRODUCTION TO DANIELLA ELECTRICITY

Our Company, the Daniella Kereskedelmi Kft. was established in 1992. Over the past 30 years our four-member start-up team has grown to a large company with nearly 400 employees that also has private labels and is a leading family-owned operator in the Hungarian electricity retail and wholesale market.

We offer our customers the complete spectrum of electrical products through 31 sales points, which completed with our logistics network, provide for our partners with national coverage. At the pace of digitalization, we are at the disposal of our customers through our ever-evolving retail and wholesale online shop that meets all needs. Our Group's presence in the market crosses borders. Our export activity is carried out by our own subsidiary in Romania and by local traders in other countries.

THANKS TO THE CONTINUED EXPANSION SINCE 2010 WE NOW HAVE THE FOLLOWING DISTRIBUTION NETWORK



DANIELLA VILLAMOSSÁG

Az elektromos világ szolgálatában!



A key part of our strategy is our large inventory with a wide range of products, through which we fulfil the majority of incoming orders already by the next business day following the order. Moreover, our extensive and stable supplier background ensures that we are also able to meet unique consumer demands. With a consumer-focused attitude, support service and advice, we help our consumers to plan and choose the right products. We also support our clientele's efficiency with additional services like:

- applications consulting
- proposal preparation
- planning
- product knowledge training
- presentation of products, experts consulting involving suppliers
- delivery within 24 hours.

OUR BUSINESS MODEL

Our company distributes a comprehensive range of electric products sold through our extensive sales network as well as – and in an ever-increasing proportion – via our online platform.

Customer satisfaction is a crucial factor for our company, we are proud that 90% of our partners are regular and returning customers.

OUR SERVICE CHANNELS



IN PRACTICAL TERMS, OUR PRODUCT PORTFOLIO COVERS THE ENTIRE SPECTRUM OF ELECTRICAL PRODUCTS. A POSSIBLE CLASSIFICATION OF THE PRODUCTS THAT WE SELL IS THE FOLLOWING



**Renewable energy
and lightning protection**



Lighting technology



Automation



Installation techniques



Energy distribution



Wire & Cable



**Trade in own-brand
goods**

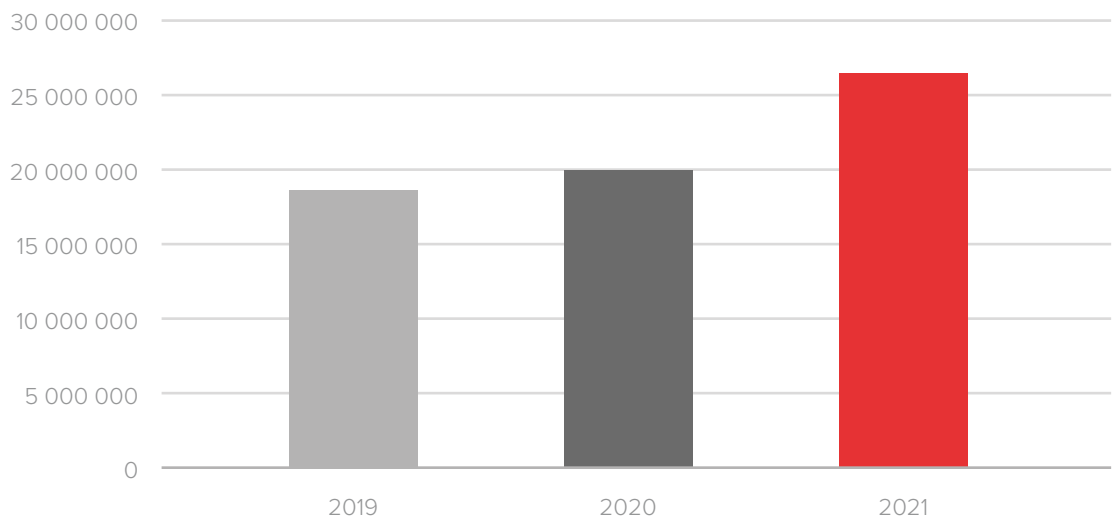


Apart from hundreds of well-known brands our company also sells own-brand products with excellent value for money (Stilo, Skybox, Daniella Delux). All our products have the certifications required in the European Union. Our own-brand portfolio contains more than 1,000 items.

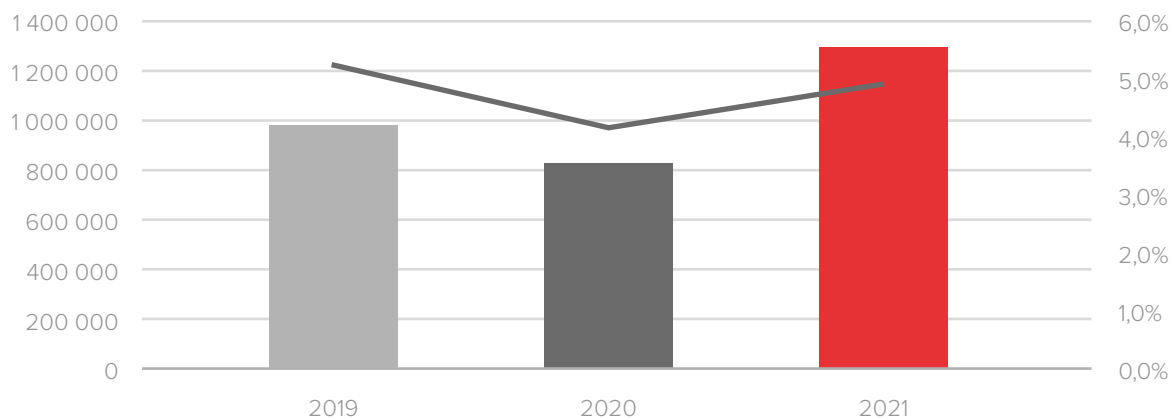


DANIELLA IN NUMBERS

SALES REVENUE (K HUF)



EBITDA (K HUF) / EBITDA (%)



ESG ROADMAP

2007



- ISO 9001 Quality Management Systems

- The first renewable energy-related product (solar cell) added to the sales portfolio



2013

2019



- MagyarBrands prize in Excellent Business Brand category
- árukereső.hu Reliable Shop certification
- Software Code of Ethics

- Handover of the Daniella Logistics Centre, doubling logistics capacity
 - BSE XBOND bond auction
- MagyarBrands prize in Excellent Business Brand category
 - Energy audit



2020

2021



- MagyarBrands prize

- First Sustainability Report
- Daniella Electricity Talentum Foundation
 - Group-level Sustainability Project
 - Introduction of ISO 14001 management system
 - Daniella Academy
- Business Superbrands 2022 certification
 - Adoption of a Code of Ethics



