



# **Environmental, Social and Governance Report 2021**



# Introduction

Vitec aims to be a sustainable business, minimising our impact on the environment, supporting and working to improve the societies in which we operate. Our rigorous governance framework ensures the business's longevity and minimises risks to our operations. Our collaborative approach to ESG focuses on the material issues that affect our business and stakeholders. The introduction of our annual standalone ESG Report reflects our commitment to ESG, measuring our year-on-year performance and long-term aspirations.

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# About us

Vitec is a leading global provider of premium branded hardware products and software solutions to the growing content creation market. Our customers include broadcasters, film studios, production and rental companies, photographers, independent content creators ("ICCs"), vloggers, influencers, gamers, professional sound crews and enterprises. We employ around 2,000 people in 11 different countries and are organised in three Divisions:

## **Imaging Solutions, Production Solutions and Creative Solutions.**

Vitec's purpose is to enable our customers to capture and share exceptional content. Our portfolio of market-leading brands encompasses a variety of technologies designed and engineered to ensure that, whatever the conditions, the content creator has the best equipment to capture the moment. These technologies range from traditional mechanically engineered products, such as manual camera supports, to electronics and software.

We sell our products globally via multiple distribution channels, our own sales teams, and e-commerce via our own and third-party websites.

## **Our Divisions**

### **Imaging Solutions**

The Imaging Solutions Division designs, manufactures and distributes premium branded equipment for photographic/video cameras and smartphones, and provides dedicated solutions to professional and amateur photographers, videographers, ICCs, vloggers/influencers, gamers, enterprises and professional sound crews. This includes camera supports and heads, smartphone accessories, lighting supports, LED lighting, lighting controls, motion control, audio capture and noise reduction equipment, camera bags and backgrounds.

### **Production Solutions**

The Production Solutions Division designs, manufactures and distributes premium branded and technically advanced products and solutions for broadcasters, film and video production companies, ICCs and enterprises. Products include video heads, tripods, LED lighting, prompters, robotic camera systems and mobile power solutions. It also supplies premium services including equipment rental and technical solutions.

### **Creative Solutions**

The Creative Solutions Division develops, manufactures and distributes premium branded products and solutions for film and video production companies, ICCs, gamers, enterprises and broadcasters. Products include wireless video transmission and lens control systems, monitors, camera accessories, live streaming and IP video devices, and software applications.

**Capture. Share.**

# About this report

Both mandatory and voluntary ESG disclosures have been considered in the creation of Vitec's ESG strategy:

The **Energy Savings Opportunity Scheme (“ESOS”)** is a mandatory energy audit that Vitec must carry out every four years to assess the energy used by our UK buildings. The energy efficiency measures suggested in the most recent UK site surveys inform our carbon reduction milestones discussed within our environmental section on page 35.

The **Streamlined Energy and Carbon Reporting (“SECR”)** requires Vitec to disclose its energy usage, associated emissions, energy efficiency actions and energy performance implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The details of this report can be found on page 58 of our 2021 Annual Report.

The **Task Force on Climate-Related Financial Disclosures (“TCFD”)** mandated by the Financial Conduct Authority (FCA) requires UK premium-listed companies to report against the TCFD on a “comply or explain” basis, effective for periods beginning on or after 1 January 2021. Vitec's climate-related financial disclosures can be found in the Group's TCFD Report 2021, and on page 52 in the 2021 Annual Report.

The **Carbon Disclosure Project (“CDP”)** is an international voluntary disclosure focusing on environmental impact management, and we will

submit our annual CDP Climate Response in summer 2022.

The **Global Reporting Initiative (“GRI”)** is an international voluntary ESG reporting standards framework enabling organisations to report on their economic, environmental, social and governance performance. This ESG Report outlines Vitec's 2021 ESG progress and has been reported on in accordance with the GRI guidance.

We follow the **Greenhouse Gas (“GHG”)** **Protocol Corporate Standards and Guidance** for companies to prepare our annual GHG emissions inventory. In 2021 we prepared our first GHG inventory for Scope 1, 2 and 3 emissions using 2020 as our baseline for our Scope 3 (value chain) emissions. Our GHG inventory is on page 40 of this report.

We intend to align our net zero carbon strategy with the **Science-Based Targets Initiative (“SBTi”)**, demonstrating our commitment to the UK's Nationally Determined Contribution (“NDC”) 2020 under the Paris Agreement 2015 to limit global warming to 1.5°C. The NDC commits the UK to reducing economy-wide GHG by at least 68% by 2030, compared to 1990 levels. Vitec's carbon reduction targets are detailed on page 37, and the Group's net zero roadmap is laid out on page 39.

We have aligned our ESG strategy and performance to the **United Nations Sustainable Development Goals (“SDGs”)**, specifically SGD12 Responsible Consumption and Production and SDG13 Climate Action. Our Diversity and Inclusion strategy discussed on page 59 looks to contribute towards SDG5 Gender Equality. Our community efforts detailed on page 76 to 81 intend to contribute towards SDG4 Quality Education and SDG8 Decent Work.



# Statement from Stephen Bird, Group Chief Executive

“We are a small company with a global footprint and are committed to working responsibly. We have a coordinated Group-wide approach to ESG, focusing on the material issues affecting our business and stakeholders. We engage with our stakeholders – including our employees, shareholders, customers, supply chain and rating agencies – to develop, deliver and evolve the Group's ESG strategy according to their needs.

Our strategy includes clear objectives and targets, prioritising actions that deliver the most significant impact. It is designed to positively contribute to the success of the Company, reduce the impact of the business on the environment, prioritise the health and safety of our employees, and improve the diversity and inclusivity of our workplaces. We have worked closely with an independent, specialist ESG consultancy to develop our strategy and improve our disclosure by collecting detailed data and comprehensively, clearly and consistently reporting our progress and credentials.”

**Stephen Bird, Group Chief Executive**



# Imaging Solutions CEO statement



**Marco Pezzana, Divisional CEO**

"In today's globally interconnected world with the pressing requirement for sustainable development, it's more important than ever for companies to create long-term value which benefits the environment, society and the economy. At Vitec Imaging Solutions, ESG practices have been integrated as one of the core pillars of our growth strategy.

We are committed to further reducing our carbon footprint, to increasing our diversity and to giving back to our communities through photography and videography in order to drive positive social, environmental and economic impact, while increasing our brand equity, employee engagement and shareholder value.

As an innovation company, committed to supporting contemporary content creators to capture and share exceptional audiovisual content, we have taken a holistic approach to ESG. To reduce our environmental impact, we are creating a circular economy approach to our new product development initiatives. In addition, during 2022 we plan to implement over 50 projects designed to increase the use of renewable energy and promote responsible consumption and production. We are progressively introducing Life Cycle Assessment methodologies across the entire product portfolio and all new product development initiatives.

Our Divisional CSR projects support our communities as well as aiming to increase environmental awareness by visually documenting the impact of global warming, particularly on the oceans and the world's largest glaciers. In addition, our "People Focus" HR plan is designed to increasingly promote diversity and employee adoption of best environmental practices both at work and in their personal lives.

Vitec Imaging Solutions supports millions of photographers and videographers in capturing and sharing the beauty, the culture and the diversity of the world – embracing ESG best practice is an integral part of our purpose and a great source of motivation and pride to us all."



# Production Solutions CEO statement



## Nicola Dal Toso, Divisional CEO

“At Vitec Production Solutions, “Action4Good” is the cornerstone of our ESG programme:

- Action to promote environmental stewardship and the preservation of resources;
- Action to make a positive impact on people and communities;
- Action to build an inclusive workplace in which everyone is respected, valued and inspired to contribute; and
- Action to improve physical and mental wellbeing to enable a better quality of life.

These actions contribute to sustainable economic growth, enhance our business resilience and deliver a positive impact for our stakeholders, including customers, employees, shareholders and communities.

Manufacturing processes use valuable resources, including energy, water and raw materials. We are reducing our environmental impact by generating renewable energy, reducing waste materials and using sustainable packaging:

- Solar photovoltaic panels installed at our sites in Costa Rica and the UK can generate more than a third of the electricity we need.
- Improvements to our carbon fibre production line have reduced waste materials by over 90% while upgrades to machinery are saving over 6,000 litres of water per year.
- We are introducing sustainability-focused design principles into packaging by using biodegradable alternatives to plastic bags, removing glue and adhesive labels, and printing directly onto boxes.

These projects are aligned to Vitec’s commercial objectives, creating value for the business while driving down our carbon footprint, helping us to reach our carbon neutral goal.

People are our number one priority and we are committed to being an employer of choice. Our “Hire2Develop” responsible hiring strategy invests in junior employees, providing training and support to develop their careers at Vitec. This successful programme has helped 69 employees with career advancement in the last three years.

We are proud of the achievements we have made so far and will continue to focus on actions that create a positive environment in which to work and live. These actions are not only the right thing to do, but they are also vital to build a sustainable future for our business and our communities.”



# Creative Solutions CEO statement



**Marco Vidali, Divisional CEO**

"The importance of a strong ESG strategy continues to grow as the world faces the challenges of a global pandemic and worsening climate crisis. In the film and video production industry in particular, film productions must consider their impact on the community around them and look to their technology partners to positively impact their ESG initiatives.

Social equity in the film and television industry has become a key focus, not only on the big screen, but also for creators and stories that are told. One of our key ESG initiatives for 2021 was collaborating with "Made in Her Image", a non-profit dedicated to the advancement of young girls and women in film, media and technology. This partnership allowed us to bring education and awareness to an underserved demographic, while encouraging and celebrating long-term representation on and off set.

Sustainability in film production incorporates socially and environmentally responsible decision making into the pre-production and production of the film. There is an economic benefit as well. Cost savings associated with sustainable production practices increasingly are being highlighted as part of the film project's business case. An initiative we took this year successfully reduced both paper waste and product costs significantly. By replacing our traditional print product guides with a simple QR code, we were able to link the customer to the latest product information, minus the excess use of paper. Not only does this support sustainable cost savings, it modernises the customer experience, bringing added value to our brand equity and digital transformation.

As Vitec Creative Solutions continues to grow in the medical and construction industries, the same principles will apply: helping our customers create sustainable businesses with minimal impact on the environment, thus improving the communities in which they operate.

Vitec Creative Solutions is on an ESG journey, focused on long-term, high-impact enhancements which will have a significant effect on our corporate footprint. However, even small steps - like changing product packaging to eliminate waste and the carbon offset from direct e-commerce shipments - are important steps toward that goal."



# Our sustainability journey

## 2021 ESG highlights

### Environment

- Calculated Scope 3 emissions
- Conducted site surveys to establish energy-saving opportunities
- Solar energy systems implemented in Bury St Edmunds, UK and Cartago, Costa Rica
- Secured renewable energy contracts in Italy, the UK and Costa Rica

### Social

- Zero accidents resulting in over three days' absence
- 95% of employees feel that their safety, health and wellbeing are a high priority for the Company
- Developed a new Diversity and Inclusion ("D&I") strategy with targets and action plans

### Governance

- Established an ESG Committee
- Expanded our ESG disclosures to include standalone TCFD and ESG Reports

2022

2024

2025

2026

2030

2035

2045

- Develop net zero strategy
- Improve Scope 3 data collection
- Carry out feasibility study for electric vehicle charging capacity
- Convert to LED lights across the Group
- Expand external health and safety reporting
- Renew governance initiatives including Code of Conduct, whistleblowing, third-party due diligence and reputational risk training for senior management

- Reduce Scope 1 and 2 emissions by 25% from our 2019 baseline
- 25% of fleet electric/hybrid
- Switch to renewable energy contracts across the Group
- Reduce business air travel by 50% from our 2019 baseline
- 50% reduction in annual consumption of single-use plastics
- Aspiration for Lowepro bags full product range to be made from 100% recycled fabric

- Product life cycle (cradle to grave) for five of the top-emitting products we sell
- Supplier-specific data from our top five biggest suppliers
- Carbon neutral for Scope 1 and 2

- Improve the Group's overall gender diversity from 70% men, 30% women. At a senior leadership level, we expect the ratio of women to be at least 30%

- Reduce Scope 1 and 2 emissions by 75% from our 2019 baseline

- Reach net zero for Scope 1 and 2

- Reach net zero for Scope 3

A photograph of a person standing on a rock, silhouetted against a vibrant sunset, taking a photograph of a large stone archway. The sky is filled with warm orange and yellow hues. The ground is covered in snow. The stone archway is a prominent feature in the background, with other smaller arches visible in the distance.

# Governance & Strategy

**We have a coordinated Group-wide approach to ESG, focusing on the material issues that affect our business and our stakeholders.**

# Our purpose

## Enabling the capture and sharing of exceptional content

“Vitec has a clear purpose and strategy, and strongly believes in doing business the right way. Throughout 2021, the Company has continued developing its ESG agenda and ensured a focused and coordinated Group-wide approach to ESG.”

**Stephen Bird**  
Group Chief Executive

# Our approach

We are a small company with a global footprint and are committed to working responsibly. In 2021, we worked closely with an independent specialist ESG consultancy to develop our ESG strategy and to improve our disclosure by collecting detailed data and comprehensively, clearly and consistently reporting our progress and credentials.

Our core values and purpose drive our business decisions and Code of Conduct, and all our decisions are made with a focus on the impact they may have on our five main stakeholder groups (customers, suppliers, employees, shareholders, communities and the environments in which we operate).

# Our core values

We have a clear purpose that is founded on a set of core values that form the Vitec Mindset:

## Exceptional product performance

We set the highest standards of technical performance

## Customer focus

We are nothing without our customers

## Leading a fast-changing market

We apply our creativity and harness our diversity to engineer innovative new products and solutions

## Global capability

We share knowledge, pool resources, test ideas and learn from each other

## Transparency, integrity, respect

We hold to the highest professional and corporate standards

# Our ESG strategy

As well as the clear benefits to the environment, ESG matters have become increasingly important to all the Group's stakeholders. Our customers are interested in energy saving and recycling, and ensuring products and packaging are sustainable.

Our employees want reassurance that they are working for a responsible business and our shareholders seek better transparency on climate-related risks and any mitigation plans. Following this feedback, we have tailored our ESG strategy to address our key areas of impact and those of our industry, as well as meeting the priorities of our stakeholders.

Our strategy includes clear objectives and targets across all areas, prioritising actions that will deliver the greatest impact. It is also designed to positively contribute to the success of the Company, to reduce the impact of the business on the environment, to continue to prioritise the health and safety of our employees and to improve the diversity and inclusivity of our workplaces.

## Our key focus areas

### Environment

We adopt technologies, materials and processes that ensure we minimise our impact on the environment and maximise our use of sustainable resources.

### Our people

To attract, retain and grow a talented and diverse workforce, providing equal opportunities for all, while nurturing a sense of pride in being part of Vitec. We prioritise the health and safety, and wellbeing of our employees, ensuring a safe working environment.

