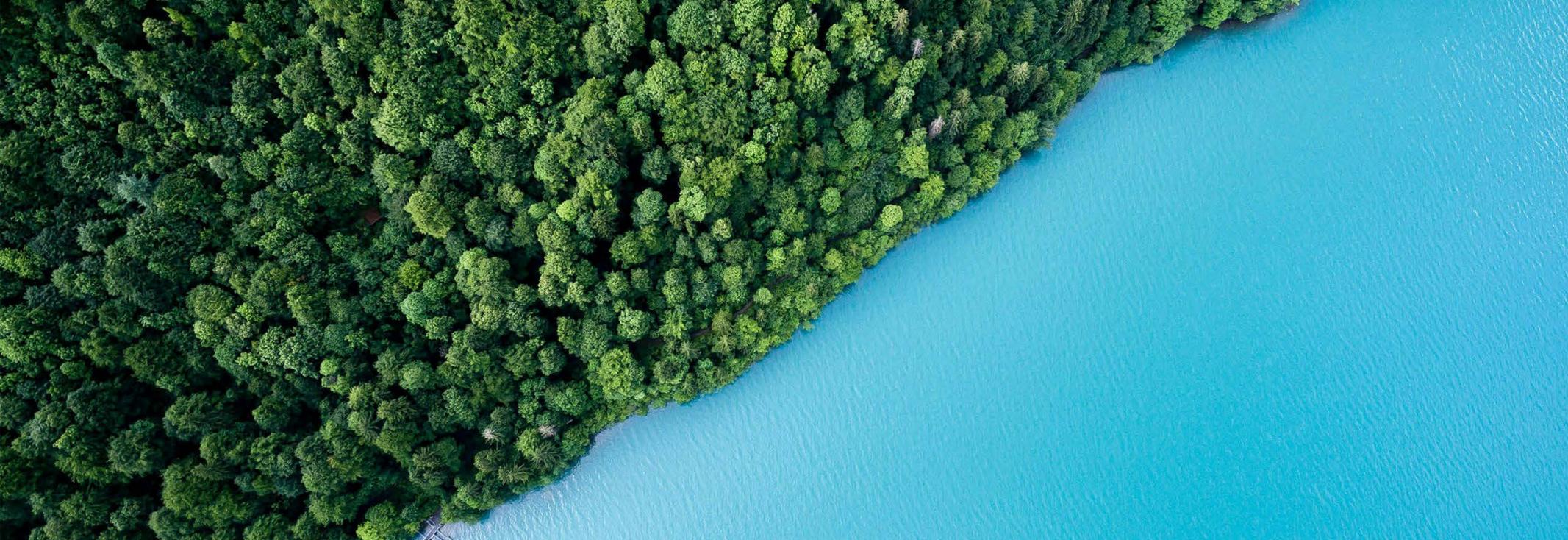


# Leading The Way

Adaptive Recognition's Commitment to Corporate Sustainability 2023



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# Letter from our CEO

I am pleased to present Adaptive Recognition's annual sustainability report, showcasing our commitment to sustainable business practices and the progress we have made over the past year. At Adaptive Recognition, we firmly believe that technology can be a force for positive change, and it is our responsibility to ensure that our operations align with environmental stewardship, social responsibility, and economic prosperity.

Today, sustainability is no longer a mere option but a fundamental imperative. As a technology company, we recognize the significant impact our products and services can have on society and the environment. This report reflects our unwavering dedication to integrating sustainability into our business strategy and upholding the highest standards of corporate citizenship.

Throughout the reporting period, we have placed a strong emphasis on addressing key environmental challenges. We have implemented initiatives to reduce our energy consumption, greenhouse gas emissions, and water usage across our facilities. Moreover, we have strived to optimize our waste management processes, emphasizing recycling and minimizing waste generation. By embracing sustainable practices, we aim to mitigate our environmental footprint and contribute to a greener future.

Equally important is our commitment to social performance and fostering a diverse, inclusive, and safe work environment. We have continued to invest in the well-being and professional development of our employees, ensuring fair labor practices and promoting diversity at all levels of our organization. We are dedicated to upholding human rights and maintaining strong ethical standards throughout our supply chain, fostering long-lasting relationships based on trust, transparency, and mutual respect.