2022

2050



- Carbon-neutral operation from 2050

OUR VALUES



BUSINESS INTEGRITY



**TRANSPARENT
OPERATIONS**



RESPECT FOR PEOPLE



**CONSUMER-
CENTEREDNESS**



STABILITY



**CONTINUOUS AND
CONSCIOUS DEVELOPMENT**



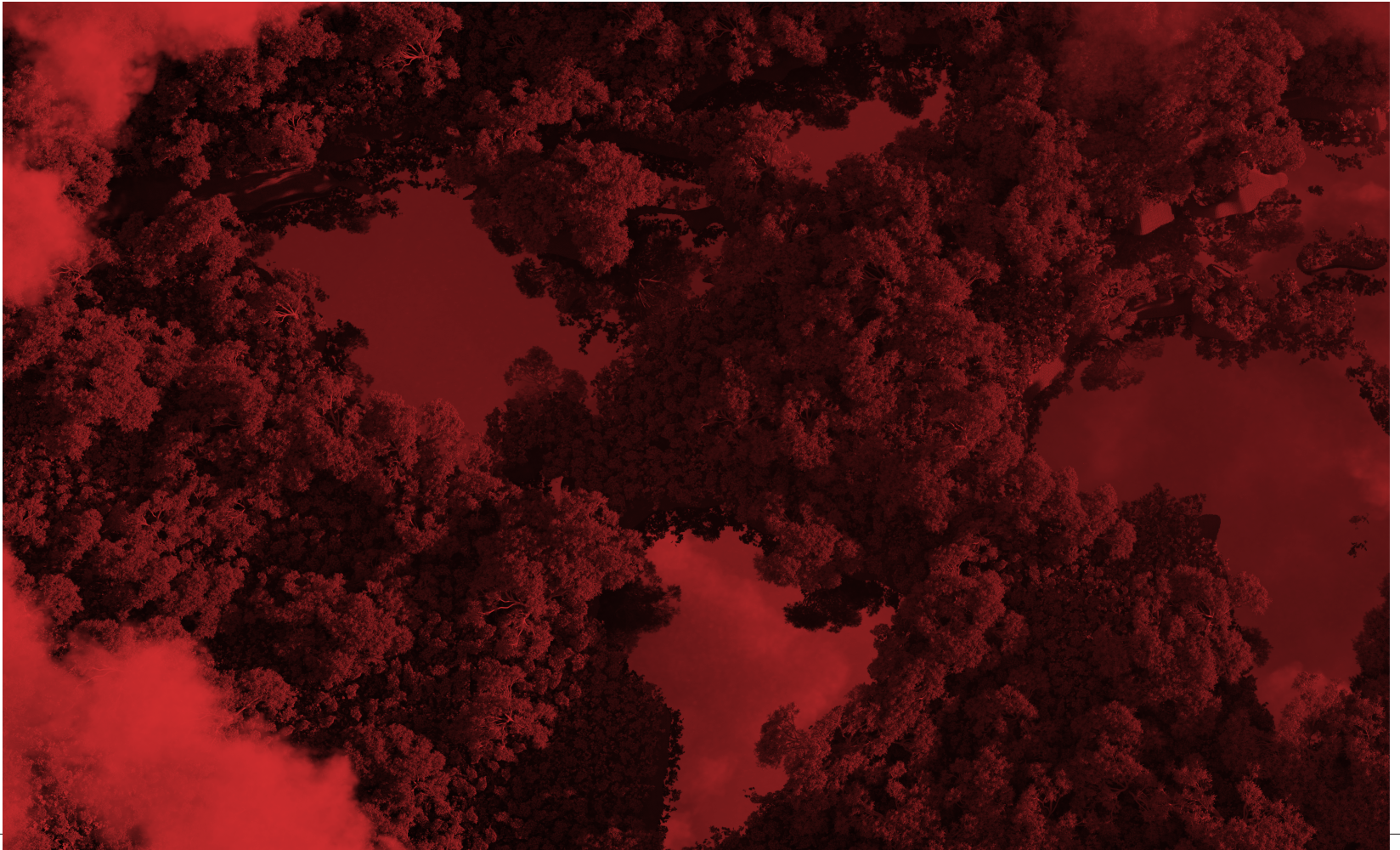
EXISTENCE BUILDING



EXPERTISE



INNOVATION

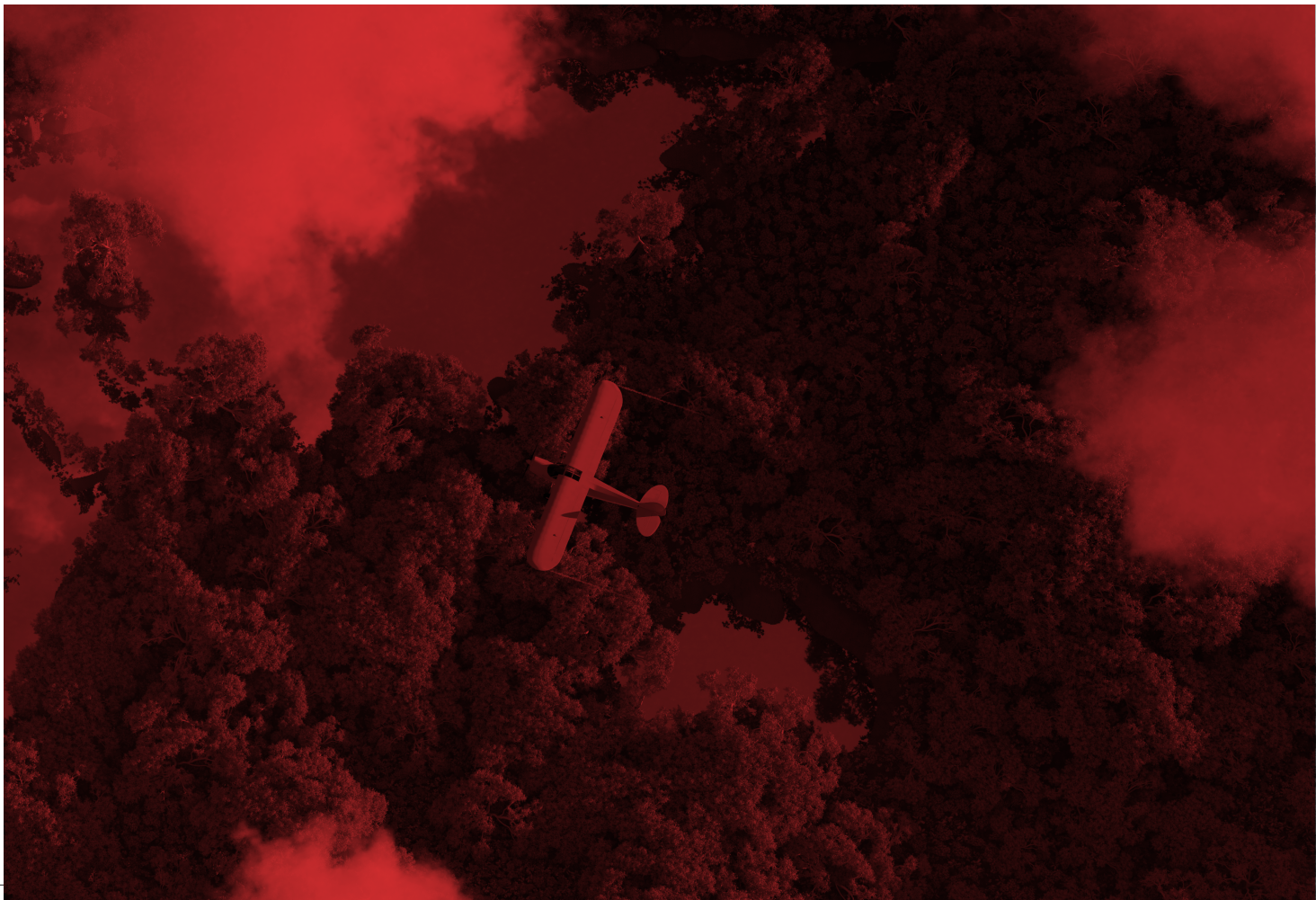
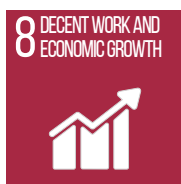


SUSTAINABLE DEVELOPMENT GOALS

In the life of Daniella **sustainability** means acting in an environmentally and socially responsible manner by creating value for our employees and customers through long-term, sustainable economic growth.

We support the implementation of the UN Sustainable Development Goals.

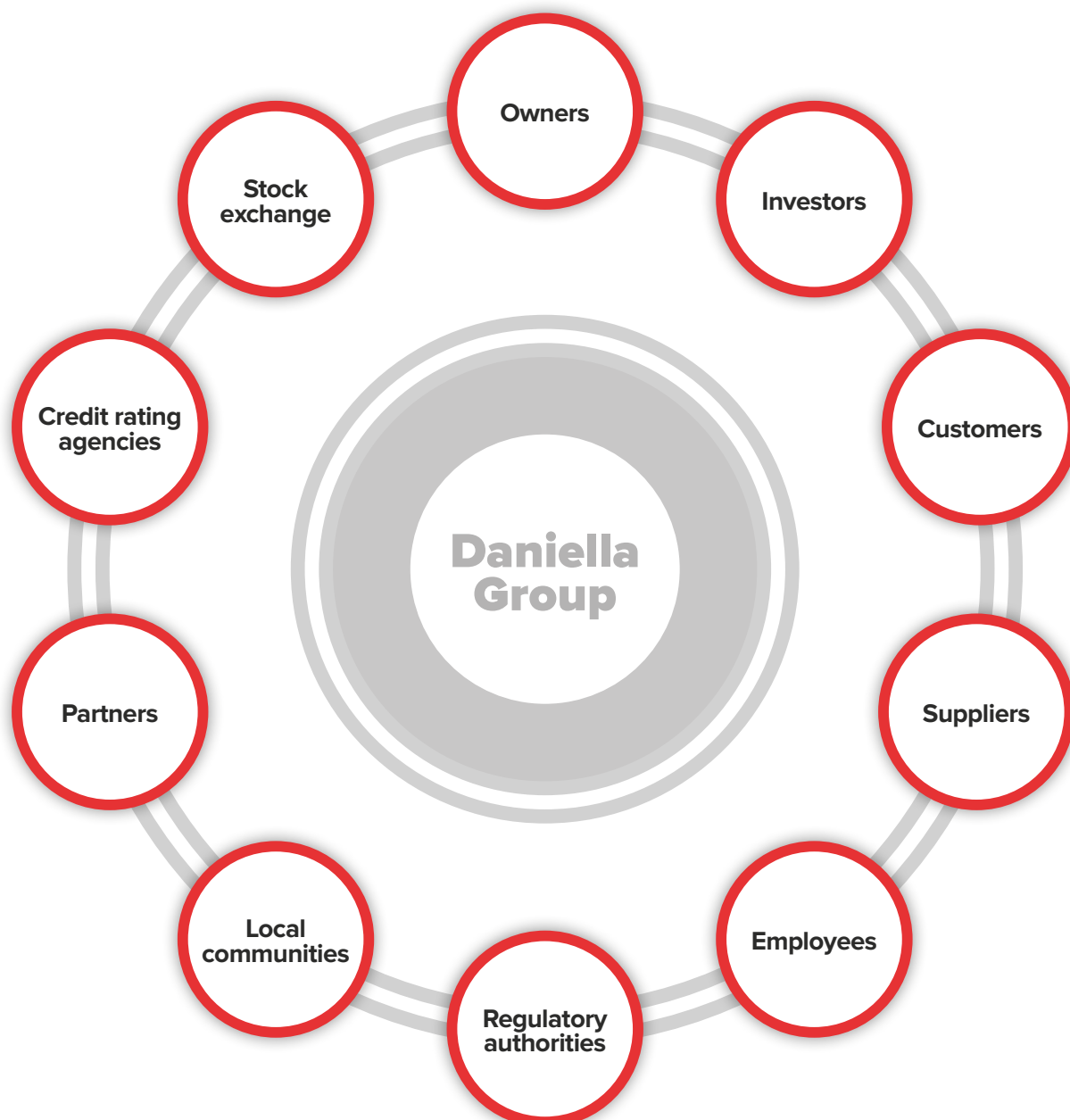
We pay special attention to the climate and environment-related goals that are directly linked to our operations and with which we can achieve the greatest positive impact. In addition, we consider responsible corporate governance and social responsibility to be key issues for sustainable operations.