### Giving back

We invest in projects that align with our core values and look for opportunities to positively impact one disadvantaged person for every Vitec employee in the communities in which we operate.

## Responsible practices

We are constantly improving our practices and processes to ensure safe and responsible operations and an ethical supply chain.

Under these broad categories, we have seven key pillars as listed on page 13.



## Our seven key pillars



Continue to prioritise health and safety

No major lost time accidents



Reduce carbon emissions

Develop net zero strategy



Reduce packaging and waste

Reduce in-use plastics, more sustainable packaging and reducing waste to landfill



Embed sustainability into product life cycle

Product life cycle for five of the top-emitting products we sell



Formalise the integrity of our supply chain

Improve our understanding of the impact of procured products



Improve diversity, equality and inclusion

Aim to improve the Group's overall gender diversity



Positively impact the communities in which we operate

Positively impact one disadvantaged young person for every Vitec employee in the communities we operate

# Stakeholder engagement

The Board is responsible for providing strong leadership and effective decision-making to ensure the continued success of the Group and the implementation of our strategy. We strive to follow best corporate governance practices and evolve these practices and procedures to deliver long-term sustainable shareholder value.

## Customers

Our success is dependent on our ability to understand and respond to our customers' needs. We normally have the opportunity to meet our customers at trade shows such as IBC, NAB, NAMM and BSC – held in cities across the world. During the pandemic, management used video conferencing to maintain contact with all key customers, and several trading updates were also issued during the year.

## Suppliers

We have a large number of suppliers globally, as our operations are relatively low-volume, small-batch processes. We source materials from suppliers close to our manufacturing facilities where possible, and each Division has key relationships with its specific suppliers for key components, both from the UK and overseas.

## Employees

We engage with our employees through various channels, including annual employee surveys. We also have Group and Divisional intranets for Group-wide announcements, a whistle blowing service and regular employee updates from the Group Chief Executive and Divisional management. Caroline Thomson is the Non-Executive Director responsible for employee engagement.

## Communities and environments

We have a number of manufacturing and office facilities around the world and aim to limit any negative impact on the environment and protect the natural resources we rely on, creating long-term sustainability for the business. We engage in our local communities in various ways in each country we operate in and look to continually enhance our existing ESG activities.

## Shareholders

Vitec maintains close, open and regular contact with our shareholders. Shareholders play an important role in helping to shape our strategy and monitoring governance.

The Group Chief Executive and Group Finance Director have regular meetings with existing and potential shareholders. Our stakeholders rely on communications such as our Annual Report, Group website, TCFD Report and ESG Report, which cover our business, ongoing performance, governance and our ESG programme.

Regular market updates are also provided on performance, including at the full year and half year, including video presentations.

Along with the Annual Report and TCFD Report, this report provides the information required for shareholders to assess the Group's overall performance against its strategy. The Board agrees that Vitec's reporting, taken as a whole is fair, balanced and understandable and gives all stakeholders the information necessary to assess the Group's business model, strategy and performance. Further details of how we engaged with our stakeholders throughout the year and how the Board considers Section 172(1) matters can be found in the [Annual Report](#) on page 6.

# ESG governance

At the Group level, we create value by setting and monitoring strategic plans, budgets and forecasts, managing treasury and tax, sustainability, health and safety, and assessing risk, including climate change. The team ensures that a robust governance framework, policies and procedures are in place to ensure a strong culture and ethical behaviour, as well as managing acquisitions and disposals, corporate reporting and investor relations.

We strive to work in accordance with best corporate governance practices and evolve these practices and procedures to deliver long-term sustainable shareholder value. ESG governance has been integrated into our existing processes, and this governance framework underpins a sustainable and responsible business for our stakeholders. More detail can be found in our [Corporate Governance Report](#).

The Vitec Board provides oversight and has overall responsibility for the Group's ESG performance. The Board has delegated certain items of business to its principal Committees, which are detailed on the right. This ensures the Board has sufficient time to deal with strategic matters while retaining oversight on salient points by virtue of its Committees. The Board's principal Committees are the Audit, Remuneration and Nominations Committees. We have an ESG Committee to support the Board, and each Division has its own ESG steering group. The delegation of responsibilities is outlined on page 16.

The Vitec Group plc Board		
Executive Responsibility Group Chief Executive Stephen Bird		
<i>The appropriate Board Committees handle oversight for certain sustainability topics</i>		
Nominations Committee Chaired by Ian McHoul	Audit Committee Chaired by Christopher Humphrey	Remuneration Committee Chaired by Caroline Thomson
Membership: Chairman, Group Chief Executive and the independent Non-Executive Directors	Membership: The independent Non-Executive Directors	Membership: The independent Non-Executive Directors
Ensures there is the required expertise on the Board, including the background and skills to grow sustainably	Oversees risk management and control systems, including climate-related risks and opportunities	Reviews policy on Executive Director and senior management remuneration to ensure alignment with strategy and performance, including ESG targets
ESG Committee Chaired by the Group Chief Executive		
Membership: Group Chief Executive, Group Company Secretary and HR Director, Group Communications Director, Group Risk Assurance Manager and Divisional representatives		
Supports the Board's ESG standards and ambitions		
Divisional ESG responsibility Management and execution of ESG initiatives is the responsibility of each Division and the respective Divisional CEOs		

# Executive responsibility

In response to the growing importance and increasing stakeholder interest in ESG, the Board has delegated the coordination of Vitec's ESG performance to Group Chief Executive Stephen Bird. Together with the Operations Executive and senior management, he focuses his efforts on ESG, environmental policy and climate-related impacts. A percentage of the Group Chief Executive's remuneration has been tied to the Group's ESG performance; more details can be found in the Directors' Remuneration Report in the Annual Report on page 106.

## The Board of Directors

The Board is responsible for the Group's ESG strategy and the policies and values which underpin this. It brings in external perspectives, experience and knowledge in the areas of finance, technology, strategy, people management and global commerce to support its efforts. The Board oversees the development of the Group's ESG programme, ensuring increased disclosure and clarity.

During 2021, the Board received regular updates on the development of the Group's revised ESG programme and initiatives, and the Company has expanded its ESG reporting to include our first standalone TCFD and ESG Reports.

Director	Responsibility
<p><b>Ian McHoul (62) - Chairman</b> Appointed in 2019 Committee Membership: Nominations (Chairman)</p>	<ul style="list-style-type: none"> <li>- Responsible for the effective operation of the Board and ensuring it is well-balanced to deliver the Group's strategic objectives</li> <li>- Ensures that the Board constructively plays a part in the development of strategy</li> <li>- Ensures effective engagement between the Board and all stakeholders</li> </ul>
<p><b>Stephen Bird (61) - Group Chief Executive</b> Appointed in 2009 Committee Membership: Nominations</p>	<ul style="list-style-type: none"> <li>- Provides clear and visible leadership across the Group</li> <li>- Executes the Group's strategy and commercial objectives and implements decisions of the Board and its Committees</li> <li>- Ensures that the corporate culture is set from the top</li> <li>- Manages the Group risk profile</li> <li>- Leads Investor Relations activities – engaging with shareholders</li> <li>- Leads the Group's ESG programme</li> </ul>
<p><b>Martin Green (53) - Group Finance Director</b> Appointed in 2017</p>	<ul style="list-style-type: none"> <li>- Provides financial and risk control leadership to the Group and guides the Group's business and financial strategy</li> <li>- Engages with key stakeholders alongside the Group Chief Executive</li> </ul>
<p><b>Christopher Humphrey (64) - Senior Independent Director and Chairman of the Audit Committee</b> Appointed in 2013 Committee Membership: Audit (Chairman), Nominations, Remuneration</p>	<ul style="list-style-type: none"> <li>- Acts as an independent point of contact in the Group's whistleblowing procedures</li> <li>- Available to shareholders if they have concerns</li> <li>- As Chairman of the Audit Committee, leads the work of the Committee in connection with the integrity of financial reporting and risk management</li> </ul>
<p><b>Caroline Thomson (67) - Designated Non-Executive Director for Employee Engagement and Chairman of the Remuneration Committee</b> Appointed in 2015 Committee Membership: Audit, Nominations, Remuneration (Chairman)</p>	<ul style="list-style-type: none"> <li>- Monitors the effectiveness of employee engagement programmes and surveys</li> <li>- Provides regular updates to the Board on employee engagement matters and any issues</li> <li>- As Chair of the Remuneration Committee, leads the work of the Committee in connection with Directors' remuneration</li> </ul>
<p><b>Richard Tyson (51) - Independent Non-Executive Director</b> Appointed in 2018 Committee Membership: Audit, Nominations, Remuneration</p>	<ul style="list-style-type: none"> <li>- Act with the highest levels of integrity and governance and help to ensure this culture is promoted within the Group</li> <li>- Oversee and set levels of remuneration for key senior management</li> <li>- Oversee development of succession planning for key management and executive roles</li> <li>- Review integrity of financial reporting</li> <li>- Ensure that financial and risk appetite and mitigating controls are appropriate and robust</li> </ul>
<p><b>Duncan Penny (59) - Independent Non-Executive Director</b> Appointed in 2018 Committee Membership: Audit, Nominations, Remuneration</p>	<ul style="list-style-type: none"> <li>- Act with the highest levels of integrity and governance and help to ensure this culture is promoted within the Group</li> <li>- Oversee and set levels of remuneration for key senior management</li> <li>- Oversee development of succession planning for key management and executive roles</li> <li>- Review integrity of financial reporting</li> <li>- Ensure that financial and risk appetite and mitigating controls are appropriate and robust</li> </ul>

## Board diversity

The Board considers the issue of diversity for every appointment. The objective is to ensure that the Board appoints the best person for every role and to optimise the collective Board strength. The female representation on the Board during 2021 was 14%. In December 2021, we announced that with effect from 1 May 2022, Erika Schraner will join the Board as an independent Non-Executive Director who will also be a member of the Audit, Remuneration and Nominations Committee. We also announced that Duncan Penny will not be seeking reappointment at the 2022 AGM and he will therefore cease to be a Director of the Company at the close of the AGM on Tuesday, 17 May 2022. By the 2022 AGM, the female representation on the Board will therefore be 29%.

The Board will keep under regular review the issue of diversity including at Board level, senior management level and throughout the entire workforce, taking into account, among other things, Lord Davies' review, Women on Boards, the Hampton-Alexander review, FTSE Women Leaders and the Parker and McGregor-Smith reviews on ethnic diversity. We will report upon this issue annually in our Annual Report, ESG Report and TCFD Report.



# ESG Committee

The Board has established a cross-Divisional Environmental, Social and Governance (“ESG”) Committee to support their efforts, comprising of the Group Chief Executive, Group Company Secretary and HR Director, Group Communications Director, Group Risk Assurance Manager and Divisional representatives.

The ESG Committee is chaired by the Group Chief Executive. It is mandated to meet the Board's growing ESG standards and ambitions, lead initiatives across the Group and ensure compliance with emerging regulations. The Committee engages with our stakeholders, including our employees, shareholders, ratings agencies, customers and supply chain, to develop, deliver and evolve the Group's ESG programme.

In order to achieve a process of continuous improvement, the ESG Committee meets on a bi-monthly basis to track progress against all ESG matters Divisionally and at Group level. The Committee updates the Board on Vitec's ESG performance twice a year.

In 2021, the Board, ESG Committee and broader management identified and addressed material ESG issues affecting business operations and Vitec's stakeholders. Clear objectives and targets were set across all critical areas following stakeholder feedback.

As a top priority, we have introduced and enhanced data collection processes to measure, report and reduce our carbon footprint accurately. Areas of focus for the Group also included packaging and waste, diversity, and health and safety.

## ESG Committee 2021 progress:

Reduced carbon emissions

- Expanded scope of emissions reporting to calculate our Scope 3 carbon emissions
- Enhanced Scope 1 and 2 reporting measures to ensure they are fully embedded and robust

Complied with TCFD reporting requirements

- Published TCFD Report in accordance with regulation as a UK listed company
- Introduced and completed climate change risk analysis and disclosure. Developed a risk mitigation plan for climate change

Embedded sustainability into product life cycle

- Worked towards the elimination of single-use plastic, and recyclability of packaging and other product components
- Started the process for developing a policy for e-waste management and end-of-product-life management to be developed following stakeholder feedback

Increased the use of renewable sources for energy

- Installed solar panels at key sites (Bury St Edmunds, UK and Cartago, Costa Rica)
- Continued to develop electricity contracts with providers of certifiably renewable electricity
- Implemented other energy saving measures such as investment in more energy efficient machinery; continuing to convert owned vehicle fleet to electric

Formalised the integrity of our supply chain

- We rolled out a sourcing manual combining the different elements of Vitec's approach. This incorporates:
  - Methodology and scope for site visits and inspections
  - Corporate citizenship and screening requirements
  - Legal and environmental standards. This will form the basis of environmental supply policies developed in subsequent years

Improved diversity and inclusion

- Launched a Diversity & Inclusion strategy
- Set targets and an action plan to increase gender diversity throughout the Company
- Improved reporting and expanded policies around diversity across the Group and also associated issues (employee turnover, disabled employees)

Enhanced charitable and community projects

- Gathered robust information and data on charitable and community projects with associated financial values
- Continued to build on our commitment to positively impact one disadvantaged person for every Vitec employee in the communities in which we operate

# Management

Responsibility for the management and execution of ESG initiatives is separated Divisionally and held by the respective Divisional CEOs. Each Division has set individual work streams and specific steering teams to roll out ESG initiatives and help meet our targets.

## Imaging Solutions

ESG progress is embedded throughout the Division and led by the Sustainability Project Leader who reports to the Divisional CEO, Marco Pezzana, working to enhance the Division's current ESG framework.