While proud of our progress, more work lies ahead. We set ambitious sustainability goals and continuously improve. By integrating sustainability, driving innovation, and leveraging technology, we drive positive change within our organization and industries.

I extend my deepest gratitude to our dedicated employees, supportive stakeholders, and valued customers for their contributions. Together, we build a sustainable future and a lasting legacy.

Sincerely,

**Laszlo Kis**  
Chief Executive Officer  
Adaptive Recognition



# Our 10 Guiding Principles

These guiding principles reflect our collective commitment as Adaptive Recognition to navigate our business operations with a focus on sustainability, social responsibility, and ethical leadership.

## 01 Environmental Responsibility

- We prioritize sustainability, striving to minimize our environmental footprint and embrace eco-friendly practices.
- We actively seek opportunities to reduce waste, conserve energy, and promote the use of renewable resources.

## 02 Stakeholder Engagement

- We prioritize engaging with our stakeholders, including employees, customers, and communities, to understand their needs, concerns, and expectations.
- We believe in transparent and inclusive decision-making processes that involve and value the input of our stakeholders.

## 03 Ethical Conduct

- We uphold the highest standards of integrity, ethics, and compliance across all our business operations.
- We maintain a zero-tolerance policy for corruption, bribery, and any form of unethical behavior.

## 04 Human Rights

- We respect and promote human rights within our organization and across our supply chain.
- We ensure fair and equal treatment of all individuals, regardless of their background or characteristics.

## 05 Diversity and Inclusion

- We embrace diversity and foster an inclusive workplace where everyone feels valued, respected, and empowered.
- We strive for gender equality and diversity representation at all levels of the organization.

# Our 10 Guiding Principles

## 06 Health and Safety

- We prioritize providing a safe and healthy work environment for all employees, contractors, and visitors.
- We comply with applicable health and safety regulations and continuously improve our practices.

## 07 Innovation and R&D

- We cultivate a culture of innovation, encouraging employees to develop sustainable solutions and technologies.
- We invest in research and development to enhance our products and services, taking into account their environmental and social impacts.

## 08 Supply Chain Responsibility

- We promote responsible sourcing and procurement practices throughout our supply chain.
- We collaborate with suppliers who share our commitment to ESG principles and work towards their continuous improvement.

## 09 Community Engagement

- We actively contribute to the communities where we operate, supporting local initiatives and social development programs.
- We encourage employee volunteerism and engagement in community service activities.

## 10 Transparent Reporting

- We provide transparent and accurate reporting on our ESG performance, including measurable targets and progress updates.
- We comply with relevant reporting frameworks and standards, ensuring credibility and comparability of our disclosures.

# Key Figures

**436**

total net emissions (tCO<sub>2</sub>e)

**1.58**

total net emissions per FTE (tCO<sub>2</sub>e)

**26% / 74% / 00%**

women/men/other

# Values-Driven Sustainability

At Adaptive Recognition, our values define who we are as a company and provide clear guidance to achieve our mission. As a values-led organization, our values not only shape our behavior but also inspire our work and guide us towards success. We are committed to living our values every day.

## Extending our values through our ESG vision

Being values-led means extending our values beyond our organization, incorporating them into our products, partnerships, and global interactions. A crucial way we achieve this is through Adaptive Recognition's ESG vision and strategy.

By aligning our Environmental, Social, and Governance (ESG) practices with our values, we amplify our impact. We are dedicated to upholding our values in our ESG initiatives, demonstrating our commitment to creating positive change in the world.



**Nurturing a Culture of Responsibility**

At Adaptive Recognition, we have been fortunate to prioritize sustainability long before it gained mainstream attention. Our strong foundation in sustainability propels us to continually enhance our understanding of the intricate interdependencies among sustainability topics through dedicated efforts.

Transparency and embracing the journey, including acknowledging the occasional setbacks, form the cornerstone of our success. We collect data to measure progress and openly share our status. Looking ahead, we envision utilizing gamification as an effective tool, leveraging its proven success in various domains, to further drive sustainability initiatives.

Understanding and quantifying our CO2 emissions is a new area of focus for Adaptive Recognition. We diligently work towards integrating it seamlessly into our operations and decision-making processes across all our entities. While annual reporting has been in place for departments' emissions, establishing ownership and defining acceptable CO2 thresholds in light of

improvement targets remains complex. Our aspiration is for employees and departments to align with a CO2 emission data budget, just as they do with financial budgets. We envision them asking, "Are we ahead or behind our emissions budget?" — a question that fuels our vision for the future.