OUR STAKEHOLDERS

Taking into account our stakeholders' expectations is crucial to determine and follow our sustainability objectives. We aim for achieving results that are valuable to both our external and internal stakeholders. We constantly communicate and consult the stakeholders to understand their positions and opinions, fostering the achievement of shared values and positive outcomes. To strengthen relationships, we actively participate at CSR and community development initiatives through our social platforms.

We have identified our most important stakeholders who directly or indirectly influence our company's operation and who are affected by our activity.



OUR PRINCIPLES IN ENGAGING WITH OUR STAKEHOLDERS

**Transparent
sharing of
information**

**Continued
advising**

**Confidentiality
and relation-
ships of trust**

**Active
communication**

WE WISH TO COMMUNICATE THE FOLLOWING VALUES TO OUR KEY STAKEHOLDERS

OUR CUSTOMERS

We set our customers' satisfaction in the focus of our operation. With our expertise, fair business behaviour, predictability and maximum fulfilment of market demands we achieve their satisfaction. Besides keeping our market-leading position, the objective of our continuous and conscious development is to be part of our customers' future success in the long term.

OUR EMPLOYEES

High skills, an innovative and client-focused attitude are required on their part, and in return they are rewarded with stability, stable livelihoods, forward-looking career path and the opportunity of a continuous professional development. Our in-house online knowledge platform, the Daniella Academy provides constant professional training for our employees. Besides the e-learning material compiled by experts we support specialized training as well as we actively contribute also to our employees' aspirations at university level education.

OUR PARTNERS AND SUPPLIERS

For our suppliers our business integrity, predictability and continuous growth guarantee a stable, long-term and successful partnership. The best evidence of this is that we are now working together with our more than 600 partners for the success of our customers.

OUR SOCIAL ENVIRONMENT

One of our core values is respect for people. This at the heart of our social commitments shared by all employees our company.

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OUR MATERIALITY FACTORS

Our Group carried out an analysis to assess its operations' significant economic, environmental and social impacts. The materiality assessment enabled our Company to identify issues having material impact on our stakeholder assessments and decisions, it helped us to recognise sustainability-related opportunities and risks, and showed how these factors affect our stakeholders, society and the environment. In parallel to the assessment process, we also carried out a benchmarking analysis of our main national and European competitors. These two analyses provide a solid framework for determining which factors to focus on in our first sustainability report.

DURING THE ANALYSIS WE IDENTIFIED THE MATERIALITY FACTORS SHOWN IN THE FIGURE INDICATED IN THE MATERIALITY MATRIX BELOW.





CORPORATE GOVERNANCE

RESPONSIBLE CORPORATE GOVERNANCE

Over the past nearly 30 years we have grown steadily without leaving behind the advantages and values of the family business' characteristics and the good working community.








Besides our CEO-owner with a degree in economics, a general manager runs the company, sets sustainability goals and strategy. They are supported by 5 directors, together forming the board of directors (senior executives) and by a team of 14 middle management.

For years, our management has been supported by an advisory board of 12 independent industry experts to ensure continuous renewal of our business model with up-to-date and independent external know-how.

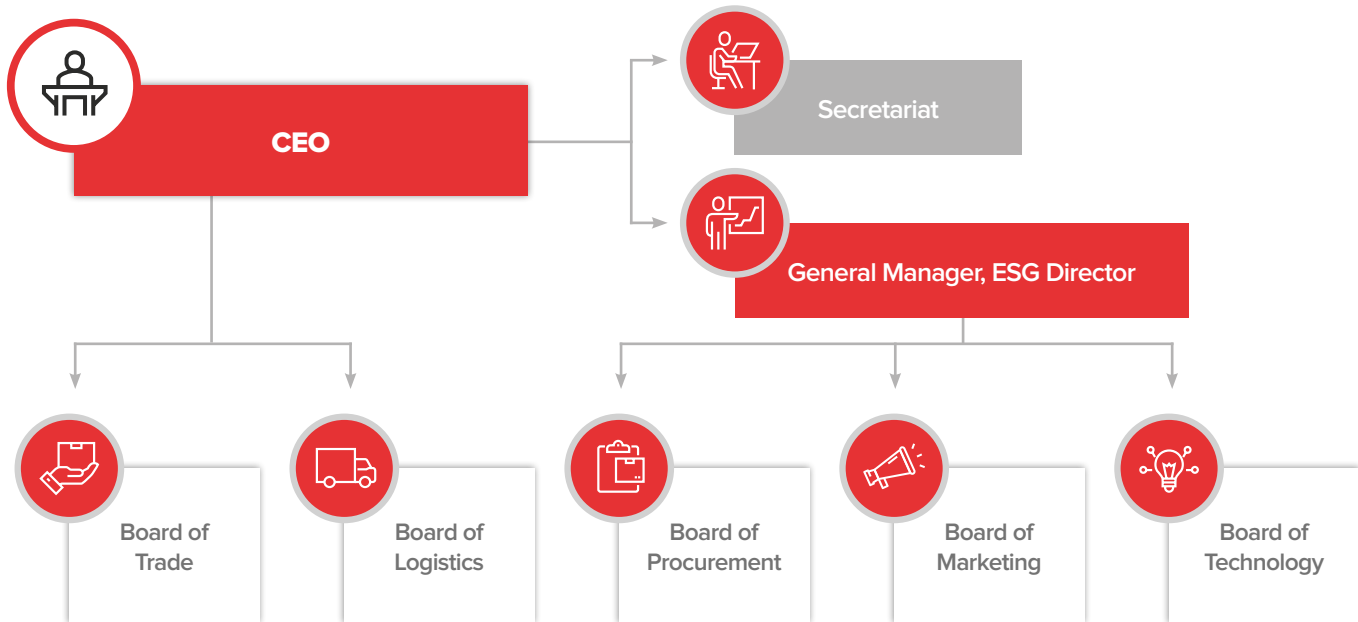
At the end of 2021, the proportion of women in middle management was 20% (3 people). Our management is committed to fair, transparent and reliable operations, which are essential for the long-term success of our company. Our forthcoming Code of Ethics will support this commitment and provide guidance to our employees on the behaviour we expect from them.

Within the organization, the ESG concerns are assigned to the CEO. Thus, the integration of ESG processes into the organization's operations is achieved directly subordinated to senior management. The CEO plays a coordinating role in the implementation of ESG aspects, overseeing data recording, data collection and monitoring processes.

OUR MANAGEMENT

Member of Board	Position	Year of entry
 Ernő Hadnagy	CEO	2004
 Péter Szabó	General Manager	1992
 László Bica	Director of Procurement	2004
 Dávid Maleskovits	Chief Technology Officer	2010
 Csaba Luczy	Commercial Director	2018
 Tamás Nagy	Director of Marketing and Communication	2018
 Bálint Sas	Director of Logistics	2021

THE BOARD OF DANIELLA KFT.



ETHICAL DATA MANAGEMENT

We are committed to responsible and secure data management throughout our operations. Our company collects, generates and uses a large amount of data to manage our business activity and to provide it our logistics services. In 2019 we introduced our Information Security Policy (ISP) which aims to define the data management principles, requirements and rules for all individuals and external contributors involved in the Company's activities who are responsible for the development, implementation and maintenance of information security.

The objectives of the Security Policy are as follows:

- to increase information security through awareness, organization, efficiency and the use of technical solutions,
- to help the enforcement of measures with the means of prevention, information, education, detection and sanctions,
- to protect the organization's values in the interest of compliance and good reputation,
- to safeguard data stored by all possible means in particular personal data.

We comply with the legal provisions and the requirements of the EU General Data Protection Regulation in relation to the data we process. We also seek to verify that we are operating properly through ongoing independent external IT audits and to identify areas for improvement within our IT systems.

In order to keep employees' knowledge up to date, we organize regular courses.

QUALITY ASSURANCE



To achieve our objectives, we apply a quality management system certified according to the MSZ EN ISO 9001:2015 standards. The commitment, the awareness of our staff, our training and education scheme ensures that we continuously meet legal requirements, stakeholder expectations and other requirements we set for ourselves. We aim to meet our customers' requirements at a high level. For our partners and suppliers, our business integrity, predictability and continuous growth are the guarantee of a stable, long-term, successful partnership.