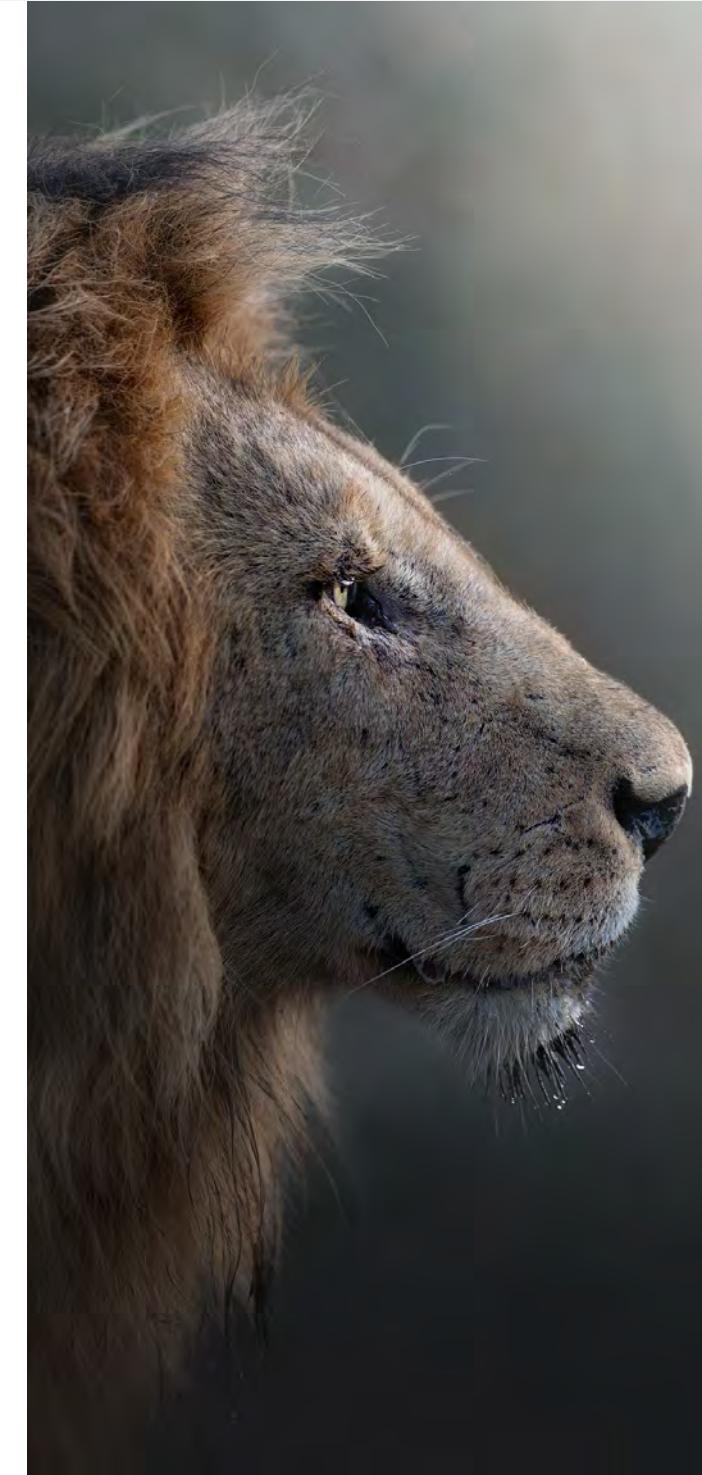
While projects continue within Imaging Solutions, the Sustainability Project Leader is preparing a more structured strategy and roadmap which will ultimately be supported by reinforced governance with regularly structured meetings, goals and targets.

## Production Solutions

Production Solutions has set up a Divisional ESG steering committee under the leadership of Nicola Dal Toso, Divisional CEO. Site Green Teams have been established at each site to help drive initiatives.

## Creative Solutions

Creative Solutions' ESG team is working to manage the communication of the ESG strategy throughout the Division and help the Company drive new initiatives. The team is led by Marco Vidali, Divisional CEO.



# Risk management

To achieve its strategic objectives, Vitec recognises that it will take on certain business risks. The Group has a well-established framework for reviewing and assessing risks on a regular basis and has put in place appropriate processes and procedures to mitigate against them.

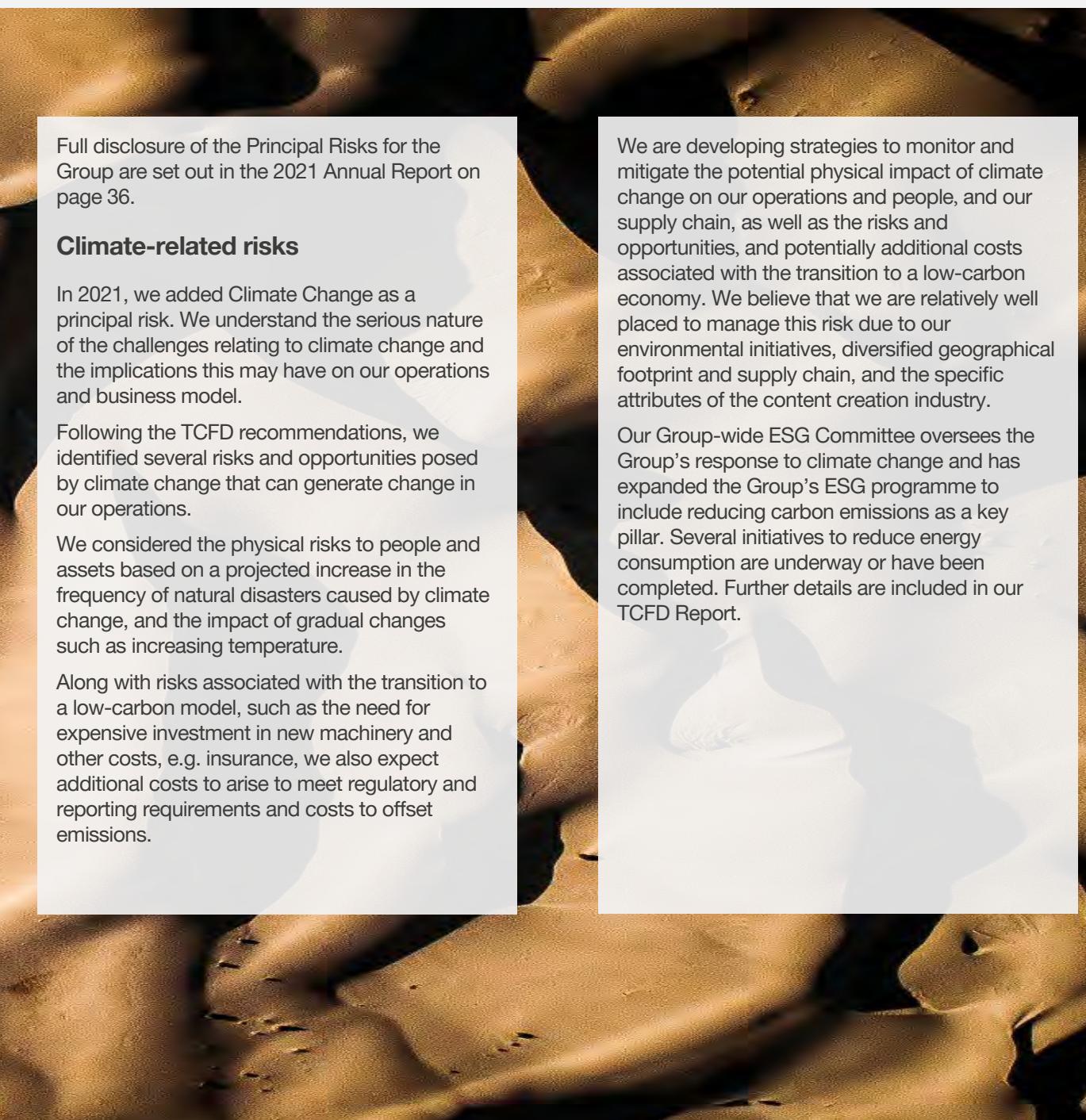
The Board has delegated responsibility to the Audit Committee for oversight of the Group's system of internal controls to safeguard shareholders' investments and the Company's assets.

As part of its responsibility, the Audit Committee formally reviews the effectiveness of the Group's internal controls twice a year. The risk management framework includes formal risk reviews and risk registers maintained at Group, Divisional and business unit level.

To support our strategic priorities, we have several business objectives which drive the way in which we proactively manage risks.

These include:

- Being a strong innovator and investing in research and development
- Identification of acquisition opportunities
- Optimising supply chain efficiency and operational excellence
- Robust HR processes for resourcing and talent development



Full disclosure of the Principal Risks for the Group are set out in the 2021 Annual Report on page 36.

## Climate-related risks

In 2021, we added Climate Change as a principal risk. We understand the serious nature of the challenges relating to climate change and the implications this may have on our operations and business model.

Following the TCFD recommendations, we identified several risks and opportunities posed by climate change that can generate change in our operations.

We considered the physical risks to people and assets based on a projected increase in the frequency of natural disasters caused by climate change, and the impact of gradual changes such as increasing temperature.

Along with risks associated with the transition to a low-carbon model, such as the need for expensive investment in new machinery and other costs, e.g. insurance, we also expect additional costs to arise to meet regulatory and reporting requirements and costs to offset emissions.

We are developing strategies to monitor and mitigate the potential physical impact of climate change on our operations and people, and our supply chain, as well as the risks and opportunities, and potentially additional costs associated with the transition to a low-carbon economy. We believe that we are relatively well placed to manage this risk due to our environmental initiatives, diversified geographical footprint and supply chain, and the specific attributes of the content creation industry.

Our Group-wide ESG Committee oversees the Group's response to climate change and has expanded the Group's ESG programme to include reducing carbon emissions as a key pillar. Several initiatives to reduce energy consumption are underway or have been completed. Further details are included in our TCFD Report.

# Trust and transparency

## Code of Conduct

Our Code of Conduct (“Code”) forms the backbone of our culture. It provides clear guidance to our employees on how they are expected to behave towards colleagues, suppliers, customers, shareholders and our broader responsibility to the communities in which we operate.

Our Code has been communicated to all employees, including new employees joining the Group, and is available on the Company website translated into local languages. We require all senior management to undertake an online training module covering the Code of Conduct, including share dealing, conflicts of interest, legal duties and other reputational issues. We expect our business partners to act in a manner that aligns with our approach, values and behaviours, as set out in our Code of Conduct

Breach of the Code of Conduct, upon investigation, may lead to disciplinary action being taken against an individual and, in the worst case, dismissal. In 2021, six employees were dismissed from the business due to a breach of the Code of Conduct. These breaches consisted of HR issues and inappropriate behaviours in the workplace.

## Anti-bribery and corruption

We have a zero-tolerance approach to bribery and corruption, and a clear commitment to doing business the right way. Our [Anti-Bribery and Corruption Policy](#) covers gifts and hospitality, prohibition on facilitation payments and kickbacks, and how employees raise issues of concern. This zero-tolerance approach is also set out in our Code of Conduct to ensure our employees, contractors and subcontractors working in all of our businesses are clear on acceptable ways of doing business.

We regularly train our employees on anti-bribery and corruption measures using web-based training modules and face-to-face training. To mitigate the risk around bribery and corruption, we actively screen all major third parties we do business with using third-party software. Our agents and distributors are party to agreements that prohibit bribery and set our expectations on behaviour and values.

The Board and the Audit Committee are regularly updated on the Group's anti-bribery and corruption measures, including training initiatives and screening status of third parties. Our Group Company Secretary and HR Director Jon Bolton is responsible for ensuring compliance with anti-bribery and corruption policies.

We expect our customers, suppliers, distributors and agents, and all other stakeholders we interact with to either abide by our policies or to operate to similar standards.

## Charitable donations

As part of our community activities, we donate time and money to a variety of local and international charities. Our charitable donations and sponsorships should be seen as open and voluntary contributions to the public good, without any expectation of a commercial or personal return. We apply the same standards of professionalism in our charitable donations as we do with our business partnerships. We only provide donations to organisations that serve a legitimate public purpose and are subject to high standards of transparency and accountability.

All donations are transparent and properly documented, with a summary of the rationale for the donation, details of the parties involved, the amount and/or a description of the donation made.

All donations in 2021 were cleared with Divisional CEOs or Group Company Secretary and were not subject to any conflict of interest.

# Trust and transparency/continued

## Labour and human rights

We fully support the principles set out in the UN Universal Declaration of Human Rights. Our policies and procedures reflect the principles contained within the Declaration. We support the Modern Slavery Act 2015 and have adopted a slavery and human trafficking statement, setting out our processes to ensure that this issue is not in our operations or supply chain. This statement is available [here](#).

Our Code of Conduct sets out an express prohibition on discrimination of any kind. Employees are hired in accordance with local employment legislation, and we are committed to their fair treatment and respect. We encourage employees to report suspected incidences of wrong-doing in our business, including slavery and human trafficking matters. Any such reports are thoroughly and independently investigated. There were no incidents of discrimination, modern slavery, or human trafficking reported across the Group in 2021.

## Whistleblowing service

We operate an independent whistleblowing service in conjunction with NAVEX. This enables any employee or third-party to confidentially report any issues around alleged wrongdoing or other Code contraventions. The Board is expressly clear that all reports made in good faith will not result in an employee or third-party being subject to recriminations or disciplinary action.

All reports are notified to the Group Chief Executive, the Group Company Secretary and HR Director and the Audit Committee Chairman and are investigated independently by senior management who are not connected to the report. The outcome of any investigation is reported to the Chairman of the Audit Committee, and remedial action is taken where necessary. The Board is notified of all whistleblowing reports and the outcome of all investigations

This service is communicated to all employees with posters prominently visible at all sites and a letter explaining the service to ensure it is understood. The documents are also available on the Group intranet, with all communications translated into local languages. In 2021, there were two whistleblowing reports that were HR-related in the US and Costa Rica. Each matter was thoroughly investigated, and corrective actions were taken where necessary.

## Information systems and technology

Given the ever-increasing importance of Information Technology to the Company's operations and performance, we have an IT policy available on our website. Responsibility for IT ultimately rests with the Group Finance Director. The IT policy sets out standards to be followed across the Group for its employees, contractors and third parties to use the Group's IT systems. The policy has been implemented to ensure that the Company's IT fits proper business purpose and is a safe environment for all our users.

Breach of the IT policy may lead to disciplinary action being taken. Notably, the IT policy covers the confidentiality of data, GDPR requirements, inappropriate content, security of data, including cyber security and reporting processes. The Group Finance Director and Group Risk Assurance Manager oversee the IT functions from a governance standpoint. With the use of specialist providers, they conduct regular vulnerability assessment and pen tests, and review the application of IT controls across the Group. This includes key control activities such as patching, multi-factor authentication and user access controls. Cyber security is a major risk on which regular updates are provided to the Board and Audit Committee.

The Group has moved to standard certification and accreditation using the government-backed Cyber Essentials framework, and will be working towards the IASME certification.

We work with a leading cyber security provider to deliver a programme of awareness training and communication to all employees, which is a vital component of our IT security framework. This includes training relating to GDPR.