This is the path we are committed to, where sustainability becomes inherent in our organizational DNA, fostering a culture of responsibility and propelling us towards a more sustainable future.

**Sustainability Across Operations and Value Chain**

At Adaptive Recognition, we believe that culture must be coupled with efficiency. The following chapters demonstrate how sustainability is ingrained in our operations and value chains.

The diagram below summarizes Adaptive Recognition's position in the value chain with respect to ESG considerations.

**Responsible business**



**Diversity, equity and inclusion**



**Energy and greenhouse gas emissions**



**Circular economy practices**



**Business ethics and anti-corruption**



**Security & privacy**



## Stakeholders

At Adaptive Recognition, we recognize the value of gathering feedback from our key stakeholders to ensure the delivery of meaningful value. Our stakeholder engagement approach is deeply ingrained in our day-to-day operations and data collection efforts, as well as informal interactions on social media platforms. We actively engage with the following stakeholder groups in the following ways:

### Engaging customers and end-users

We actively engage with our customers and end users through support channels, focus groups, online communities, and surveys. Their feedback, including detailed questionnaires and tender process insights, informs our approach and helps us meet their environmental and social expectations as a software vendor.

### Engaging suppliers

Adaptive Recognition prioritizes ethical business conduct and sustainability in our supplier partnerships. Our Supplier Code of Conduct sets out the principles for suppliers and partners to align with our values. Since 2020, we have established a corporate procurement office with systematic routines for selection, assessments, monitoring, and onboarding. We ensure suppliers understand and commit to our Code of Conduct, including sustainability and environmental aspects. Integrating sustainability in procurement planning and engagement, we address environmental and social impacts, promote fair employment, ethical sourcing, social inclusion, diversity, and equality in the supplier market.



# Leading with Ambition

## A commitment to Sustainable Growth at Adaptive Recognition

At Adaptive Recognition, we hold a deep commitment to nurturing our environment while pursuing growth. As a responsible technology company, our operations have a minimal impact on energy consumption and emissions, aligning with our dedication to sustainable practices.

As a manufacturing organization, we prioritize efficient resource management to minimize our energy footprint and reduce greenhouse gas emissions. With a meticulous approach, we handle commodities and materials, ensuring their careful and safe use while actively working to minimize hazardous waste. Our environmental considerations and responsible resource utilization are seamlessly integrated into every stage of our development process. By adhering to regulated recycling and responsible disposal practices, we strive to minimize any adverse effects on people, the environment, and the natural world.

Within Adaptive Recognition, our upper management assumes the crucial role of managing and overseeing environmental, health, and safety matters. They establish comprehensive targets and framework conditions, seamlessly integrating management systems into our core business processes.

Implementation and execution take place within our divisions, fostering a culture of environmental stewardship. Through regular internal audits, external certifications, and ongoing evaluations, we ensure that our systems meet the highest standards. Adaptive Recognition proudly attain ISO 14001 certification, demonstrating our adherence to stringent environmental management standards.

Our sustainable growth journey is rooted in our deep respect for the environment. By nurturing and safeguarding our surroundings, we strive to make a positive impact on the world around us, creating a sustainable future for generations to come.



# Sustainable Practices

At Adaptive Recognition, we prioritize sustainability as an integral part of our operations. With a strong commitment to energy efficiency, responsible resource management, and product excellence, we strive to minimize our environmental impact while delivering high-quality solutions.

Through our diligent efforts in areas such as energy and emissions, water stewardship, waste minimization, and product responsibility, we aim to create a positive and lasting contribution to the well-being of our planet.

Join us as we embrace a sustainable future, driven by innovation and a deep sense of corporate responsibility.



## ENERGY EFFICIENCY & EMISSIONS

As a technology-driven organization, Adaptive Recognition operates in a sector with low energy intensity, resulting in minimal on-site emissions. We carefully manage our energy sources, including district heating, electricity, and gas, to ensure the most efficient use and mitigate environmental impacts.



## WATER STEWARDSHIP

At Adaptive Recognition, water plays a crucial role as a coolant, process medium, and for sanitary purposes. While our production processes do not require large quantities of water, we prioritize water management across all our locations, actively reducing water consumption to the lowest feasible levels.