As customer satisfaction is a high priority for the Group, so we strive to offer our partners the full range of electrical products in the shortest possible time.



RISK MANAGEMENT

We continuously monitor the risks affecting our operations and, where necessary, apply internal risk management procedures in line with international standards and based on the sector's best practices.

We take into account the exposure of the company's value creation to uncertainties, the factors influencing the successful achievement of its objectives and the threats to it, as well as the occurrence of unexpected events that could potentially endanger individuals, assets, the environment or the company's reputation.

We hold regular management meetings to not only to identify and assess potential business and other risks, but also to make leadership decisions on the mechanisms to manage them.

Our emphasis on digitalization is an important part of our risk management strategy. Our online store has contributed significantly to increasing online sales and, as a result, to avoiding the severe economic impacts of the COVID-19 pandemic, given the potential for contactless interactions with customer.

It is safe to say that we have successfully addressed the impacts of the COVID-19 pandemic also in 2021: thanks to our measures our staff could work safely and our customer service carried out with satisfaction according to the appropriate standards during throughout the year.



SOCIAL ENGAGEMENT

As a responsible player and employer on the domestic market, we care about the social environment and respect for people is a core value. We follow this business philosophy and value in our social engagement, as well as in our charitable and educational initiatives.

SUPPORT FOR FOUNDATIONS, SOCIAL CAUSES, DONATIONS

The **Daniella Electricity Talentum Foundation** was established in 2022 to support technical professional education, research, development and knowledge transfer in Hungary and internationally.

As part of the Foundation's activities, we collaborate with the Vocational Training Centre in Szerencs (VTCSZ) and the Samuel Brassai Vocational School in Tiszaújváros, in a cooperation that is exemplary in the electrical sector, to support the formal training of future electrical engineering professionals.

Benefiting from the professional foundations and experience gained in the above collaboration, the cooperation between the VTCSZ and the Daniella Electricity Talentum Foundation will be extended to a national level in the second half of 2022. The Foundation's mentoring scheme will open up the possibility to join for all educational institutions in Hungary that are actively training in the field of electricity.

Respect for people has always been a central concern at our company, and we have always treated our customers, partners and colleagues with understanding and respect. With this value in mind, the recent worrying events in our environment – such as the COVID19 epidemic, war conflicts and the emerging migration crisis – have prompted us, as a responsible large enterprise, to place even greater attention to corporate social responsibility in our inner processes. Therefore, in the summer of 2022, **we entered into a long-term partnership with UNICEF, which has been operating in our country for 45 years**, and thanks to our donations we actively support the work of the organisation, including children in difficulties.

And again, in the spirit of this business philosophy Daniella Kft. supported

- the National Ambulance Service,
- the Hungarian Gypsy Missions International, and
- the Béthel Foundation of Rákócscsaba.

ORGANISATION OF DOMESTIC ENTERPRISES

Together with three other Hungarian electrical wholesalers, we are founding members of FEGIME Hungary Kft., established in 2007. The creation of the organisation helps to achieve several objectives: it connects Hungarian family businesses distributing electrical products through the European chain of member companies, it gives the opportunity to conduct joint negotiations with European suppliers, which provides an opportunity to channel family businesses into the European market, which is made up of European professional elites. At FEGIME, we understand the importance of building international networks. We believe that this accumulated knowledge makes us even more agile, we focus on business without losing sight of the importance of human relations.



RESPONSIBLE WAY OF OPERATION

BUSINESS ETHICS

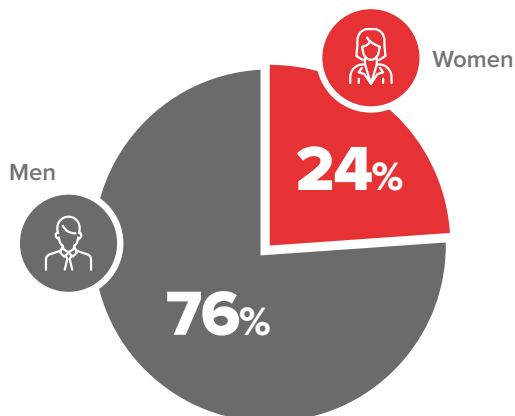
The Daniella is committed to the respect for human rights. Our company prohibits child and forced labour, human trafficking and illegal discrimination. Our senior management aims to ensure that all our employees comply with the **Code of Ethics** and the principles of the **UN Global Compact**.

Fostering internal relations is important for us, such as the following fields: equal treatment, diversity, employer-employee relations and teamwork. We also attach great importance to our external relations, and in our Code of Ethics we also regulate our contacts with investors, suppliers and external partners.

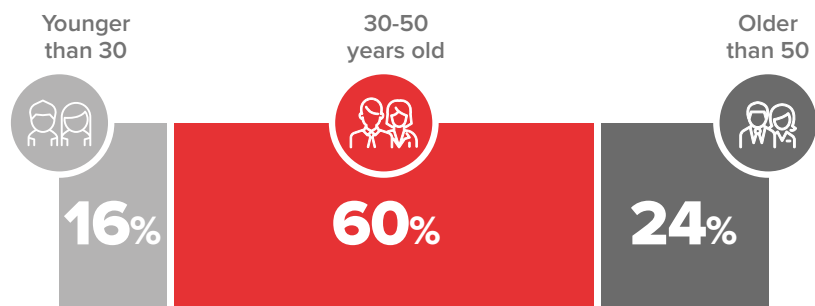
Our ethical operation includes delivering goods and offering services of appropriate quality, complying with national and international legislation, meeting our partners' expectations, as well as paying special attention to the management issues related to conflict of interest, information security, corruption and management of the company's assets.

HUMAN CAPITAL DEVELOPMENT

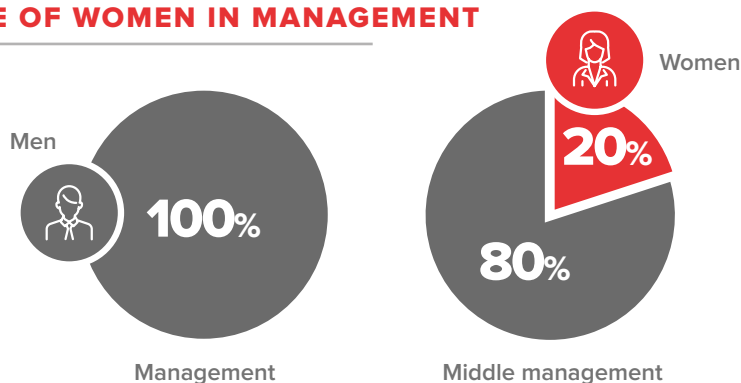
PROPORTION OF WOMEN, MEN



DISTRIBUTION BY AGE



ROLE OF WOMEN IN MANAGEMENT



YOUNGEST MANAGER



Daniella's senior management strives to provide a **fair working environment** for all employees, a fair and equitable environment by conducting business in accordance with generally recognized human rights and dignity.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

The company believes in maintaining a healthy workplace. It provides employees with the conditions necessary to perform their work without discrimination on the basis of sexual orientation, disability, age or ethnicity. To promote diversity, the company will seek to prioritise the recruitment and promotion of talented women to positions of greater responsibility and to ensure equal wages for women and men in similar positions.

To formalise our ambitions, to further raise our employees' awareness and to summarise, reflect our values, we will introduce a Code of Ethics in 2022 which will be binding for all our employees and those working on contract.

Our company wishes to preserve its **family-business** character: we encourage our employees when their children, their family members join us. We welcome both younger and older workers, and employ both students and employees approaching retirement.

We support internal career development, it is not rare that a colleague who has started its career as a student now works with us in a middle management position.

EDUCATION AND TRAINING

Our management is committed to supporting the personal and professional development of our employees. As a result, our employees participate in a variety of in-house and externally organized training courses:

- external professional training (certificate, diploma, other courses);
- English language courses;
- skills development training, sales skills training;
- management training.

In line with our company's annual training scheme for 2022, Daniella Academy will provide training for more than 100 people in 5 locations.

We have also successfully applied for a 3-year (2022-2024) training programme in the framework of which we will organize training in IT, languages and soft skills for 174 employees.

HEALTH AND WELL-BEING

We are committed to supporting families and promoting sport is important to us. To preserve our employees and their children's health we have also launched an internal programme for them. **We support their sport clubs** if they play spectator team sports and apply for funding.

We pay health insurance fund contributions for our employees and health insurance for some positions. We also aim to ensure the financial security of our employees in their retirement by offering them an array of early savings options.



We record and report **accidents at work** to the competent authorities in accordance with legal requirements and to reduce their number we implement improvement measures taking into account the principle of prevention.

In 2021, the total number of reportable accidents across all Hungarian sites was 10. Thus, total number of working days lost was 99 days. No fatalities or serious injuries occurred.

In order to **reduce the impact of the COVID epidemic**, in addition to financial support, we have adopted a number of further measures to protect both our colleagues and our partners in the supply chain (introduction of sanitation rules, home office, etc.).