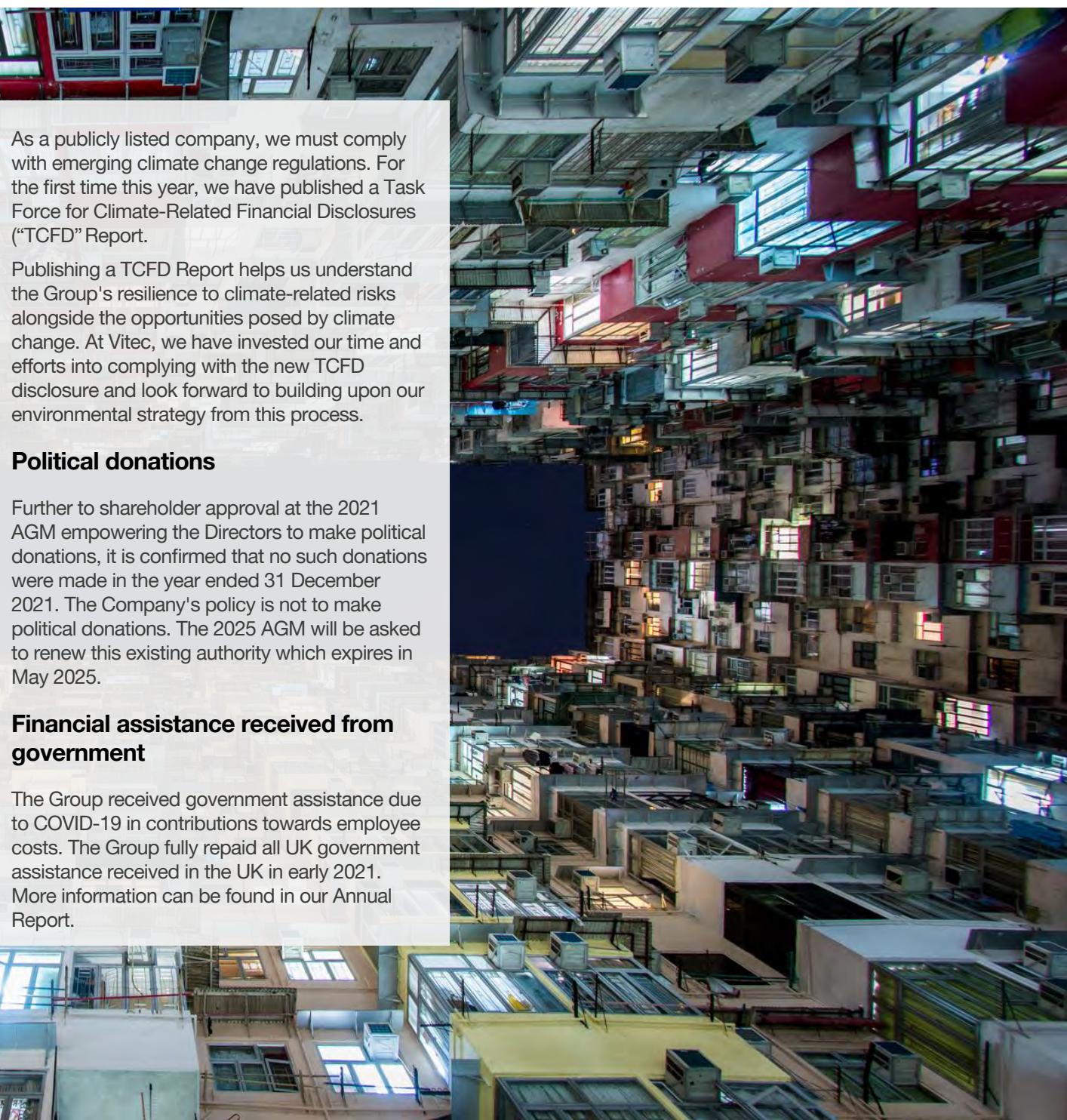
## Trust and transparency/continued

### Environmental and socioeconomic compliance

In the 2021 reporting year, no incidents of environmental or socioeconomic non-compliance occurred. None of the Group's businesses were subject to fines relating to environmental or social issues. Our efforts and ESG awareness continue to evolve to comply with regulations and make our business better and more sustainable. We address the risk of non-compliance by having resources dedicated to legal and regulatory compliance supported by external advice where necessary.

We enhance our controls, processes and employee knowledge to maintain good governance and comply with laws and regulations. Regular senior management training and reassessments of our governance procedures take place. We have set processes to monitor and identify potential risks relating to non-compliance with laws and regulations. A detailed overview of this process can be found in our Annual Report.

In addition, the Production Solutions Division has developed an extensive Compliance Tool that covers all their operational areas and local legislation and laws that they must adhere to. Areas from hazardous materials to water are covered. The compliance tool is regularly updated, and we look to expand it across the Divisions.



As a publicly listed company, we must comply with emerging climate change regulations. For the first time this year, we have published a Task Force for Climate-Related Financial Disclosures ("TCFD" Report).

Publishing a TCFD Report helps us understand the Group's resilience to climate-related risks alongside the opportunities posed by climate change. At Vitec, we have invested our time and efforts into complying with the new TCFD disclosure and look forward to building upon our environmental strategy from this process.

### Political donations

Further to shareholder approval at the 2021 AGM empowering the Directors to make political donations, it is confirmed that no such donations were made in the year ended 31 December 2021. The Company's policy is not to make political donations. The 2025 AGM will be asked to renew this existing authority which expires in May 2025.

### Financial assistance received from government

The Group received government assistance due to COVID-19 in contributions towards employee costs. The Group fully repaid all UK government assistance received in the UK in early 2021. More information can be found in our Annual Report.

A photograph of a rock climber in a yellow shirt and tan pants scaling a light-colored rock face. The climber is attached to a red rope. The background shows a deep valley with a forested floor and mountains in the distance, all bathed in the warm light of either sunrise or sunset.

Economic & Innovation

# Our business model

Our experienced teams, premium brands, efficient supply chain and global distribution networks focus on delivering long-term value to our shareholders, outstanding products and service to our customers, and rewarding careers for our people.

We have set a clear business strategy and considered how key strategic decisions will impact our stakeholders and the environment. Our structure is simple and lean with only two layers, Group and Divisions. This enables focused decision-making and allows us to react quickly to customer, market and technological changes. Our three Divisions focus on the different needs of their customer segments and are decentralised and entrepreneurial with a global mindset. Vitec's strategy is built on a collaborative approach between the Divisions, to share best practice and capabilities for the development of innovative products and to benefit sustainable growth. More information can be found in our Annual Report.

## Our strategy

### Organic growth

Market growth is being driven by technology advancements and by four different structural growth drivers, all growing double-digit; 75% of the Group's business is exposed to these.

### Margin improvement

We are focused on improving our operating profit margins towards our mid-teen goal as volumes grow and we deliver strong operating leverage.

### M&A activity

We have a clear M&A strategy which is focused on investment in video transmission/streaming in Creative Solutions and in content creation and audio capture in Imaging Solutions

## Year in review

Revenue

**£394.3m**

Adjusted operating profit

**£46.2m**

Statutory operating profit

**£33.5m**

Net debt

**£145.2m**

Adjusted operating margin

**11.7%**

Statutory operating margin

**8.5%**

## Market position

We are at the heart of the growing content creation market. Technology innovation, social media and remote working have driven the “democratisation” of content creation and consumption, and sustained demand for new and replacement products. Our market-leading brands, operational excellence and continuous technological innovation make us uniquely positioned to take advantage of this growing market, and deliver long-term value to our shareholders.

# Market opportunities

Unique growth opportunities are unfolding within each of our three Divisions. We estimate that around 75% of the Group's business is being exposed to the four different structural market growth drivers below, which are all experiencing double-digit growth. This is driving sustained demand for new and replacement products.

## The internet

Growth in retail e-commerce is driving increased demand for digital visual content as new products need to be photographed and filmed frequently to be published online. More and more brands are using digital platforms to reach audiences, and creatives must deliver content to more platforms and devices than ever before to build brand awareness.

This drives demand for Vitec's professional photography and videography equipment, including supports, backgrounds, lighting and bags, mainly benefiting our Imaging Solutions Division.

## Subscription TV

Increasing spend on original content creation for subscription TV channels like Netflix, Amazon Prime Video, Disney+ and Apple TV+, while incumbents like Hulu, HBO and traditional broadcasters are all maintaining existing levels of spending on original content, is driving demand for our equipment.

Vitec offers a wide range of market-leading products across all three Divisions to meet the high production value needs of both large media companies and smaller independent producers. These include our video transmission and monitoring systems and camera accessories in Creative Solutions, lighting equipment, mobile power and supports in Production Solutions, and supports and audio capture in Imaging Solutions.



## TikTok and YouTube

There has been significant growth in vloggers and influencers creating and sharing video and audio content on social media platforms like TikTok and YouTube. We estimate that there are more than 40 million vloggers (with a following of over 1,000 people), who share their videos or podcasts, and then monetise that content. Improving the quality of their content is enormously important to their success – and that's what Vitec products help them do.

JOBY is our main brand serving the needs of vloggers and influencers. They use our JOBY supports, lights, audio capture and our backgrounds and graphics to create high-quality content. The JOBY customers of today potentially transition to Vitec's other premium brands, as they become the filmmakers, broadcasters and professional photographers of the future. In addition, growth in documentaries and wildlife photography, also typically shared on social media, benefit our supports, windjammers and bags in Imaging Solutions.



## Live streaming

Live streaming of video is growing strongly across multiple verticals, such as enterprise, medical and gaming to maintain communications and facilitate remote working. For example, governments, schools, houses of worship and businesses rely on high-quality, secure, zero or low delay video transmission to communicate with their communities, customers and employees. Professional content creators working from home require remote streaming with high image quality, low delay and robust security post-production. This is driving demand for our Teradek IP-based live streaming software and hardware in Creative Solutions.

There is also a high demand for remote wireless video within hospital operating rooms. Our Creative Solutions Division has developed wireless video transmission and monitoring solutions using Amimon's proprietary zero delay technology for the leading medical equipment providers, and is also supplying the industrial market.

## Market opportunities/continued

### International markets

We sell into over 100 countries and have an impact in markets and communities worldwide. Our products help bring our customers' vision to light and facilitate human connection.

We employ around 2,000 people across 11 different countries. Across our sites, we engage with the local communities and often run partnerships with local colleges and universities to provide job opportunities for recent graduates.

We have embarked on a major renewable energy programme in the UK and Costa Rica and look to expand this further. These projects benefit the regional decarbonisation strategies. We strive to reduce the environmental footprint of our market-leading products as outlined on page 45. Our progress continues to raise the standards expected of products in the content creation market.

### Investing in new technology and markets

For a business like Vitec, intelligent and sustained investment in new markets, technologies, products and people enables us to retain our market-leading positions and create shareholder value in the future. The content creation market is rapidly changing, and we continue to identify and make appropriate, value-adding acquisitions to supplement our

organic activities and enable us to benefit from those changes.

Our unique heritage, experienced people and the credibility of our established, premium brands allow us to find attractive, high-quality businesses in our core or adjacent markets, technologies and geographies to achieve our growth objectives. We completed three acquisitions in 2021.

Company	Acquired	Amount	Value
Quasar Science	5 April 2021	US\$6.1 million	<ul style="list-style-type: none"> <li>• Expands our higher-technology capabilities</li> <li>• Complements our Litepanels brand</li> <li>• Enhances our position as a leading player in the LED market</li> <li>• Provides growth opportunities to sell Quasar products through Vitec's global network.</li> </ul>
Lightstream	12 April 2021	US\$35.9 million	<ul style="list-style-type: none"> <li>• Brings leading cloud-based video production and editing Software-as-a-Service technology and highly skilled software engineers</li> <li>• Enables cross-selling opportunities to our existing customer base to increase recurring revenue</li> <li>• Adds complementary software to our live streaming capabilities</li> <li>• Enables Vitec to enter the gaming market</li> </ul>
Savage	22 November 2021	US\$57.3 million	<ul style="list-style-type: none"> <li>• Expands Imaging Solutions presence in backgrounds for the professional studio photographic market</li> <li>• Drives commercial synergies</li> <li>• Backgrounds are the largest consumables product in the professional studio photographic market, and we will expand their distribution internationally, especially into APAC, through our digital expertise</li> </ul>

# How we create value

At Vitec, we constantly evaluate our global business, making strategic decisions and allocating resources to advance our goal of delivering long-term growth and margin improvement. As demonstrated through the publication of our first ESG and TCFD Reports this year, we are determined to deliver our growth in a sustainable and transparent manner.

As with other businesses, COVID-19 has reshaped the environment in which we operate internally and externally. We have experienced a strong recovery from the pandemic and, while we continue to prioritise the health and safety of our customers and colleagues, we aim to capitalise on the growing value of the content creation market.

## Automation and people

The world is changing, digital capabilities and technological advancements are evolving quickly. Labelled Industry 4.0, a digital transformation of manufacturing and related industries is underway. There is a growing trend for automation and data exchange in manufacturing technologies. We recognise that this represents a new stage in our organisation's development and presents significant opportunities within our industrial value chain.

We want to enable new ways of production and optimise our manufacturing process to save on resources while continuing to develop the skills of our specialist colleagues. We recognise that automation will undoubtedly improve the workplace experience – in safety, repetitive tasks and improving resource efficiency.

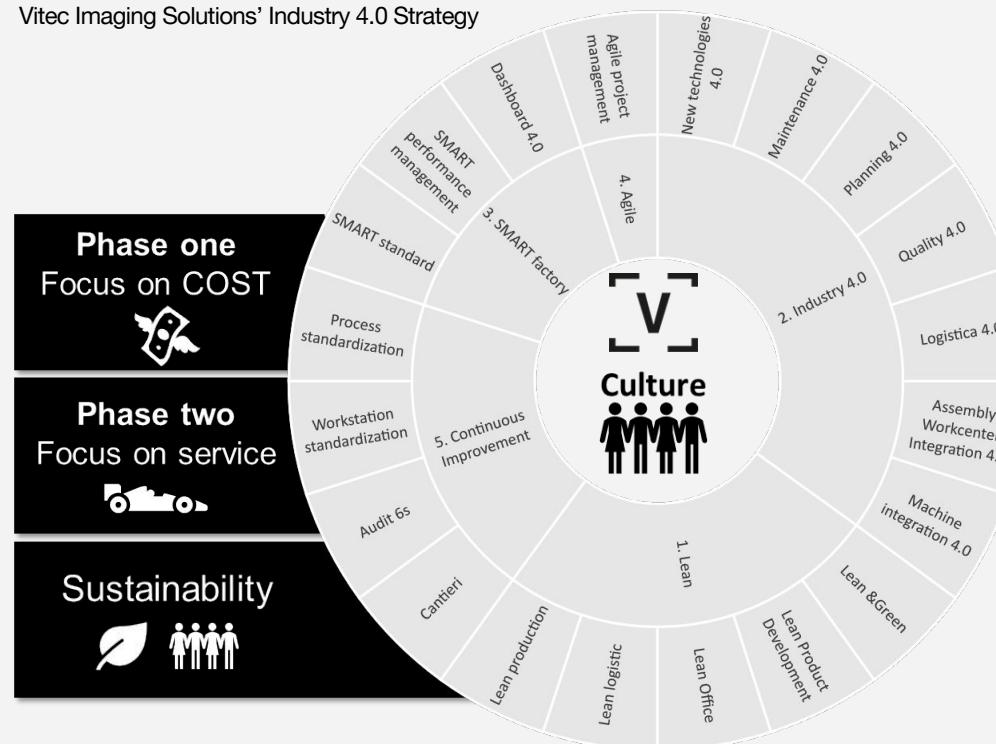
While technology adds value to our way of operating, the automation we introduce at Vitec does not compete with our colleagues' roles. Innovative, human-centred ways of working will be crucial to developing technology in our manufacturing processes.