## WASTE MINIMIZATION & RECYCLING

Our commitment is to minimize waste generation throughout our production processes. We employ rigorous waste separation techniques and provide comprehensive training to our employees to prevent waste at its source. When recycling is not feasible, we ensure proper disposal through certified specialist waste disposal companies. These measures aim to minimize any negative environmental impact, fostering a sustainable approach to waste management.



## PRODUCT EXCELLENCE & RESPONSIBILITY

At Adaptive Recognition, product responsibility encompasses our unwavering dedication to delivering high-quality solutions that prioritize safety for both users and the environment. Throughout the entire product lifecycle, we place great emphasis on responsible resource utilization, focusing on three key areas: material efficiency, energy conservation, and pollution prevention. By adhering to these principles, we strive to create products and solutions that align with our commitment to sustainability.

# Key Figures

Total energy consumption in 2022 by energy source (in MWh)

	Electricity	Gas	Fuel	Energy consumption
2020	1,093	552	577	2,223
2021	1,088	808	629	2,526
2022	991	561	570	2,123

# Key Figures

## Water consumption (in m<sup>3</sup>)

	2020	2021	2022
Total	2457	2147	2931

## Hazardous and Non-hazardous waste (in m<sup>3</sup>)

	2020	2021	2022
Non-hazardous	471,18 m <sup>3</sup>	461,32 m <sup>3</sup>	426,25 m <sup>3</sup>
Hazardous	0.87 m <sup>3</sup>	1.66 m <sup>3</sup>	0.03 m <sup>3</sup>

# Protecting the Environment

In our pursuit of sustainable growth, Adaptive Recognition places a high priority on environmental protection and recognizes it as our corporate responsibility. We are dedicated to utilizing resources and energy efficiently, while enabling our customers to adopt resource-saving, efficient, and sustainable practices through our innovative

Embedded within our organizational culture is a robust framework for environmental management, encompassing our suppliers and contractors, who are required to adhere to stringent regulations that mitigate environmental risks. As a manufacturing company, we are steadfast in our pursuit of:

- ✓ Efficient resource management to reduce energy consumption and greenhouse gas emissions.
- ✓ Diligent and responsible use of materials.
- ✓ Waste reduction through proactive measures.
- ✓ Incorporating environmentally friendly design and resource-efficient practices in product development.
- ✓ Responsible recycling and disposal practices to minimize environmental impact



# Protecting the Environment



## CIRCULARITY

At Adaptive Recognition, we are proud to be actively engaged in the concept of circularity. As part of our commitment to sustainable practices, we have established a program where we encourage our customers, who have previously purchased cameras from us, to return their old cameras when they purchase new ones. Once these cameras are returned, our dedicated team carefully dismantles them, identifying and extracting reusable components. These components are then repurposed and integrated into the production of new cameras, allowing us to minimize waste and maximize resource efficiency. By embracing circularity, we aim to contribute to a more sustainable and environmentally conscious approach to manufacturing and product lifecycle management.



## GREEN FLEET

At Adaptive Recognition, we are committed to reducing our carbon footprint and embracing sustainable transportation practices. As part of this commitment, we have successfully transitioned our corporate car fleet from traditional gas engines to hybrid vehicles. By incorporating hybrid technology into our fleet, we have significantly reduced our reliance on fossil fuels and minimized emissions, contributing to cleaner air and a healthier environment. This transition aligns with our vision of sustainability and showcases our dedication to adopting innovative solutions that prioritize both efficiency and environmental responsibility.

# Putting People First

## The Vital Connection between People and Sustainability

At our core, we strive to foster a workplace that inspires and engages. As a company driven by innovation, we understand the importance of diverse teams comprising employees with various skills, backgrounds, and experiences.

Embracing our unique perspectives, we cultivate an inclusive culture where individuals are encouraged to challenge the status quo, voice their opinions, and be respected for their contributions.

In 2023, we introduced our inaugural Diversity & Inclusion Strategy, focusing on gender balance and embracing individuality. By prioritizing diversity, we tap into a wider talent pool, enabling us to deliver exceptional products that cater to the diverse needs of our customers. Diversity & Inclusion is deeply embedded in our Code of Conduct, Sustainability Policy, and embraced throughout our entire family of companies.