Thanks to the responsible and disciplined application of these new measures and the resilience of our colleagues, we have been able to protect the health of our employees and maintain business continuity during the pandemic. As a result, our company has been able to serve its partners during critical periods, and due to the efficient management, we have been able to keep jobs.

In order to create an employee-friendly work environment, Daniella's senior management has introduced the **home office** option in certain defined positions and adopted a home office policy as a tool to increase employee satisfaction and efficiency. In the case of working days at home, employees can request home office in advance from their immediate supervisor through the company's e-Timesheet programme.

Senior management strengthens cohesion within the company through various programmes. Team-building sessions and multi-day kick-off events are organised to bring employees closer together and to increase **employee satisfaction**.





COMMUNICATION AND INTERNAL INFORMATION-FLOW

We attach great importance to keeping our employees informed, and we believe that one of the foundations of smooth working is open, straightforward communication and the exchange of opinions. We inform our employees on an ongoing basis and in detail about the issues affecting them, and we give them the opportunity to give their comments in person, since this is how we can ensure a reliable workplace for them.

We use a variety of communication channels to keep our colleagues up to date and well informed:

- internal intranet site (departments post relevant topics and news)
- newsletters (bi-weekly internal „newsletter” containing current news about the Group as well as relevant topics of interest to employees)
- information by e-mail
- staff meetings in the logistics area (2 monthly consultation forums)
- general briefing of employees via an online platform (interactive, using Microsoft Teams, during the Covid pandemic)

AWARDS

BUSINESS SUPERBRANDS – 2022



In 2022 Daniella was granted the Business Superbrands Award.

MAGYARBRANDS PRIZE – 2021, 2020, 2019



MagyarBrands honours Hungarian brands that can be a worthy representative of Hungarian businesses within and outside our borders, and that represent values that demonstrate reliability and quality to customers in the Hungarian and international markets.

In 2021-ben Daniella Electricity received the MagyarBrands Award for the third time (2019 and after 2020).

KKV TOP100 – 2019



In 2019 Daniella obtained the SME100 qualification in Trade category on the basis of the evaluation of an independent jury of professionals.

ENVIRONMENT



Daniella's senior management is committed to the continuous development of its environmental performance and to the reduction of its CO2 emissions.

Therefore, in 2022 the company will set its environmental and sustainability objectives, will introduce and get certified its environmental management system in line with the MSZ EN ISO 14001:2015 standards.

In its materiality assessment, in relation to the environmental issues, the company identified the following four areas. Since its transport activities have the the highest environmental impact, the Company pays special attention to it.



Energy
efficiency



Environmental
impact of the
supply chain



Waste
management



Green
portfolio



ENERGY EFFICIENCY

Our management is committed to supporting sustainability initiatives and will do its very best to contribute to the reduction of carbon emissions through its own activities and to support its customers in this respect.

Due to our commercial profile our specific energy consumption is low, but we are aware of our impact on the environment and know that we need to change to replace high carbon emitting fossil fuels with renewable energy sources, to operate according to the principles of the circular economy and to promote alternative fuels. For example, we are also looking at how even cloud technologies can save additional energy compared to using other on-premise solutions.¹

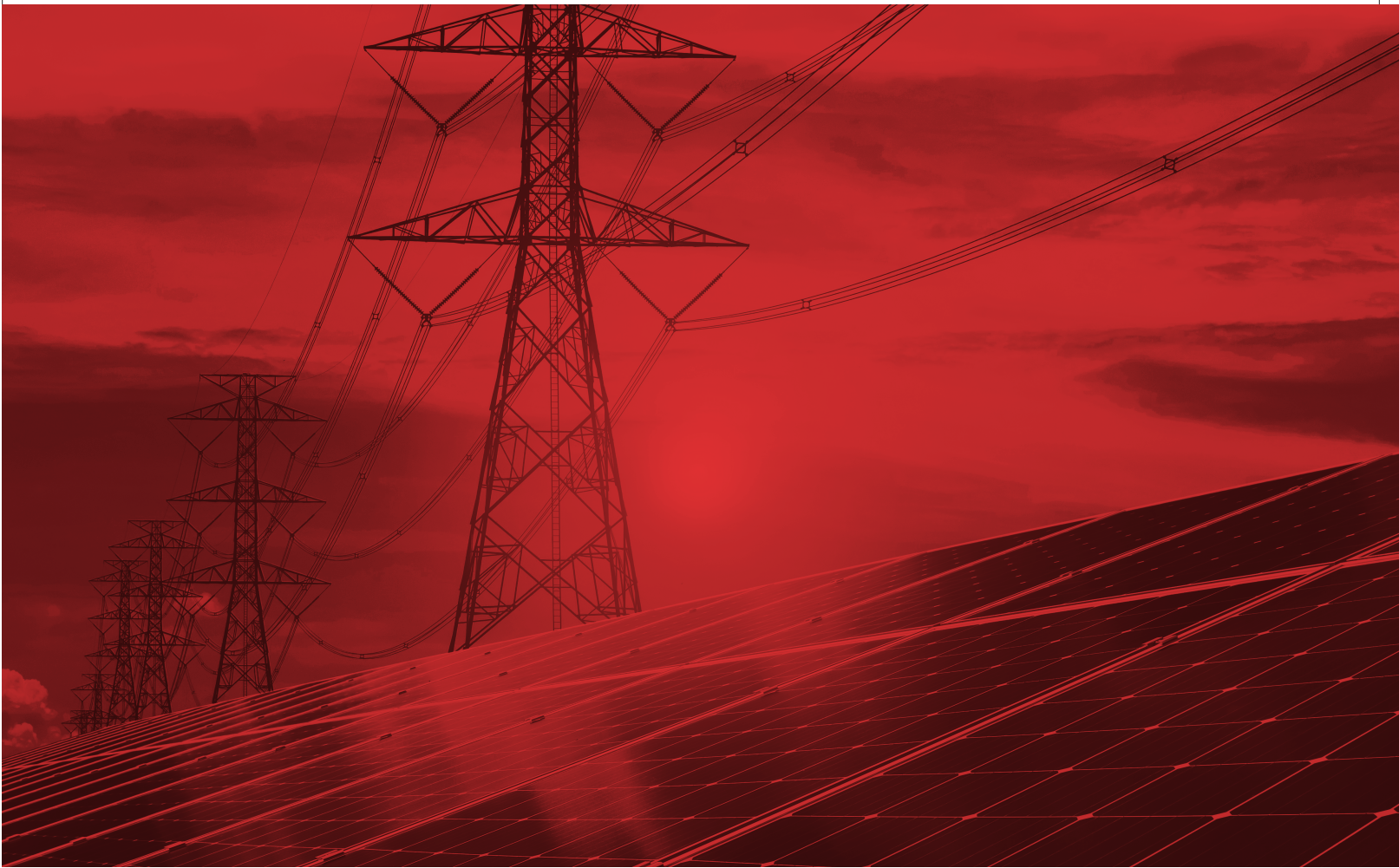
In order to continuously monitor our energy efficiency, in 2021 we have prepared our Annual Energy Report with E2 Hungary Plc.

Transportation accounts for 61% of our energy use, so we continue to monitor future developments and set targets in this respect by the end of 2022.

Concerning overall energy use, from 2020 to 2021, our energy consumption per turnover improved significantly: while our annual turnover increased by 32.5%, our overall energy consumption increased by only 12.1%.