## Imaging Solutions' Industry 4.0 strategy

Since 2015, in our Imaging Solutions Feltre plant, we have adopted Lean Manufacturing and Industry Robotics Automation 4.0 strategies, implementing a two-phased approach.

Initially, we targeted lean manufacturing and cost reduction (from 2015 to 2019), prioritising the creation of a more integrated and efficient production line. From 2019 to 2024, our second phase focuses on service and Lean Industry 4.0 as we target our supply chain and work towards a sustainable and resilient industry. The active role of our people has accelerated the improvement process. The strategy has generated value through continuously improving performance and has enabled us to localise our supply chain.

Vitec Imaging Solutions' Industry 4.0 Strategy



## How we create value/continued

### Market knowledge and customer insight

Designing innovative products to make our customers' lives easier is what drives us. Our Divisions continually obtain feedback from a range of stakeholders and conduct research into market trends, competitors and our products.

The range of niche markets we operate in allows us to take expertise and learnings from one area and apply in another. We actively encourage best practice sharing between our Divisions and synergies across departments to develop our knowledge.

Our long-standing and extensive market expertise enables us to remain close to our customers, anticipating and responding to developments to ensure that our brands remain at the forefront of the industry, renowned for their premium offerings and innovative technology.

### Innovative product development

For a business like Vitec, intelligent and sustained investment in new products, technologies and people enables us to retain our market-leading positions and create value in the future.

Our experienced, specialist engineers apply new technologies, products and materials to develop high-quality, high-performance solutions. We produce most of our products in-house and work with selected, market-leading partners for specialist solutions. We supplement in-house new product development with carefully selected acquisitions or

partnerships in new markets and technologies. In 2021, product sustainability was identified as a key focus area and best practice initiatives and processes have been shared throughout the Group. Our three Divisions each hold unique expertise to serve our customers' needs. Our Imaging Solutions Division is the furthest along this journey.

### Imaging Solutions: product development

Our Imaging Solutions Division has made sustainability a pivotal part of future product development, partnering with Bologna Business School to extensively develop products that use recycled packaging and textiles, with minimal environmental and social impact. Imaging Solutions has taken the approach of embedding ESG into its brand strategy. Each brand is provided with a clear and differentiating strategy towards sustainability, based upon the brand's existing strengths, strategy and equity. Imaging Solutions has introduced a set of Sustainable Design Principles to drive brand sustainability strategies moving forward.

ESG initiatives around brand strategy, manufacturing, supply chain and product sustainability will be rolled out to the wider Group over time.

In 2021, Imaging Solutions concentrated on their core brands of Lowepro, Gitzo, JOBY and Manfrotto and considered how each brand tied into sustainability through utilising their Sustainable Design Principles.

### Imaging Solutions' Sustainable Design Principles



#### MAKE THINGS SIMPLE

Reducing the overall size, weight & number of material incorporated into a design to keep down the environmental impact of the product through energy consumption, packaging and transportation.



#### USE THE RIGHT MATERIAL

Use non-toxic & harmless, sustainably produced, or recycled/recyclable materials which have a lower environmental impact than traditional materials.



#### MAKE MORE WITH LESS

Use manufacturing processes & produce products which are more resource (energy, water and raw material) efficient, green and competitively low-carbon emission.



#### DESIGN FOR DISASSEMBLY

Design to facilitate disassembling of the product to be repaired, upgraded, or remanufacturing.



#### BUILD TO LAST

Build longer-lasting and better-functioning products by including more provision on repairability and durability of materials used to manufacture the product.



#### CIRCULAR DESIGN

Shift from the current product-centric focus ('take-make-consume-throw away' pattern) towards a more system-based design approach to close the product loop.

Imaging Solutions assessed each element of the brand to highlight strengths around sustainability and the life cycle of products. Brand strategies include sustainable product development, eco-friendly packaging, and enhanced service and maintenance on sold products.

An example of where we look to leverage a brands' existing strength is with our Gitzo brand. We look to reduce our impact with Gitzo through the "Build To Last" and Circular Design principles, focusing on the durability and long-lasting performance of the Gitzo products to guide product development.

# Investing in research and development

Providing innovative products for our customers is what drives our success. We make a substantial investment into R&D each year, to further support our development of innovation and ensure we remain competitive within our markets.

The highest proportion of the Group's R&D investment is allocated to the Creative Solutions Division, as we aim to continue investing more in higher technology solutions.

This increased investment over the past few years has allowed us to capitalise on the opportunity to develop groundbreaking technology. In 2021, R&D spend increased by 5%, 12% and 33% from 2019 for Imaging Solutions, Production Solutions and Creative Solutions respectively.

The increased R&D spend in Creative Solutions this year was driven by the acquisition of Lightstream as well as investments into our cloud solutions to support our strategic initiatives.

In 2022, we plan to increase our investment into R&D across the Group, budgeting approximately 8% of our turnover to invest into R&D, a significant increase from 6.4% in 2021.

Creative Solutions projects planned for 2022 aim to support our strategy in four main directions:

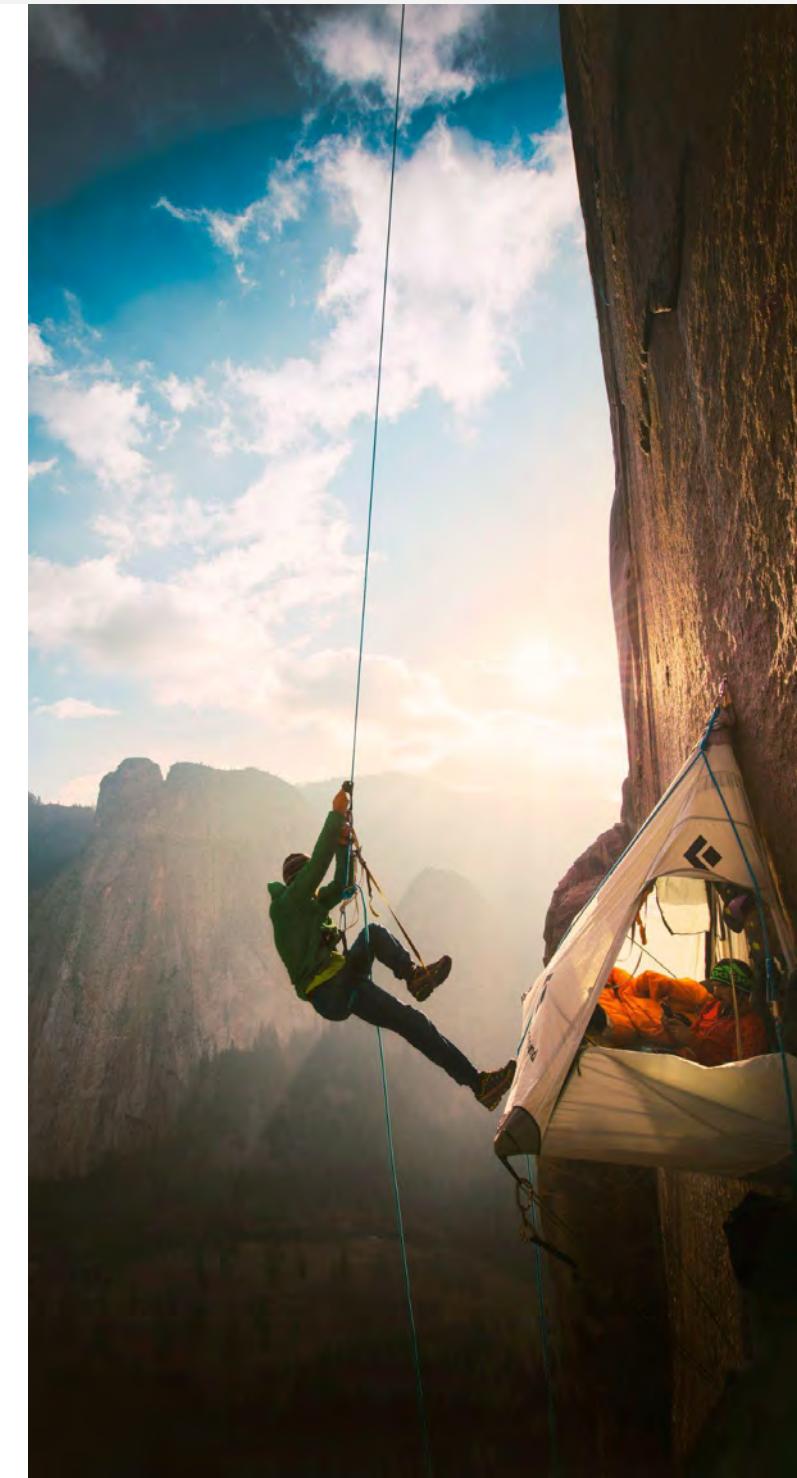
- Exploit the momentum of our 4K technology
- Expand our medical devices portfolio
- Support growth of SmallHD revenue
- Expand the success and the features of a newly launched product such as Wave that combines Teradek and SmallHD technology

The top projects in Creative Solutions for 2022 include the Bolt 4K XT, which opens up a wide array of previously unusable frequency channels, the ART, a super robust, low latency, internet protocol that will be unveiled at NAB, and a 4K, zero delay, in-light wireless medical camera system.

“

The continued investment in Creative Solutions Division's R&D allows us to continue developing exciting, high tech products that delight our customers.

**Marius van der Watt**  
SVP Engineering - Teradek



# Sourcing and manufacturing excellence

Our manufacturing facilities are modern, well-invested, lean, and, where appropriate, highly automated. The majority of our operations are relatively low-volume, small-batch processes. Our continuous improvement culture enables us to optimise our global operations to maximise quality, service and efficiency while reducing costs. We focus on safety, quality, efficiency, cost and on-time delivery. Our sourcing and manufacturing excellence is one of Vitec's core competitive strengths.

Our supply chain is efficient, and our people are highly trained and multi-skilled. We procure materials from reputable suppliers and make our products efficient and environmentally friendly. We are working to bring our sourcing and manufacturing facilities closer together.

## Localising our supply chain

Localisation of our supply chain allows us to be more flexible across a product's entire value chain while reducing our environmental impact. Strategically, we work to establish a supplier base near our manufacturing plants, reducing transportation costs, inventory levels, delivery times and emissions in our supply chain.

Production Solutions has a specific localisation programme. The decision of where to locate materials is based on a risk and value matrix. The localisation team uses the list, led by a senior buyer and accompanied by a quality engineer, a manufacturing engineer, a design engineer and a finance representative, to source raw materials.

The development of this process is reviewed monthly by the management team at each manufacturing site. Approximately 65% of the components have been localised for the Costa Rica manufacturing site and 85% for the Bury St Edmunds site.

## Imaging Solutions: case study – Manfrotto & JOBY reshoring

The Imaging Solutions Division has worked hard to localise its supply chain over the last few years. In 2017, Imaging Solutions started reshoring Manfrotto products from Asia to Italy, facilitated by the increased production efficiency resulting from implementing the Lean Manufacturing and Industry Robotics Automation 4.0 strategies. Over 70,000 units of photo supports and 15,000 units of lighting stands per year were produced in Italy instead of China. Europe and North America account for over 80% of the markets for these products, therefore, the product now has a smaller supply chain.

JOBY is a key brand for Imaging Solutions' strategy and a key growth opportunity in the next three years. As JOBY enlarges its product portfolio we have made top-line product manufacturing more localised.

In 2021, Imaging Solutions extended its reshoring project with some flagship JOBY GorillaPod products produced in-house at our automated facility in Italy instead of China. The "Made in Italy" stamp differentiates us from our competitors, gives us greater control of the design and manufacturing process, improves customer service, has a lower environmental impact, is cost-competitive and enables us to

capture the manufacturing margin. Imaging Solutions can leverage the Italy plant structure and develop lean manufacturing expertise on injection moulding and assembly, which enhances the efficiency of the process and reduces the cost of components.

We will continue to target further operational improvements across the Division through localising our supply chain with JOBY and Manfrotto as a best-case example.

## Sourcing and manufacturing excellence/continued

### Case study: supply chain management during the pandemic

There were many disruptions and delays throughout 2021, mainly due to the pandemic. Delivering for our end customers is our main priority; we worked hard to preserve the supply of our products to ensure that the long-term prospects for the business were not harmed. The Board and senior leadership team have adapted to these circumstances, with more frequent Board meetings, forecasts to reflect the reality and anticipated impact of the pandemic, and rigorous control of the cost base.

The integrity of the supply chain was a key consideration among the measures actioned to protect the business during the year, with the robustness of supply an issue that was actively managed. Throughout the Group, we enhanced our procurement processes to input orders earlier than usual to account for delay times. We also reviewed our stock regularly, closely contacting suppliers and monitoring market trends. Safety stock was kept at all sites, and numbers were monitored and adjusted appropriately. This demonstrated the effectiveness of our screening of reputational and financial risks for all major third parties that we do business with.

### Distribution and routes to market

We market our products and services through our sales and marketing teams. The majority of our sales are conducted via a global network of distributors, logistics partners, dealers, retailers and e-tailers who sell on to customers. The breadth of our product portfolio and our strong brand heritage means that our network of channel partners is unrivalled in the markets we serve.

We remain conscious of the impact of our distribution channels on the environment and run consolidated freight journeys when possible, as detailed on page 44.

We continue to expand our growing digital and e-commerce capabilities, working closely with our customers and suppliers to develop our online presence.



# Sustainable procurement

Due to Vitec's leading position in the market, we are responsible for assessing our suppliers. Vitec uses NAVEX Risk Rate to screen background checks on a new business partner or supplier. NAVEX Risk Rate is an enterprise third-party risk management and vendor due diligence solution. All current suppliers and business partners have been screened through this database, alongside regular supplier audits, which look at our suppliers' raw materials and environmental management systems. These supplier assessments include third-party certification for major brands through conducting Vendor Index Assessments.

Ethical and environmental considerations must form part of the selection criteria for any new key supplier and manufacturing contractors. Standard questionnaires have been developed by procurement; the nature and extent of procedures will depend on the risks involved. For example, additional procedures would be performed regarding the environmental process for a supplier of batteries. For key new suppliers and manufacturing contractors, a detailed site inspection must be carried out as part of the selection process and the results and conclusions must be documented and retained.