### Closing the gender gap

Recognizing the significant gender gap prevalent in the tech industry, we are committed to closing this divide. Gender balance is a material priority for us, influencing everything from our management teams to the candidates applying for our open positions. Our approach to achieving gender equality involves setting targeted goals and implementing actionable measures throughout our processes. We understand that gender identity is not limited to a binary perspective, and our HR systems reflect this inclusivity by offering a third gender option: "Other/ Prefer not to say."

As we work towards our goal of fostering a diverse and inclusive workforce, we are dedicated to increasing representation and creating an environment where all individuals feel valued and empowered.



# Key Figures

## Total energy consumption in 2022 by energy source (in MWh)

Creating a culture of belonging is our guiding principle as we strive to foster a diverse, equitable, and inclusive environment for all within the realm of Adaptive Recognition.

But what do these concepts truly mean to us?

Let's explore our journey towards cultivating a sense of belonging and understanding the significance of diversity, equity, and inclusion in our organization.



### DIVERSITY

Diversity goes beyond the usual categories. It's about more than just gender, ethnicity, or orientation. It's about embracing the qualities that make us individuals:

- Age
- Life experiences
- Beliefs
- Education
- Abilities (physical and mental)

By appreciating these diverse qualities, we tap into the collective strength of our team. We become more effective, adaptable, and innovative.



### EQUITY

Equity is at the heart of our commitment to fostering an inclusive environment. We strive to ensure that everyone has equal access to the resources they need for optimal outcomes. Regardless of individual abilities or circumstances, we provide our people with the necessary tools to thrive in their roles.

Here are a few examples:

- Home office options for flexibility and work-life balance
- Subsidies for computer glasses to support visual needs

We cultivate an inclusive environment where each individual can thrive and contribute their unique talents and perspectives.



### INCLUSION

Inclusion is an integral part of our organization, complementing diversity and equity to harness the collective strength of our team.

At Adaptive Recognition, we foster a culture of inclusion that celebrates and values our individual differences.

One way we promote inclusion is through our regular themed discussions throughout the company. These engaging conversations revolve around important topics such as religious observances, disabilities, hidden biases, and LGBTQ+ pride. By actively exploring these subjects, we cultivate a more empathetic and inclusive environment that encourages understanding and respect for all.

# Priorities, Priorities

Enthusiastically Driving Societal Transformation through Technology in the following areas:



## CLOSING THE GENDER GAP

Striving for Gender Balance in Leadership, Boards, and Talent Programs



## CULTIVATING BIAS AWARENESS

Uncovering and Addressing Conscious and Unconscious Biases



## EMBRACING UNIQUENESS

Creating an Inclusive Environment Where Everyone is Respected, Heard, and Valued



## ENSURING EQUAL PAY

Promoting a 1:1 Salary Ratio for Equal Work, Independent of Factors like Education or Experience



## ZERO TOLERANCE FOR DISCRIMINATION

Building a Workplace Free from Discrimination, Harassment, and Bullying



## DIVERSITY BEYOND GENDER

Embracing the Power of Diverse Backgrounds and Abilities for Enhanced Performance.