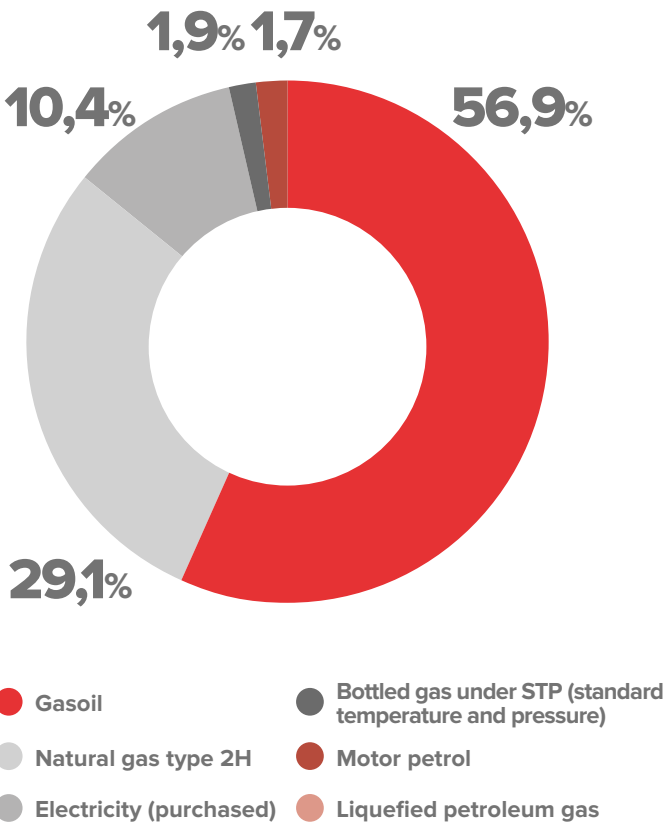
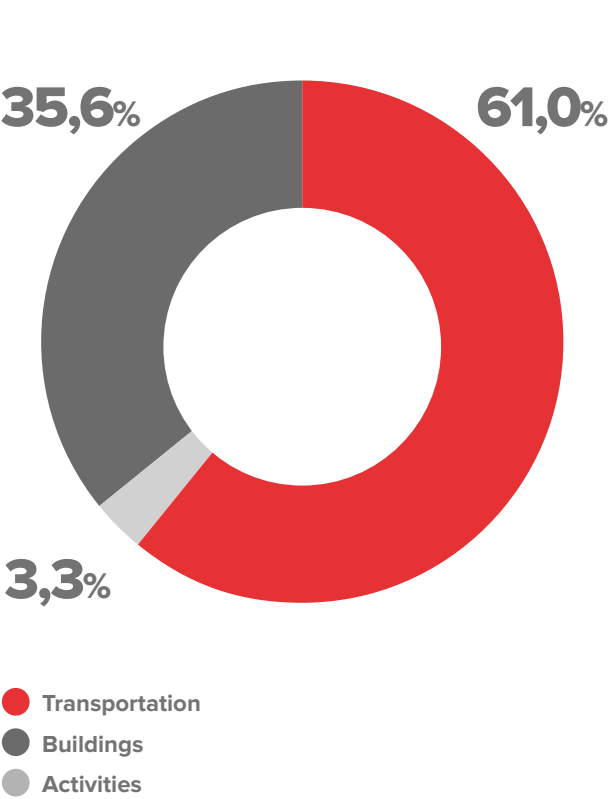
Energy sources	Quantity of energy sources used (natural)	Quantity of energy sources used in kWh	Greenhouse gas emissions
gasoil	308 500 liters	3 018 055 kWh	805,1 t CO ₂
natural gas type 2H	147 506 m ³	1 543 706 kWh	282,5 t CO ₂
electricity (purchased)	553 873 kWh	553 873 kWh	202,16 t CO ₂
bottled gas under STP (standard temperature and pressure)	7 760 kg	100 236 kWh	22,77 t CO ₂
motor petrol	9 200 liter	90 013 kWh	22,46 t CO ₂
liquefied petroleum gas	170 kg	2 172 kWh	0,49 t CO ₂
Total		5 308 055 kWh	1 335,48 t CO₂

¹ The Microsoft cloud technology we use is 93% more energy efficient than other on-premise solutions. Source: <https://www.bankingly.com/the-cloud-is-up-to-98-more-eco-friendly-than-on-premise-implementations/?lang=en>



PER SUBFIELD

Total energy consumption: 5 308 055 kWh



SUPPLY CHAIN'S ENVIRONMENTAL IMPACTS

Throughout the value chain, we strive to minimise the environmental impact of our activities.

PROCUREMENT

We import significant quantity of products from both Europe and the Far East. We try to use the most integrated sourcing channels possible for all sourcing relationships:

- In the case of European procurement, products are typically delivered directly by the manufacturer to our logistics centre in Nagytarcsa;
- In the case of products ordered from the Far East, shipment is arranged by us, in most cases with a complex transport company, and in less frequent cases with groupage.

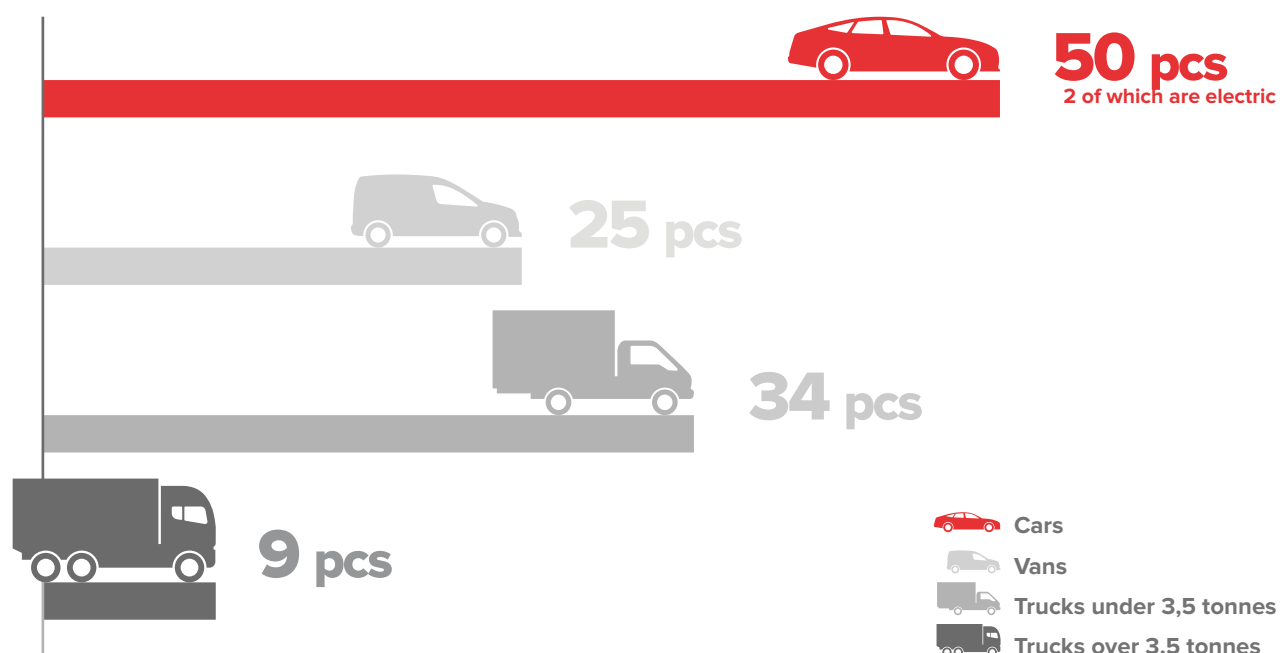
MATERIAL HANDLING

For material handling in our own warehouses, our company uses 100% electric forklifts in accordance with the regulations in force for internal logistics activities.

DELIVERING

We deliver our products to our customers mainly with our own fleet. The automation of routes – and the related fuel saving – is ongoing. In this respect the handover of the logistics centre in Nagytarcsa meant a major progress that improves our stocking policy and transportation management.

NUMBER OF TRUCKS, CARS, VANS IN 2021



For some years we have been measuring the fuel consumption of our own fleet, an important indicator of the environmental impact of our logistics activities.

The improvement of our efficiency is illustrated by the fact that in 2021, our revenue growth of more than 32% was accompanied by a stagnant energy consumption of a mere 0.9%.

THE FIGURE BELOW SHOWS TRANSPORT-RELATED ENERGY USE AND GREENHOUSE GAS EMISSIONS BY ENERGY SOURCE.

Energy sources	Quantity of energy sources used (natural)	Quantity of energy sources used in kWh	Greenhouse gas emissions
Gasoil	308 500 liters	3 018 055 kWh	805,1 t CO ₂
Natural gas type 2h	0 m ³	0 kWh	0,0 t CO ₂
Electricity (purchased)	30 000 kWh	30 000 kWh	10,95 t CO ₂
bottled gas under STP (standard temperature and pressure)	7 760 kg	100 236 kWh	22,77 t CO ₂
motor petrol	9 200 liter	90 013 kWh	22,46 t CO ₂
LPG	170 kg	2 172 kWh	0,49 t CO ₂
Total		3 240 470 kWh	861,77 t CO₂

THE NUMBER OF ROAD ACCIDENTS INVOLVING OUR OWN FLEET IN 2021 WAS 10, NONE OF WHICH RESULTED IN PERSONAL INJURY.



10 road accidents
0 personal injury.