The nature and extent of review activities are proportional to each supplier's risk. The audit coverage must include the key operational matters and the dimensions of responsible supply. We ensure that our audit encompasses the entire supply chain. If a supplier, manufacturer or business partner fails any of our vetting processes or reviews, we will cease to use them, which has

not happened with an existing supplier. An example of the robustness of our supplier vetting process occurred when Production Solutions purchased solar panels for their manufacturing sites in Costa Rica and the UK. The original panels investigated came from China; a lack of transparency in the supply chain generated concerns regarding the silicon in the panels. Vitec decided against these panels and opted to purchase solar panels made in South Korea through a European provider that ensured the visibility of the entire supply chain.

At our Imaging Solutions Division, sustainable procurement and supply chain is a key pillar of their sustainability strategy, using the following steps:

## **Sustainable material source**

Minimum baseline requirements of material sources. A request form for resources used, energy consumption and source, water stewardship, chemicals and waste is created to verify the source of materials.

## **Environmental and social impact assessment**

Adding sustainability topics to our vendor index assessments, developing engagement and communication plans with suppliers, and setting sustainability as a standard within general terms and conditions.

## **Sustainable product**

Align and meet global standards on raw materials, products and packaging. Draft a legally binding document to collect all required information from suppliers.

We aim to embed these steps across the Divisions in 2022 and 2023 and trace the source and production conditions of raw materials and production inputs purchased across our value chain.

We aim to promote economic inclusion when selecting suppliers. At our Creative Solutions Division, suppliers have been selected due to being majority-owned by women or veterans; we are keen to continue supporting these suppliers.

Our supply chain team in the South of Asia is used to monitor our supply chain in the APAC region. Centralisation of APAC procurement will enable greater consistency and transparency.

# Environmental

**Our vision is to ensure we limit any negative impact on the environment and protect the natural resources we rely on, creating long-term sustainability for the business.**

## Our approach

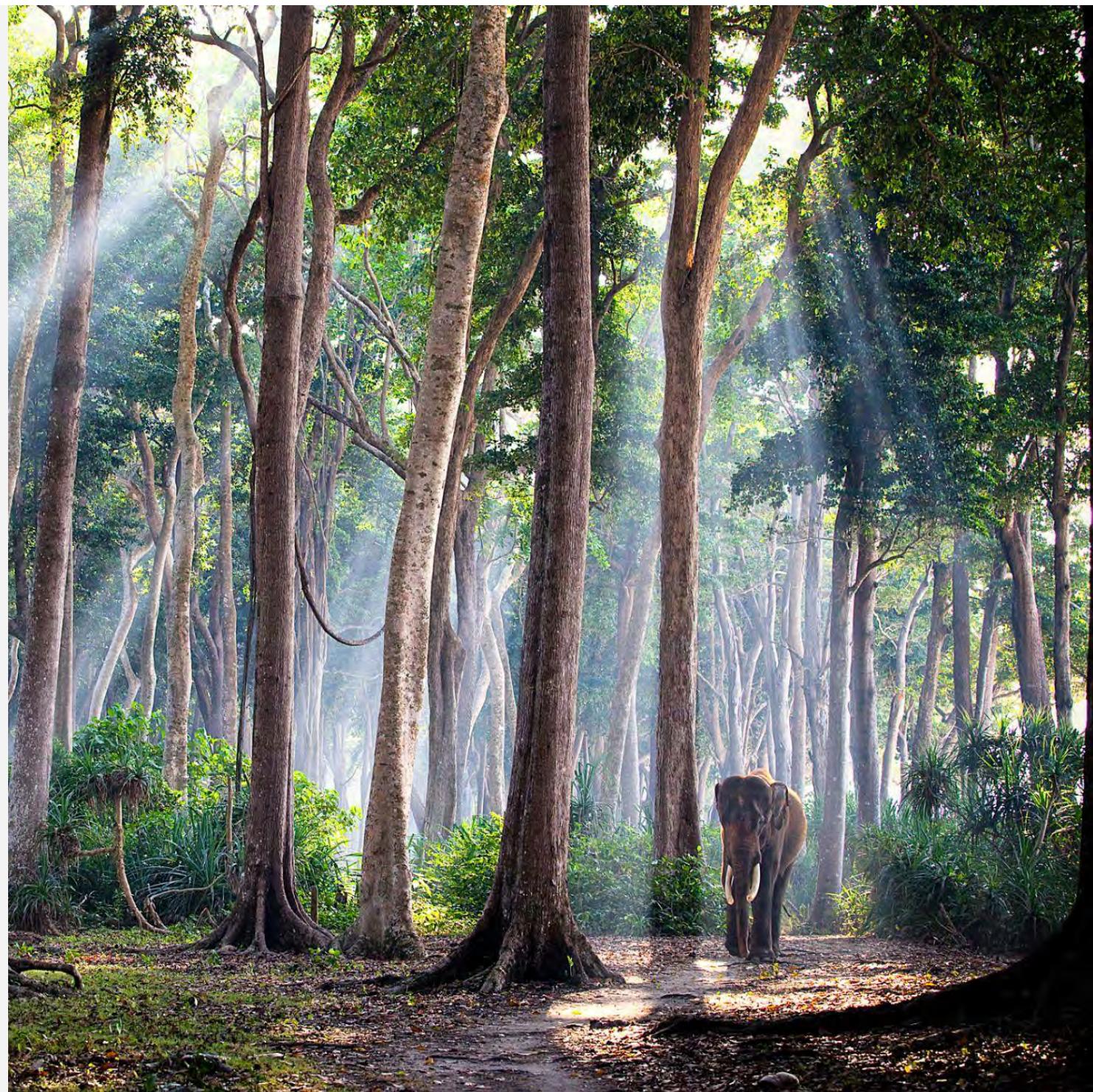
Vitec is committed to becoming a more environmentally sustainable organisation. As highlighted in our ESG strategy, although our operations do not have a dramatic impact on the environment, we take our environmental responsibilities seriously and have implemented initiatives to reduce the environmental impact of our operations, products and services.

To reach our targets, we have expanded our reporting to better monitor and manage our environmental impact and to continually develop our environmental initiatives. To drive their success, we encourage cross-Divisional learning and the sharing of successful initiatives and best practice of ESG performance.

We aim to adopt technologies, materials and processes which minimise our impact on the environment and maximise our use of sustainable resources.

Our efforts and environmental awareness continue to evolve to comply with regulations and to make our business better and more sustainable. We have initiatives aimed at sustaining and protecting the environment, improving energy efficiency, reducing carbon emissions, water use and waste, using sustainable materials and packaging, and waste disposal.

We also encourage environmentally sustainable behaviour at work and ensure that our employees understand how they can contribute.



# Environmental targets and progress

Sustainability aspiration	Goals	2021 progress
Reduce carbon emissions	<ul style="list-style-type: none"> <li>- Ensure that 100% of Group operations capture and report on CO<sub>2</sub> emissions; currently only capture 90% of Group</li> <li>- Reduce our Scope 1 and 2 emissions by 25% by 2024; 50% by 2030; 90% by 2035, based on our 2019 baseline of 4,580 tCO<sub>2</sub>e</li> <li>- Reach net zero in our Scope 1 and 2 emissions by 2035</li> <li>- Reduce Scope 1 emissions by 35% by 2027</li> <li>- Reduce Scope 2 emissions by 50% by 2030 and 90% by 2035</li> <li>- Reduce business air travel by 50% by 2024 (from a baseline of c.1,000 tCO<sub>2</sub>e in 2019)</li> <li>- Strategically reduce our Scope 3 emissions to meet our 2045 net zero target</li> </ul>	<p><b>Scope 1 emissions are direct greenhouse ("GHG") emissions that occur from sources that are controlled or owned by Vitec i.e. gas usage and transportation fuel</b></p> <ul style="list-style-type: none"> <li>- In 2021, we conducted site surveys to establish energy savings options to reduce demand and use of gas</li> <li>- We are gradually converting the Company motor fleet to electric/hybrid vehicles</li> <li>- In 2021, the Group started to measure its refrigerants which account for 1% of the Group's Scope 1 emissions and 0.01% of the Group's total carbon emissions</li> </ul> <p><b>Scope 2 emissions are indirect GHG emissions associated with Vitec's purchase of steam, heat or cooling</b></p> <ul style="list-style-type: none"> <li>- Measures were initiated to optimise consumption, including solar energy systems implemented in Bury St Edmunds, UK and Cartago, Costa Rica. Currently assessing the feasibility at other Group sites</li> <li>- Full conversion to LED lighting at Feltre, in Italy in progress</li> <li>- Secured renewable energy contracts in Italy, the UK and Costa Rica</li> </ul> <p><b>Scope 3 emissions are indirect GHG emissions of Vitec's value chain</b></p> <ul style="list-style-type: none"> <li>- Limited flights where appropriate by moving to virtual meetings instead</li> <li>- Most Scope 3 categories calculated and revised our target to be more achievable and aligned with wider society</li> <li>- Category 7 Employee Commuting example: Hybrid approach to working implemented and promoted cycle to work scheme. Employee Commuting accounts for 1% of the Group's total carbon emissions</li> <li>- Category 5 Waste Generated in Operations – where possible we collected and presented activity based data on waste (i.e. waste type, mass and disposal method)</li> </ul>
Reduce packaging and waste	<ul style="list-style-type: none"> <li>- 50% of current cardboard packaging consumption will be replaced by sustainable, FSC grade cardboard or eliminated</li> <li>- 50% reduction in annual consumption of single-use plastics by 2024</li> <li>- Continue to reduce waste to landfill</li> <li>- Start recording water consumption</li> </ul>	<ul style="list-style-type: none"> <li>- We continue to drive initiatives for improved recyclability of all inputs and raw materials used in the manufacturing process</li> <li>- Initial measurement complete and several initiatives underway</li> <li>- Our largest manufacturing sites are already close to 0% waste to landfill, supported by ISO environmental programmes</li> <li>- Information on water consumption is being gathered, and a metric developed to be disclosed alongside energy usage</li> </ul>
Embed sustainability into product life cycle ("PLC")	<ul style="list-style-type: none"> <li>- By 2025 have implemented a PLC (cradle to grave) for five of the Group's top-selling products</li> </ul>	<ul style="list-style-type: none"> <li>- Imaging Solutions leads the way through a detailed cross-functional exercise with Bologna Business School. Product Life Cycle management is already in place for some products (Gitzo) with a roadmap for completion in 2022</li> <li>- Target the most significant areas of concern in other Divisions, such as lithium batteries and recycling around electrical components</li> </ul>
Formalise the integrity of our supply chain	<ul style="list-style-type: none"> <li>- Work with our top five biggest suppliers by revenue to request supplier-specific product data by 2025. To understand the impacts of procured products on the environment and society, e.g. virgin materials vs recycled materials</li> </ul>	<ul style="list-style-type: none"> <li>- Assurance to be provided as soon as possible, no later than mid-2022. This will entail: <ul style="list-style-type: none"> <li>- Granular operations review of all components.</li> <li>- Vetting of all direct suppliers to encompass ESG dimensions.</li> <li>- Reputational risk around supply chain already actioned through RiskRate vetting.</li> <li>- A responsible sourcing policy is in place but must be communicated to internal and external stakeholders.</li> </ul> </li> </ul>

# Environmental management

As outlined on page 15, we have an established governance structure for our work on ESG at the Board and Committee level. The Board ensures resources are directed towards meeting our environmental targets and objectives and has overall responsibility for environmental management. We are starting to engage the whole business on ESG activity no matter the level. Each Division is encouraged to develop appropriate measures and engage their colleagues to hit specific objectives depending on their operating conditions.

## Production Solutions: Site Green Teams

Our Production Solutions Division introduced Site Green Teams to help with environmental management. Site Green Teams comprise members from the following areas; manufacturing, engineering, purchasing, environment, health and safety, and volunteers who work on specific activities defined by the team. Each participant is personally committed to the importance of caring for our environment. The team meets at least once a month with the Head of Operations to review and track progress on agreed ESG projects and initiatives. Many initiatives stem from this team, including the solar panel project in Costa Rica and the UK.

## Production Solutions: Small Big Improvements programme

Small Big Improvements (“SBI”) focuses on improving our understanding of the environment. The main objective of the SBI programme is to create and develop a culture of continuous improvement in all of Production Solutions’ operations. Employees are motivated to think of better ways to do their work, focusing on waste reduction, material use, quality improvement, environmental improvements and health and safety.

There is a coordinator at each site, usually the operational excellence engineer, who works as a facilitator helping people present and document their ideas. The engineer keeps records, regularly reports results and organises small monthly celebrations with participants. The programme has gained much traction, with 67% of employees having participated so far.

308 improvements were reported during the year from employees across the Division as part of this programme, increasing from 246 in 2020. In 2021, the Small Big Improvements programme eliminated 18 unsafe conditions, reduced paper and single-use plastic bags within the packaging

process, reduced machine shop cycle time and designed or redesigned 25 fixtures that facilitate and simplify operations tasks.

## ISO 14001 environmental certification

Our Production Solutions' Bury St Edmunds, UK, Cartago, Costa Rica, and Imaging Solutions' Feltre, Italy sites are certified to ISO 14001 environmental management systems. The ISO 14001 audit helps build a framework to manage environmental impacts and meet legal compliance. We aim to build upon these environmental management accreditations and encourage all principal manufacturing sites, where appropriate, to become ISO 14001 certified.

# Our Climate Change commitment

Climate change is a global challenge that affects us all, and its implications are profound and mounting. We recognise the severity of the climate crisis and see it as a material threat. We aim to provide sustainable products and services and ensure that our operations, including manufacturing processes, supply chain, distribution network and support services are sustainable, ethical and have a minimal impact on the environment. Our climate change commitment includes clear objectives and targets across all areas, prioritising actions that will deliver the greatest impact. We collect detailed data to report our progress and credentials comprehensively, clearly and consistently to our stakeholders.

Each Division is taking on its own environmental projects. A range of initiatives has been launched based on employee feedback, geographical location and the type of work at a site. Our environmental initiatives vary across the Group; however, each falls under one of the following themes: Greenhouse Gas emissions, sustainable operations and products, taking a life cycle approach, waste management, water stewardship, biodiversity and supply chain.

2022

- Set Science Based Targets ("SBTi") - align our reduction targets with a 1.5°C global warming scenario

2024

- Reduce Scope 1 and 2 emissions by 25% from our 2019 baseline
- Scope 1: Convert 24% of fleet to electric/hybrid

2025

- Carbon neutral for Scope 1 and 2

2027

- Reduce Scope 2 emissions by 35% from our 2019 baseline

2030

- Reduce Scope 1 and 2 emissions by 75% from our 2019 baseline

2035

- Reach net zero for Scope 1 and 2

2045

- Reach net zero for Scope 3

We have worked on our net zero strategy throughout 2021 and have analysed the data for Scopes 1, 2 and 3 in accordance with the Greenhouse Gas ("GHG") Protocol. We have set near-term targets as we journey to be net zero for Scope 1 and 2 by 2035 and Scope 3 by 2045. Over the coming months, the Board will review the various strategic options to achieve our near-and-long-term targets.