# Type of Employee

Per gender and unit

	Total	Office	Production facilities
Women	71	58	13
Men	199	164	35

# Driving Social Change and Empowering the Vulnerable

Empowering and uplifting the lives of vulnerable individuals and communities

## Empowering Refugee Integration: Embracing Diversity in Our Workforce

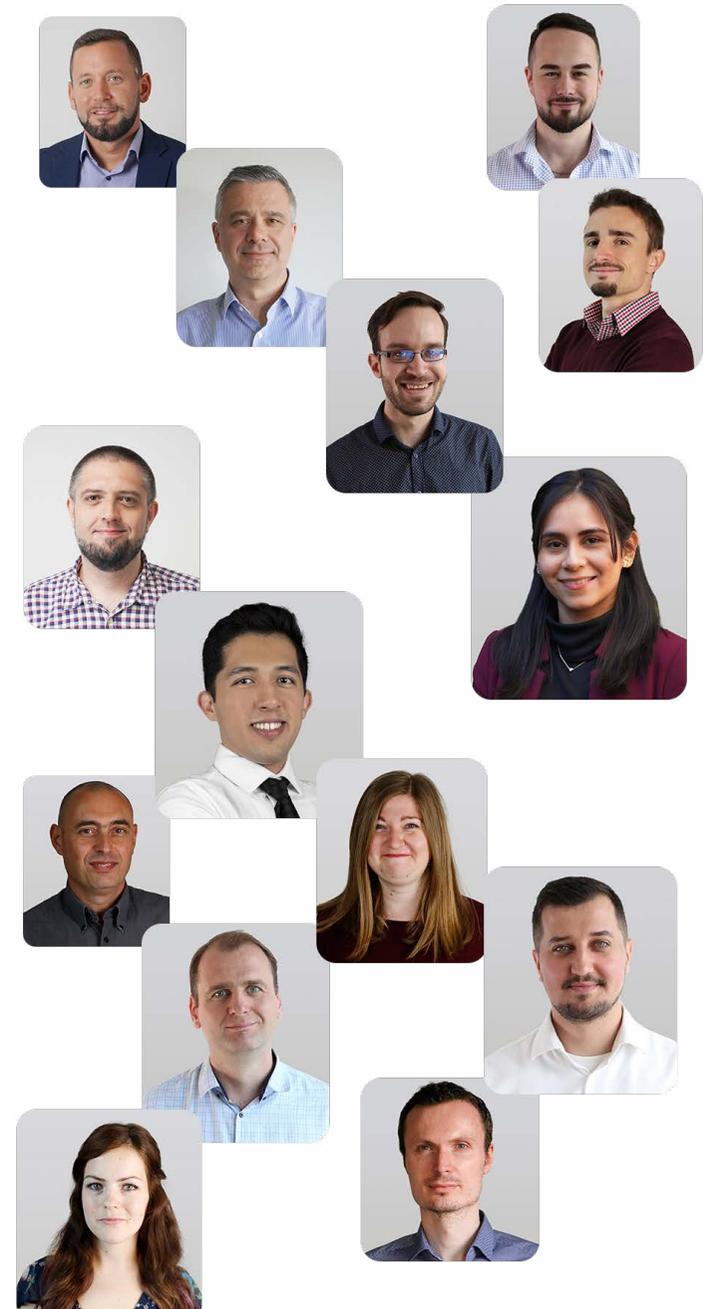
We actively hire refugees, providing them with employment opportunities and support to integrate into society. Through our program, we offer a welcoming work environment, skills training, and language assistance. By embracing diversity, we enrich our workforce and contribute to a more inclusive community.

## Empowering Disenfranchised Minorities: Fostering Inclusion and Equality

We are dedicated to supporting disenfranchised minorities in our society. We strive to create an inclusive environment where everyone feels valued and respected. Through various initiatives, we provide opportunities, resources, and mentorship to uplift and empower individuals from marginalized communities. By fostering equality, we contribute to a more equitable and just society for all.

## Empowering Parentless Children: Providing Care and Creating Brighter Futures

We are committed to supporting parentless children by providing both monetary help and personal time. We believe that every child deserves a safe and nurturing environment to thrive in. Through financial contributions, we assist in meeting their essential needs and supporting their education. Additionally, as a collective, we visit their living spaces to create a more welcoming and joyful atmosphere. Whether through painting, providing toys, or engaging in activities, we aim to bring smiles to their faces and enhance their living conditions. By investing in their well-being, we strive to empower these children and create brighter futures for them.



# Security & Privacy

## Why it matters

At Adaptive Recognition, we understand the significance of trust in our relationships with customers. The security and confidentiality of their sensitive data are paramount.

We recognize that trust is built incrementally, through consistent and reliable actions, while it can be eroded quickly by any misstep. We are committed to upholding the highest standards of data protection to ensure the continued trust and confidence of our customers.

## Our approach

At Adaptive Recognition, we are committed to ensuring the utmost security and privacy for our software and hardware recognition technology. To stay ahead of the evolving threats posed by cyber criminals, we employ a comprehensive approach that combines both top-down and bottom-up strategies. Our dedicated security and privacy resources are an integral part of our operations, ensuring that these aspects are ingrained in the development and operation of our solutions. Guided by three fundamental principles, we continually enhance our standards to mitigate risks and align with industry trends.