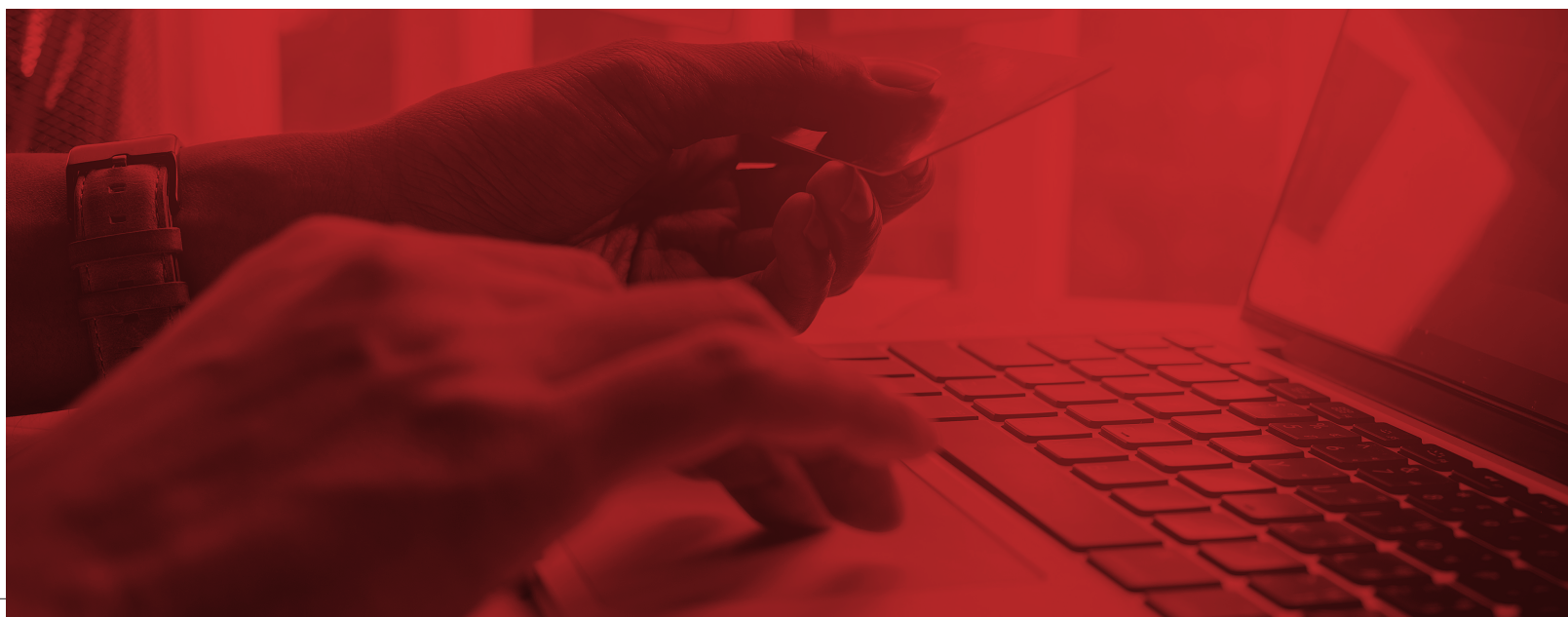
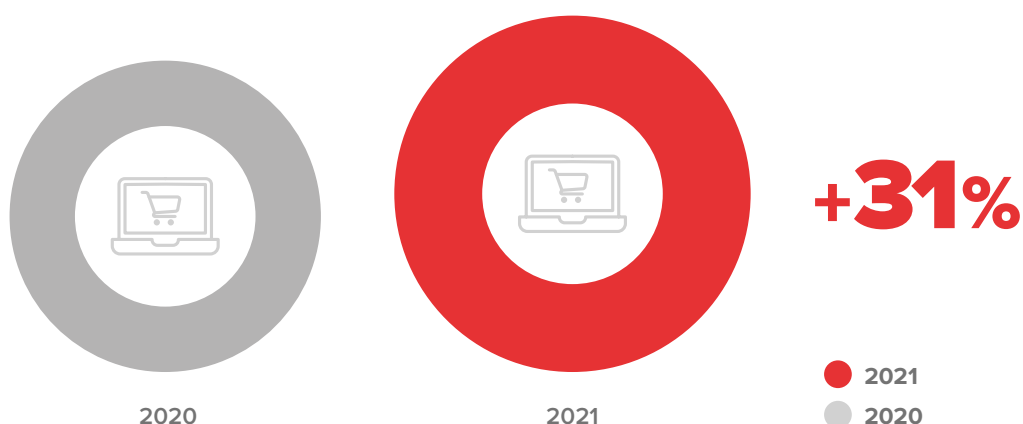
ONLINE STORE

Online sales represent an increasingly important part of our customer service, and we intend to raise their share in the future. To promote this objective, our company has invested in a company developing a B2B online store platform (ONE COMPANY sp. z o.o.).

The development of the system is continuous and the online sales platform features customised functionality for pricing (discount management), for offering combinations of delivery dates and locations, and links to automated warehousing. This kind of digitalisation obviously is a major help in making the company's operations as efficient as possible. It also offers a number of advantages for customers who can search for products more quickly on the website and have access to product parameters and information that previously were available only in a printed catalogue. The latter is of clear environmental benefit, another step towards using less paper.

Daniella recognizes that the development of digitalization and the new generation of customers impose a growing demand on the opportunity of ordering online and its continuous development, and more importantly, the last years have shown that a strong online presence can greatly contribute to mitigating the social impacts of Covid (and possible future pandemic situations) and to reducing the environmental impacts caused by the physical presence of a network of stores.

ONLINE SALES GROWTH IN 2021 COMPARED TO 2020





WASTE MANAGEMENT

An important element of our environmental strategy is to reduce and recycle the amount of waste generated by our activities.

The waste generated from our operations can be divided into 4 main groups: cardboard waste, plastic foil waste, electronic waste, and iron.

For recyclable waste containers are placed at Daniella's premises and are periodically collected by external recycling companies. Iron is sold, batteries and metal pipes are also transported from our sites for recycling by an external partner.

Waste	Entry	2021 (kg)
150101/S	Paper and cardboard packaging waste	1079
150102/S	Plastic packaging waste	1200
160214/S	End-of-life equipment other than waste specified under the codes between 16 02 09 and 16 02 13	1155
160304/S	Non-organic waste except 16 03 03-tól	1850
200121*/S	Fluorescent tubes and other mercury-containing waste	409

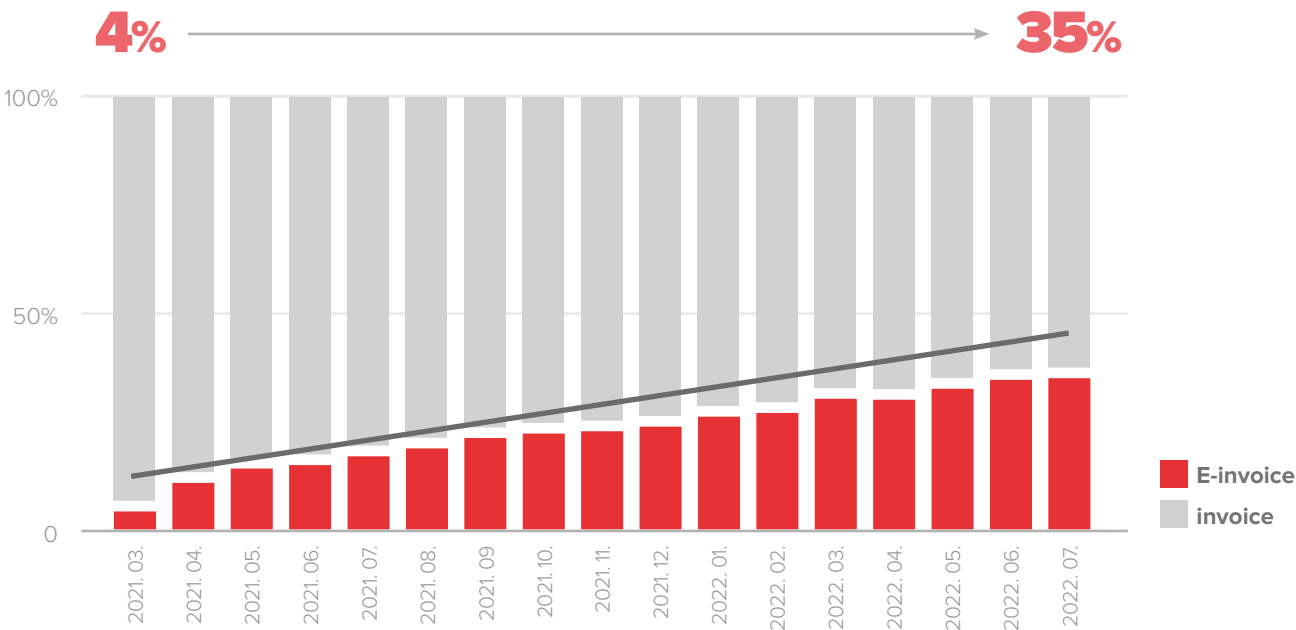
We pay particular attention to compliance with environmental regulations. Although most of the electronic products originate in Europe, we are also subject to product charge obligation for the import of certain electronic products and packaging waste. We also work with external advisors to ensure legal compliance.



PAPER-FREE OFFICE

As a first step towards a paperless office, we launched our electronic invoicing system in March 2021. E-invoices now amount to 17% of all invoices issued. Considering that the invoice issuance related to ad hoc transactions during store sales is paper-based by default, it is worth highlighting that 35% of all invoices issued by the central warehouse - where regular customers also typically do their shopping - are now issued as e-invoices. The increase in the proportion of central warehouse e-invoices was as follows:

E-INVOICE RATE BY MONTH



Our goal is to issue 50% of our invoices to our regular customers as electronic invoices by 2025.

GREEN PORTFOLIO

Every business involved in the retail and wholesale trade is aware of the importance of creating value for its customers in addition to the appropriate quality of the products. In this spirit, it pays great attention to the emergence of new habits, trends and preferences and to this end it coordinates or transforms its internal processes. In this spirit, they pay great attention to the emergence of new habits, trends and preferences and to this end they coordinate or transform their internal processes. New sustainable products and environmentally friendly technologies have recently attracted more and more interest, customers are becoming more aware and often looking for products with which they too can contribute to reducing carbon emissions, therefore companies are doing their best to meet new trends and expectations.