# Greenhouse gas emissions

## Carbon balance sheet

Reducing the Group's carbon footprint is a clear priority for Vitec. In 2021, we began calculating our Scope 3 emissions for the first time. Given the magnitude of assessing the carbon emissions for our entire value chain, we have set achievable milestones on extending the boundaries annually for complex categories to account for all aspects of our value chain. By widening our data collection in line with the Greenhouse Gas Protocol and SECR requirements, we have a clearer picture of high-emitting areas of our operations, providing us with a roadmap for targeting the best areas to reduce across Scope 1, 2, and 3. Our Scope 1 and 2 emissions represent 3% of our total impacts, with Scope 3 emissions representing the remaining 97%.

Emissions categories	Absolute emissions (tCO <sub>2</sub> e)	% of carbon footprint
Scope 1 2021	1,357	1%
Gas	1,027	0.83%
Transportation (excluding grey fleet)	316	0.26%
Refrigerants	14	0.01%
Scope 2 (location-based) 2021 Scope 3	2,524	2%
2020	119,435	97%
1. Purchased goods and services	71,858	58%
2. Capital goods	4,002	3%
3. Fuel-related emissions	816	1%
4. Upstream transportation and distribution	18,182	15%
5. Waste generated in operations	45	0.04%
6. Business travel	679	1%
7. Employee commuting	1,828	1%
8. Upstream leased assets	N/A	N/A
9. Downstream transportation and distribution	N/A	N/A
10. Processing of sold products	N/A	N/A
11. Use of sold products	22,017	18%
12. End-of-life treatment of sold products	7	0.01%
13. Downstream leased assets	2	0.001%
14. Franchises	N/A	N/A
15. Investments	N/A	N/A
<b>Total all Scopes</b>	<b>123,316</b>	

## Greenhouse gas emissions/continued

### Scope 3

The most significant Scope 3 emissions sources are those associated with the products and services purchased for consumption and use. Additionally, the use of sold products substantially contributes to Scope 3 emissions, as does upstream transportation and distribution.

Materiality Rank	Scope 3 Category	Emissions (tCO <sub>2</sub> e) 2020
1	Purchased Goods and Services Total	71,858
2	Use of Sold Products	22,017
3	Upstream Transportation and Distribution	18,182
4	Purchased Capital Goods	4,002
Total Scope 3 including Remaining Categories		119,435

# Energy resource management

The business's energy usage represents a significant proportion of our environmental impact.

We monitor and track energy usage across our manufacturing, warehouse and administrative sites and make efforts, where possible, to reduce our usage. Many buildings have been fitted with timers and motion sensors for lighting, and programmable thermostats to optimise heating and cooling. The Feltre, Italy, facility has installed 11 new air compressors with an energy-saving inverter system.

## LED lighting

We have continued installing LED lighting in many sites, aiming to roll LED lighting out to all sites across the Group. The planned installation in the Feltre, Bassano and Ashby-de-la-Zouch sites by 2023 alone will result in an estimated 80% energy reduction and cost savings of at least £60,000 per annum.

## Manufacturing

The Imaging Solutions Division has an operational strategy to reduce the environmental impact of their manufacturing. The strategy stems from analysing the relationship between

automation and people. One of the most important characteristics is the shift of focus from technology-driven progress to a human-centric approach, which has several environmental implications in reducing our energy usage and waste by locating efficiencies in the design process. Since 2010, with the introduction of the Lean principles, people have been put at the centre of Imaging Solutions' manufacturing operations. New technologies are constantly being introduced, and social and environmental benefits continue to be captured through this process.



## Energy resource management/continued

### Solar Photovoltaic Systems

A core energy management project is the installation of Solar Photovoltaic Systems at our Production Solutions manufacturing sites at Cartago, Costa Rica, and Bury St Edmunds, UK. Site Green Teams are responsible for driving this initiative and measuring performance metrics. A complete installation of the Cartago project is pictured here at the end of 2021. The system will provide more than a third (37%) of the power the site needs, saving around 13 tonnes of CO<sub>2</sub> per year for its expected lifetime of 25 years. The initial outlay for the project has come from the building's landlord, who will recoup the cost over seven years. At that point, Vitec will own the system and get the full cost benefit of saving on electricity.

The Bury St Edmunds solar panel installation will help achieve a 20% reduction in UK site emissions and expects payback in less than four years, including tax benefits. The initiative helps offset our carbon footprint through the certified use of renewable sources. Other solar panel projects are under consideration in our Creative Solutions and Imaging Solutions Divisions, and we expect projects to be viable at several other sites by 2023.

The electricity we source at our sites is another key area of our energy resource management. Electricity at our Bury St Edmunds and Cartago facilities are supplied from Renewable Energy Guarantees of Origin ("REGO") contracts. Power supply contracts at the Feltre, Ashby-de-la-Zouch and Byfleet sites were also moved to REGO contracts in 2021.



“

A very exciting project, highly valued by our employees and deeply related to the well-known culture of protection and conservation of the environment in Costa Rica.

**Julio Lizano**

**VP Global Operations, Vitec  
Production Solutions**

Saving around

13

tonnes of CO<sub>2</sub> per year for its expected lifetime of 25 years

# Transportation

Our impact on the environment does not stop at manufacturing. We must reduce our carbon footprint in terms of the transportation of our products between production, distribution and sales sites and in respect of business travel by employees.

## Travel for business

All company cars and transport vehicles will be electric or hybrid by 2024. Our transport emissions represent 1.26% of our total emissions. By 2024, we aim to reduce business air travel by 50%. The pandemic restricted international travel, but all facilities and locations were able to utilise on-site conferencing facilities with virtual meetings held with internal and external parties. This is a practice the Company intends to continue to reduce the need for unnecessary air travel.

## Colleagues commute

A programme to finance (through loans) conventional and electric bicycles for our employees is in place. This programme is already implemented in our Production Solutions Bury St Edmunds site, utilising the UK cycle to work scheme. It is in the analysis process for our other large Production Solutions site in Cartago, Costa Rica.

As part of the solar panel installation, we installed four charging stations for electric vehicles in the car parks of our Production Solutions plants in Cartago, Costa Rica and will install five in Bury St Edmunds, UK. We plan to replace light-duty diesel vehicles with electric vehicles and replace old trucks with fully electric smaller vans. Two electric vehicles are operational at the Creative Solutions California site. One is a technology repair truck and all lighting and electrics are solar-powered in this van from eight solar panels which are on the roof.

## Distribution network

Our upstream transportation and distribution emissions account for 15% of our total emissions and form an integral part of our net zero strategy. Due to the complexity of our products, long-distance shipments remain necessary, and the pandemic has made it more difficult to reduce air shipments. Despite this, we have plans and practices to reduce our air miles.

We aim to provide suppliers with a purchase forecast for 24 months, establish delivery plans with defined lead times and improve our routes to market. We adopt a collaborative approach with our manufacturers and logistic partners to ensure consolidated air freight and use state

of the art software to recalculate the new demand for parts of our products. When small volumes of materials are handled, quantities from different suppliers are consolidated in a Freight Forwarder hub in strategically defined places where containers are sure to be filled before being transported.

We engage with leading logistics partners to ensure the responsive and timely delivery of our e-commerce products. We remain conscious of the impact of our distribution channels on the environment. The emissions associated with e-commerce products will be offset by the end of 2022.

# Sustainable operations and products

Our products and services have a comparatively low impact on the environment. We use low hazard materials, minimise the use of resources during the manufacturing process, and search for sustainable materials that can be recycled or reused across production and packaging.

We aim to increase the life cycle of our products. Across the Group, we have a comprehensive after-sales process to support our customers to prolong the life of the products they purchase and keep them in the best condition possible. Many of Vitec's products, in particular supports, are designed and manufactured with the intention of increasing their life cycle for up to 20 years in some cases. Production Solutions has been working to increase this life cycle, maintaining several B-stock channels which helps to prolong the use of products and support them over time.

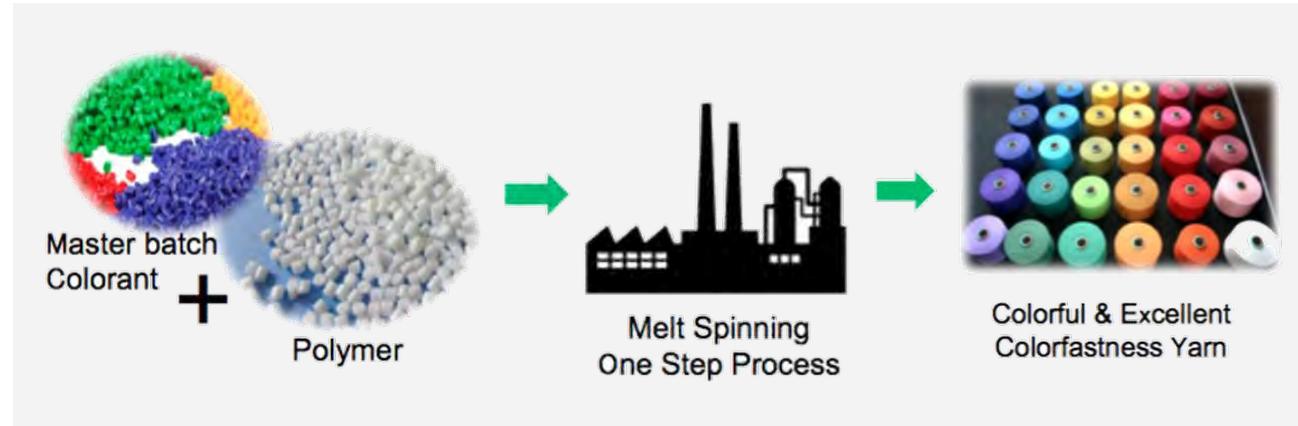
We also design and manufacture our products to have a limited impact on the environment regarding materials used for production, packaging, disposal and when in use. Moving forward, we strive to prioritise product sustainability and learn from the progress made in our Imaging Solutions Division.

## Imaging Solutions: case study – Lowepro dyeing

The Imaging Solutions' Lowepro brand introduced a solution dyeing process to reduce water waste in textiles. Traditional textile dyeing is the second-largest polluter of water globally. Therefore, we are converting our most used black fabrics on our most popular lines to solution dye by 2023. Because black is notoriously the most resource-hungry colour for wet dye, this is the most impactful change we can make

Solution dyeing is the process of dyeing the polymer solution that is extruded into yarn to be woven into a fabric, combining the usually separate steps of extruding the yarns and then dyeing the yarn or finished fabric. Approximately 80% less water is used, significantly improving the carbon footprint of the relevant fabrics.

Imaging Solutions' solution dyeing process



“

In order to reduce our impact on the climate, we are challenging everything from materials production to how our products are shipped and used.

**Luis Quehl**

**Design Director Lowepro and Manfrotto, Vitec Imaging Solutions**

# Sustainable packaging

Our Imaging Solutions Division leads in its work on sustainable packaging. Current packaging was reviewed, and three key areas are being progressed to lower the environmental impact of packaging.

## Product packaging

Lowering the environmental impact of current packaging by gradually changing product boxes to recycled and FSC compliant paper. Replacing current polybags with recycled polybags or non-plastic bags.

## Upcycled packaging

Packaging will be designed to be part of the product itself for strategic products, with a second life after its purchase.

## Reducing the impact of logistic packaging

Reducing the volume of products, reducing additional e-commerce packaging and utilising reusable shipping packaging.

Biodegradable packaging such as polylactic acid and air pillows are being tested in Production Solutions to replace plastic bags. Good progress is being made by testing different products and testing durability across different shipping routes.

Identifying what material suits a certain product has been a key hurdle. The polylactic acid material performs better with smaller, lightweight, high-volume products. Alternatives are being explored for other products.

We share our learnings across the Group. The Teradek brand in our Creative Solutions Division identified packaging as a crucial area to tackle and the team is in the process of testing and trialling different packaging materials, including the use of recycled materials.



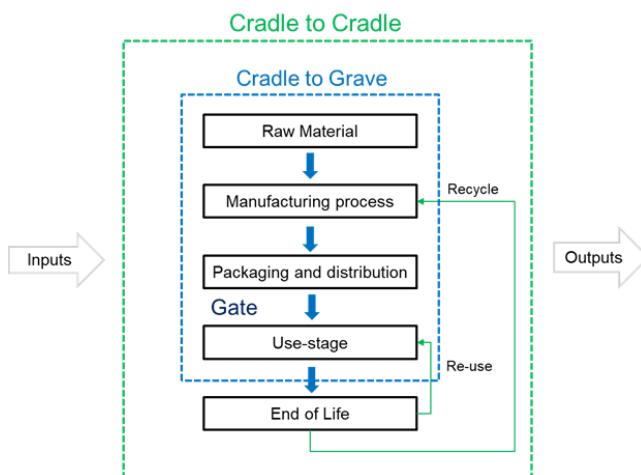
# Taking a life cycle approach

Taking a life cycle approach is a key goal for Vitec. We aim to embed sustainability into new product development and incorporate a new sustainability product life cycle management system for our top five selling products by 2025.

We plan to use the product life cycle's GHG accounting and reporting standard to complete the five product life cycle assessments while leveraging Vitec's existing strengths across each brand.

## Product life cycle (“PLC”) assessments

PLC assessments are the systematic analysis of the potential environmental and social impact of products or services during their entire lives. The scope can be defined as “Cradle to Grave”, a linear approach or “Cradle to Cradle”, a circular approach.



In both cases, the assessment will evaluate and identify environmentally weak points through analysing the following aspects:

- **Inputs** - the original design of a product. We consider the overall effect of the product on the environment, including the selection of raw materials, part selection, processing time and the sustainability of each resource.
- **Manufacturing process** - the usage of resources. Energy consumption, water consumption and waste creation are the key environmental indicators scrutinised.
- **Distribution** - the impact of packaging and distributing the product or service. Packaging materials, transportation means and how to consolidate shipments are considered.
- **Consumer use** - products will be safe in use. Routine maintenance and tests are carried out.
- **End of life** - how products can be reused and recycled. Consider the waste hierarchy. If the product must be disposed of, the most sustainable and safe means are considered.

For quantitative analysis of the environmental impact of the given product or service, we follow globally accepted standards and various software. Imaging Solutions leads our PLC work through an extensive cross-functional exercise with Bologna Business School. Custom workshops were run during 2021 on the transition to PLC.

Case studies, sustainability needs and different PLC thinking were considered.

Pilot products such as the Gitzo Légende bag which was launched in June 2021, comprises 65% recycled fabric, and Lowepro launched a PhotoSport bag with 75% recycled fabric. The products are built to last by using the right materials for longevity – upholding our Sustainable Design Principles. These successes are paving the way for further PLC initiatives at Vitec. Lowepro has plans to produce a full bag product range made of 100% recycled fabric by 2024.