- Testing for risk and weaknesses
- Transparency on findings
- Measuring "time to fix"



# Anti-Corruption, Bribery & Business Ethics

## Why it matters

At Adaptive Recognition, we recognize the critical importance of combating corruption, bribery, and unethical behavior in our industry and markets. These practices undermine fair competition, hinder innovation, and infringe upon the rights of individuals and communities.

As a global company, we understand that the reach of our business and value chains extends far beyond our immediate surroundings. It is crucial for us to remain vigilant, even in markets with low corruption rates, as our operations may involve subcontractors in regions with different challenges.

At Adaptive Recognition, we embrace the growing demand for transparency in value chains and applaud legislative efforts aimed at curbing corruption, bribery, and unethical conduct. We firmly believe that upholding the highest standards of integrity is not only a legal obligation but also an ethical imperative. By fostering a culture of transparency, accountability, and ethical behavior, we contribute to a fair and sustainable business environment that benefits all stakeholders involved.

## Our approach

At Adaptive Recognition, we have implemented a comprehensive Anti-Corruption Program that reflects our unwavering commitment to ethical conduct and zero tolerance for corruption and bribery.

We firmly believe that every employee has a personal responsibility to uphold our values and act with integrity in all aspects of our business. This includes actively avoiding conflicts of interest and any form of anti-competitive behavior.

To mitigate the risks associated with corruption and bribery, each of our companies assumes the responsibility of identifying and addressing these risks within their respective units. They are required to implement our Anti-Corruption Policy, ensure that employees and management possess a thorough understanding of our Code of Conduct and Anti-Corruption Policy, and mandate participation in mandatory Anti-Corruption training.

We prioritize effective communication and awareness by ensuring that all employees are familiar with our Whistleblowing channel, which provides a confidential avenue for reporting concerns related to corruption. In cases where contacting a manager is not feasible or appropriate, employees are encouraged to utilize the Whistleblowing channel.

Through these channels, all concerns and suspicions regarding corrupt activities at Adaptive Recognition, or involving any of our business partners or subcontractors, are promptly communicated to the relevant governance bodies as outlined in our Whistleblowing procedure and Code of Conduct.

In the year 2022, we remained steadfast in our commitment to combat corruption and bribery, with zero incidents reported. We continue to reinforce our Anti-Corruption Program, ensuring that it remains a vital component of our corporate governance and ethical framework.

# Responsible Corporate Management

## Adaptive Recognition's Commitment to Ethical Governance and Compliant Conduct

As a leading high-tech company, Adaptive Recognition is dedicated to empowering our customers' success in international markets through cutting-edge products and solutions. Our unwavering pursuit of excellence extends beyond the realm of technology to encompass our conduct with business partners and within our organization. We recognize that economic prosperity and responsible behavior go hand in hand, forming the foundation of Adaptive Recognition's values.

Compliance with both national and international laws is deeply ingrained in our culture. We adhere to the "Adaptive Recognition Code of Conduct for Employees." This document encapsulates the fundamental principles that guide our actions, outlining the expected behavior to ensure compliance with ethical standards and legal requirements. By setting clear minimum standards and providing guidance for navigating ethical and legal dilemmas in our daily work, the code fosters transparency and serves as a compass in times of conflict.

[→ Code of Conduct for Employees \(PDF\)](#)

### Empowering Ethical Practices

At Adaptive Recognition, we prioritize equipping our employees with the knowledge and skills to navigate compliance issues effectively. Through comprehensive training programs, we ensure that our workforce is well-versed in the complexities of ethical conduct. Additionally, when engaging with business partners, we conduct thorough screenings and assessments as part of our third-party due diligence process. This allows us to maintain the highest standards of integrity and mitigate potential risks.

To provide a solid foundation for informed decision-making, our internal guidelines and control system serve as essential frameworks for our employees. These resources outline the necessary parameters and considerations for their day-to-day business operations. By promoting transparency and accountability, we uphold our commitment to responsible practices throughout the organization.

### Anti-Corruption

We firmly stand against all forms of corruption. We recognize that corruption undermines the very foundations of society, eroding trust in political systems, institutions, and leadership. Its detrimental impact extends to political, economic, social, and environmental realms. As part of our unwavering commitment, we actively combat both active and passive corruption, and we expect the same from all our business partners.