We also attach importance to meeting our customers' expectations and contributing to climate change mitigation through our products. We have therefore developed a green portfolio, the share and volume of which we intend to increase steadily in the future. Currently, nearly 5% of our revenue comes from the sale of this range of products, which we hope to increase consistently in the future.

RENEWABLE ENERGY

Renewable energy products include **solar modules, inverters, solar connectors, mounting and fixing elements**, which are sourced from Europe. We import only long-life products from certified manufacturers to ensure adequate quality and reliability, durability and warranty.

EV CHARGERS

Hybrid and electric vehicles are gaining ground in the world of sustainable mobility. One of the elements of our green portfolio is the category of **electric car chargers**, which includes single and three-phase wall chargers, 3 phase stationary charging stations, as well as charging cables, testers and accessories.

LED TECHNOLOGY

Lighting technology is one of the most dynamically changing product areas, and its constant transformation and re-shaping is having a profound impact on both our present and our future. The appearance and continuous development of **LED technology** is replacing more and more traditional products. This evolution presents new challenges not only for manufacturers but also for us. Through the constant training of our colleagues, we ensure that we can fully meet all the needs of our partners, whether they concern traditional or the latest technologies. Our central warehouse portfolio ensures that both general and specialized lighting and luminaire requests can be met immediately.

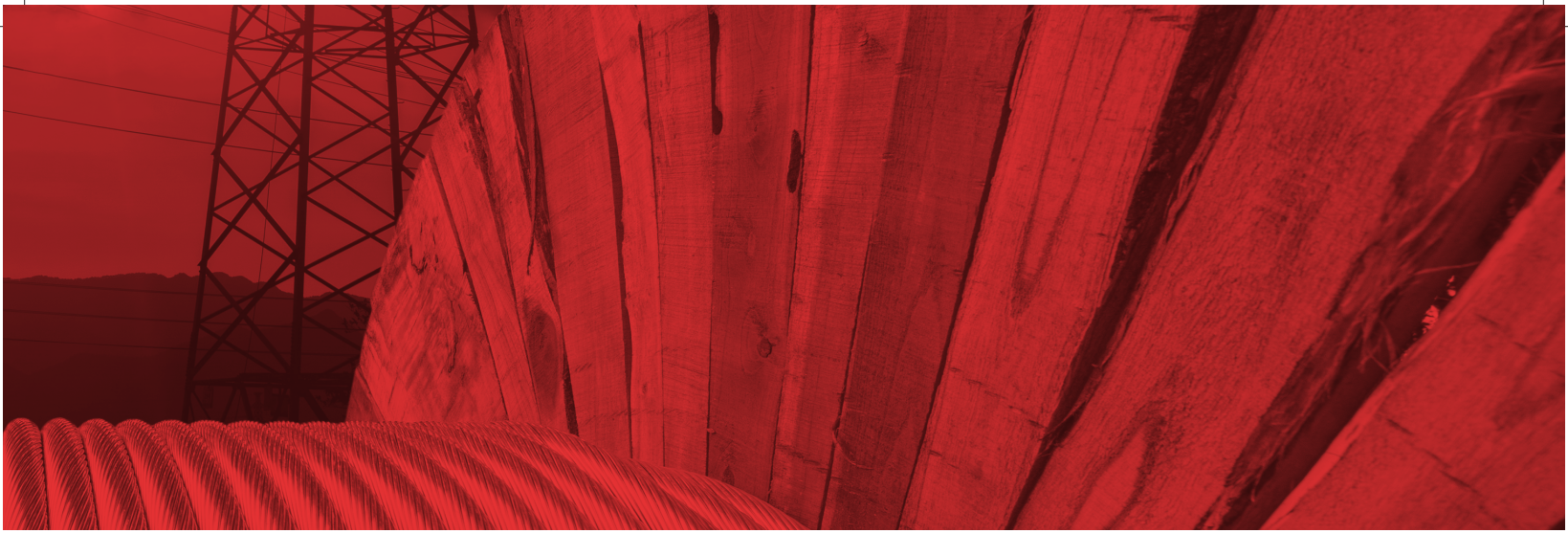
LIGHTNING PROTECTION

In recent years, there has been a significant increase in the damage caused by lightning to electronic equipments. This is due to the increasing use of electronic devices and systems. The importance of lightning protection has risen considerably in private buildings, apartment blocks and in industrial premises. We strongly recommend to our customers the use of a complete **lightning protection system** to safeguard their electronic equipment.

INDICATORS

2021

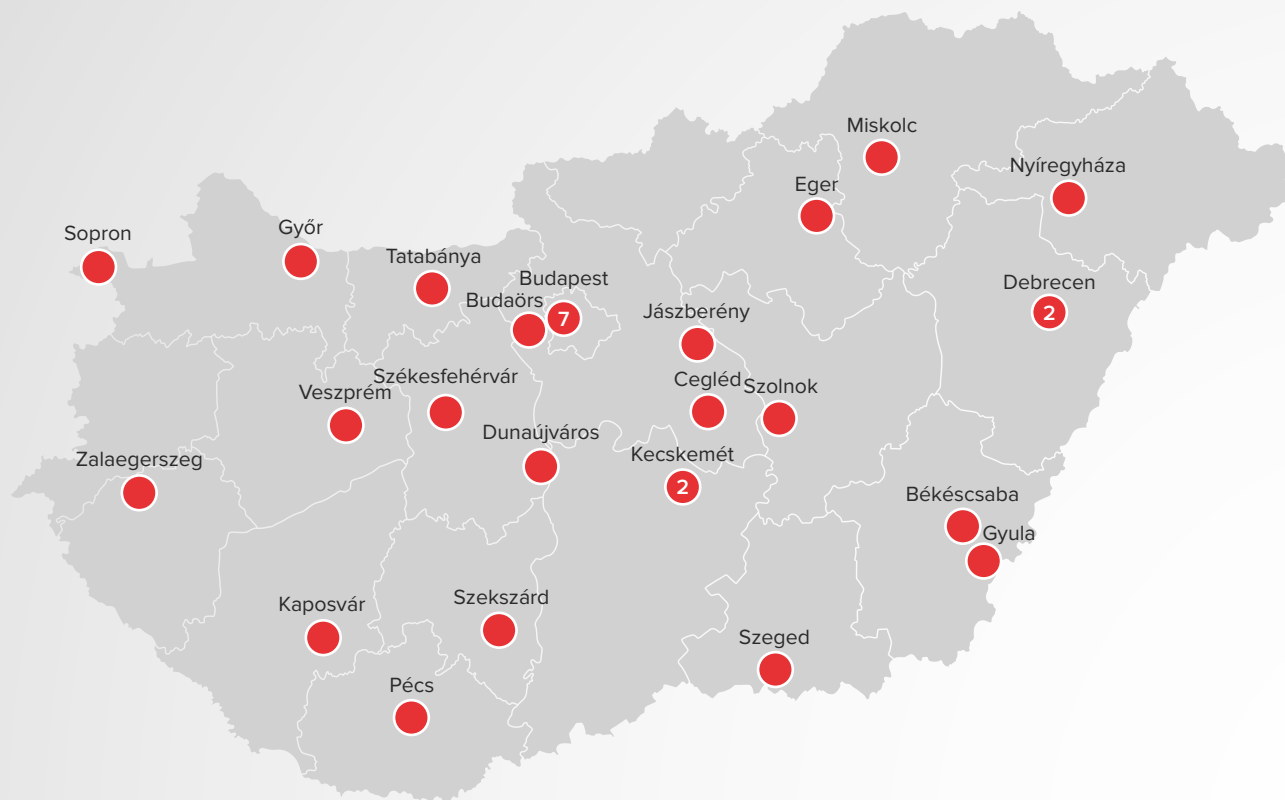
Number of employees (as of 31 Dec 2021)	361 persons
Of which own	361 persons
Of which women	87 persons
Of which intern	0 person
Of which under 30 years of age	58 persons
Of which over 50 years of age	88 persons
Of which with reduced working capacity	0 person
Of which part-time employee	3 persons
Percentage of employees working for the company for at least 5 years	79 persons
Percentage of employees working for the company for at least 10 years	persons
Percentage of employees working for the company for at least 15 years	29 persons
Average length of employment (years)	4,9
Number of managers	21 persons
Of which senior manager	6 persons
Of which women (%)	0%
Of which middle manager	15 persons
Of which women (%)	20%



	2021
Average age of employees	42 years
Employee turnover (exit turnover) (%)	23,7%
Total number of exits (annual data of 2021)	83 persons
Of which number of voluntary (resignation) exits	83 persons
Of which number of non voluntary (dismissal) exits	0 person
Of which women	11 persons
Number of employees hired	65 persons
Of which women	17 persons
Number of accidents at work	10
Number of working days lost due to accident or injury	99 days
Number of accidents resulting in serious injury or death	0
Total training hours	716
Average training hours per employee	~32
Total training costs	~ HUF 28 mill (without incentives)
Number of days of training	~90







**SHOP ONLINE,
EVEN FROM HOME!**

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