To ensure comprehensive awareness and adherence to legal requirements, we offer themed training courses and provide guidelines that address the complexities of this issue within our organization. Upholding the highest standards of integrity and ethical conduct is paramount to us, and our code of conduct serves as a binding framework for all employees at Adaptive Recognition. This code sets minimum standards and provides guidance, enabling us to maintain the utmost level of ethical and legal compliance.

# Upholding Human Rights

## Promoting Human Dignity and Ethical Supply Chains

Respecting the dignity and rights of every individual is an integral part of our sustainability approach. At Adaptive Recognition, we prioritize the promotion and protection of human rights, particularly within our supply chain. We are unwavering in our commitment to adhere to internationally recognized human rights standards, vehemently opposing any form of slavery, forced labor, child labor, human trafficking, or exploitation within our own operations and across our supply chain.

Furthermore, we hold our suppliers to the same high standards, expecting them to comply with and respect internationally recognized human rights principles outlined in the International Charter on Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. To ensure accountability, we have established codes of conduct for both our sales partners and suppliers, which clearly define the requirements and obligations in accordance with applicable national and international laws, regulations, and standards.

At Adaptive Recognition, we stand firmly committed to upholding human rights as an essential pillar of our responsible business practices.

### Culture of Compliance

Ensuring our employees' understanding of compliance-related matters and promoting ethical conduct are paramount to us. We provide face-to-face events to enhance their awareness of preventing corruption, antitrust law, and the significance of practicing due diligence in their daily responsibilities.

Similarly, our Code of Conduct for suppliers incorporates human rights considerations. To foster transparency and accountability, we have established a confidential whistleblowing system accessible for everyone. This mechanism enables the reporting of any serious violations, ensuring their proper investigation and resolution.

### Responsible Mineral Procurement

We recognize the potential impact of mineral sourcing from unstable regions on human rights and conflicts. In alignment with our corporate policy, legal obligations, and international standards, we are committed to conducting due diligence for the procurement of minerals, particularly from conflict or high-risk areas.

Our purchasing processes include mandatory requirements for suppliers to ensure responsible mineral procurement and product sourcing. By integrating human rights considerations, conflict avoidance, and support for sustainable development into our supply chain practices, we strive to make responsible choices that align with our commitment to upholding human rights and promoting global stability.

# Supplier & Quality Management

## Supplier Collaboration for Ethical Practices and Product Responsibility

At Adaptive Recognition, we recognize the crucial role our suppliers play in shaping the value, sustainability, and environmental impact of our products. Our procurement processes prioritize the global, timely delivery of goods and services that meet the highest quality standards, while aligning with our ethical, ecological, and social principles.

Through a comprehensive supplier management system, we cultivate long-term partnerships with our suppliers, viewing them as integral partners in our value chain. In addition to evaluating their performance in safety, health, and social standards, we place great emphasis on their compliance with human rights, fair business practices, sustainability standards, and environmental protection.

Our globally binding Code of Conduct serves as the foundation for our contractual relationships with suppliers, regardless of the procurement volume.

→ [Code of Conduct for Business Partners \(PDF\)](#)

### Quality Assurance

Our reputation as a technology leader hinges on the exceptional quality of our products and solutions. We understand that delivering above-average quality is not only expected but essential in satisfying our customers worldwide. To ensure excellence, we have implemented robust quality assurance measures, encompassing process optimization, international quality standards, occupational safety, and environmental protection initiatives.

As part of our quality management practices, we continuously strive for process optimization and standardization, fostering ongoing dialogue with our customers. Through certifications and customer satisfaction analyses, we gauge our performance and identify areas for improvement. Adaptive Recognition adheres to the ISO 9001 quality management standard, demonstrating our commitment to meet and exceed customer expectations. Moreover, we also adhere with ISO 14001 environmental management system.

### Whistleblowing Channel

Preserving trust and safeguarding our reputation is crucial at Adaptive Recognition. We understand that violations of ethical standards, laws, and regulations not only contradict our values but also erode confidence among employees, partners, and shareholders. To maintain this trust, we have established a whistleblower channel to promptly address potential misconduct that poses a significant risk to our company.

#### WHISTLEBLOWING CHANNEL

✉ [ceg@arh.hu](mailto:ceg@arh.hu)



# A D A P T I V E   **RECOGNITION**

Exceeding Expectations