PLC provides standardised metrics for our product's impact on the environment, supporting decisions in terms of waste prevention, raw materials, and supplier selection for our products. In addition, PLC can be applied as a first step management tool or design tool for new technology.

In our other Divisions, we are targeting the most significant areas of concern for a life cycle approach, such as lithium batteries and recycling around electrical components.

## Battery disposal

While batteries are a more challenging product, an initiative is underway to tackle them in Production Solutions. This is focused on recycling expired batteries in conjunction with a third-party and the RainForest Trust.

At our Production Solutions site in the US, Call2Recycle recycles batteries for both the site and existing customers. Customers are offered a used battery collection point at our Shelton office. Once the batteries are collected, Call2Recycle is responsible for processing them with certified downstream vendors.

Vitec aspires to being the greenest provider of mobile power in the industry and is continuously exploring alternative technologies in order to minimise our impact and use of rare-earth materials.



# Waste management

Various initiatives around the Group work to reduce the amount of waste created in our operations. We encourage recycling of waste products, materials, paper and other recyclable items. We aim to: use materials efficiently; prevent or minimise waste through design; maximise on-site recovery (reuse or recycle); and minimise waste to landfills.

In 2021, we committed to capturing the Group's waste levels, packaging quantities and recycling initiatives at all our sites to report this similarly to greenhouse gas emissions and energy usage. Targets have been set at the Group level for a 50% reduction in annual consumption of single-use plastics by 2024 and for 50% of cardboard packaging to be replaced by sustainable FSC grade cardboard or eliminated.

## Waste initiatives

Initiatives and projects are already well underway across the Group to reach our targets and we aim to report our waste data in detail next year.

We are in the final stages of establishing a repair centre for the US side of our business. The Group's goal is to have a Divisional repair centre on the east and west coast of the US, to cut cross-country shipments and extend our products' lifetime where possible.

Across the Group, we aim to reuse boxes from shipments and packaging materials, and we have established special relationships at certain sites to recycle difficult materials such as metal.

### Creative Solutions: Digital Guides

For all new products in the Creative Solutions Division, printed product quick-start guides will be replaced with cards containing a QR code as part of an initiative to reduce paper consumption. This project enables customers to access manuals, FAQs, firmware updates, and more online, reducing waste associated with Vitec products. The QR cards use 75% less paper; once used across all of Creative Solutions' products, this will equal a paper reduction of 0.21 tonnes per year. These new Digital Guides will significantly cut the need to print materials, reducing our waste while enhancing customers' experience.

### Imaging Solutions: Safe & Green Project

The Safe & Green Project aims to reduce plastic use and improve waste management within the Division through small but significant actions. All employees were provided with reusable stainless steel water bottles to eradicate the need for plastic bottles.

Still or sparkling water is available from dispensers in all break areas. Disposable plastic cups were replaced with tetrapak ones, and all stirrers are now wooden. All printers are set to double-sided and print in black and white. With this multi-pronged initiative, the Division estimates a 1,500kg saving of plastic waste per year from their two Italian sites alone. This initiative helps to encourage employees to adopt sustainable behaviours in their everyday lives.

### Creative Solutions: Green Revolution

In our Creative Solutions Ra'anana office in Israel, a similar approach is underway where colleagues have embraced a Green Revolution, whereby they aim to stop using disposable tools to reduce unnecessary waste.

### Production Solutions: working towards less waste

The Production Solutions Division has adopted DocuSign to reduce its impact on the environment by enabling employees to electronically sign documents reducing the need for printing. The Division reuses packaging boxes and bubble wrap to ship between sites to reduce waste generated. Once a month, a collection centre for recycling materials is set up at our Production Solutions Costa Rica site. The initiative is labelled "Vitec Recycles" (page 81).

# Waste streams

## E-waste

In the Production Solutions Shelton, US site, Tradebe recycles electronic waste, partnering with a certified downstream vendor.

## Manufacturing

Waste metals at our Production Solutions, Bury St Edmunds site are sorted and recycled. The site holds a zero waste to landfill record for all waste. We sort typical waste for recycling at all Vitec manufacturing sites, using colour-coded bins to improve segregation.

Industrial scraps from our aluminium and magnesium manufacturing stages have been targeted for waste reduction, both in the design of our products and the end-life of scraps. Currently, none of our industrial scraps goes to landfill.

At our Imaging Solutions site in Feltre, Italy, we previously used full aluminium bars in our manufacturing process. After analysing the amount of waste created, energy consumption and time spent loading, we have introduced systems to replace the full bars with aluminium tubes.

Through this practice, we have avoided 40% of aluminium scrap, equivalent to 15 tonnes of aluminium waste a year, and the remaining scrap is recycled.

## Returned products

If a product is returned from a customer or distributor, we re-evaluate the parts and accessories. From this process, we decide if the product can be resold or if certain parts can be reused in the manufacturing process. Core components such as circuit boards are often repurposed and put up for resale on our brand websites.

## Waste to energy

A waste to energy project is being explored at our Imaging Solutions site in Feltre, Italy. Waste to energy is a key part of the energy mix in the region and something Vitec is keen to explore.



# Water stewardship

In 2021, we stated that we would start to monitor and track our water data. In 2022 we intend to embed this process in our business and set a reasonable target for reduction. We aim to report our water usage in the coming years publicly across our manufacturing, warehouse and administrative sites and identify areas to reduce usage where possible. We will partner with third-party experts to ensure that accurate and timely data collection processes are embedded throughout the Group.

It is important to highlight that we are not a big water user in our production processes, therefore, water stewardship is not a major issue. Water usage across the Group is mainly from human consumption.

Each Division has implemented a water-saving initiative to reduce their consumption. Initiatives range from waterless urinals, limited flushing options on toilets to motion-controlled faucets in lavatories. Imaging Solutions considers industrial, domestic and run-off wastewater and reports zero wastewater at all sites.

## Production Solutions: water discharge, initiatives and usage

Our Production Solutions, Bury St Edmunds site annually completes a water discharge of trade effluent consent form. They must obtain consent from Anglian Water Services Ltd to discharge under set conditions. Production Solutions ensures it discharges within the regulatory parameters and is subject to inspection. A long list of pollutants is not permitted in the water that we comply with, and we pay a small fee to discharge the trade effluent.

When Production Solutions relocated to the new Bury St Edmunds site four years ago, the water discharge rate for the facility was dramatically reduced - tackling the issue at a fundamental level. In addition, the number of times we need to change the water in baths for iodising paint was reduced through upgrading machinery, saving more than 6,000 litres of water a year.

Our Production Solutions, Costa Rica site is in a tropical zone where it rains 50% of the year. In the future, when we implement an anodising process in the plant, we will be able to install a system that collects rainwater and channels it to a container where it can be stored for industrial use. The system can be used for irrigation of green areas, sanitary services, and other uses. The rainwater project has not yet been fully developed but we see it as a promising initiative over the next few years.

# Biodiversity

Although the Group has little direct contact with biodiversity, we recognise its importance for the planet. We take care to ensure our sites emit little pollution and are not disruptive to any nearby wildlife. Across the Group, we have small initiatives to encourage our relationship with nature.

For the Creative Solutions Irvine site in California, a crucial wildlife corridor connecting the Cleveland National Forest with Orange County's coastal habitat is being built. The corridor will soon host, among others, grey foxes and coyotes and passes right by our site. Our site was assessed as a part of developing the corridor and was found to have little noise pollution. The project will help strengthen our relationship with biodiversity.

At Imaging Solutions, sustainability partnerships have been initiated. Lowepro is a founding member of SeaLegacy's Good Ocean community. SeaLegacy is a global network of storytellers who use their art and expertise to inspire collective action and crowdfunding to rebuild ocean life for people and nature. Lowepro commits to making decisions across its operations to support the SeaLegacy mission. Our Imaging Solutions Feltre site is near the Feltre National Park and must comply with their regulations. The site emits minimal light and noise pollution to protect local biodiversity. Through the Picture of Life programme (page 78), our Auckland team had a tree planting day alongside the Orewa Estuary. The newly planted trees have improved water flow to the river.

## Production Solutions: Action4Good – Rainforest Trust

Action4Good was first introduced and then enhanced by regular employee feedback sessions. Now the focus is to support two charitable organisations, one focused on the environment (Rainforest Trust) and the other on social works to support women with social/economic disadvantages (ActionAid, page 63). The Division raised £13,000 for the charities in 2021. Through partnerships and community engagement, Rainforest Trust works to purchase and protect the most threatened tropical forests and save endangered wildlife.

The Rainforest Trust's projects cost-effectively store and sequester vast quantities of carbon, saving these forests is an effective way to fight climate change and protect biodiversity. Enough money has been raised to protect a total of 3,250 acres of rainforest, which will store over 552,000 tCO<sub>2</sub>e. Any fundraising work is regularly showcased within the Division in a monthly newsletter to increase engagement. Great examples of existing initiatives that benefit biodiversity are: meatless Mondays, where recipes are shared around; combining lunchtime walks with litter picking; running environmental and recycling workshops and planting trees near sites.



## Biodiversity/continued

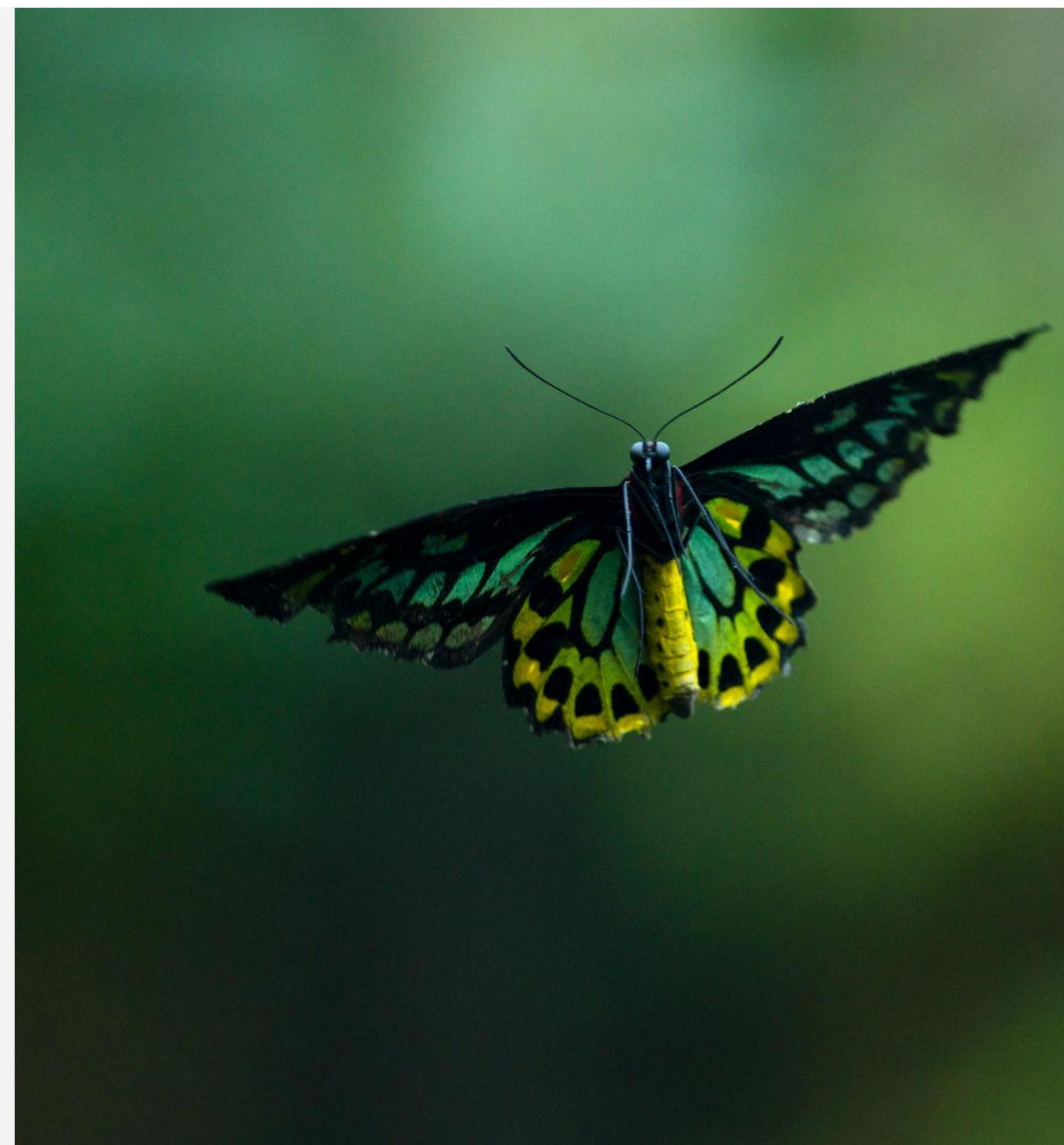
### Production Solutions: Costa Rica – Blue Flag Ecology Award

The Ecological Blue Flag is an annual award to showcase the effort and voluntary work of local entities, public and private, which seek to improve environmental conditions in Costa Rica and mitigate and adapt to climate change.

The programme aims to establish an incentive for local community stakeholders to better the community in which they live. Implementing actions to tackle climate change is a fundamental area of the work they incentivise, and they actively encourage the protection of natural resources.

There are different categories in which organisations can apply; one of them and the one we consider most important is “Climate Change”, which Production Solutions has been awarded on two occasions. The Climate Change category seeks to encourage organisations to develop using the criteria of socio-environmental sustainability and minimise the risk of climate change through comprehensive environmental management.

We are ranked 172<sup>nd</sup> out of more than 800 award-winning companies. Vitec wishes to utilise the compliance principles of the award to establish deep-rooted, biodiversity conscious practices across the organisation.



# Supply chain

We aim to work with our supply chain to ensure preference is given to materials with a low embodied energy, minimal environmental impact and locally sourced materials where possible. At Vitec, we communicate inter-departmentally and Divisionally with our suppliers to diversify our supply chain.

We have long-standing relationships with many of our suppliers and operate in a transparent and timely manner. Moving forward, we look to further formalise our supply chain integrity. We aim to upgrade our supply chain analysis to reduce environmental-related impact and risk.

We will conduct a Group-wide formal review to ensure all suppliers operate in terms broadly like our own policies and procedures (at a minimum consistent with Vitec's Code of Conduct) and that all raw materials are sourced ethically and sustainably.

As a part of our Industry 4.0 programme, we look to localise our supply chain; we have brought major brands such as JOBY from China to Italy, as detailed on page 32.

## Supply chain impacts

The impacts across our supply chain are important to Vitec. We make products in Costa Rica, a country that was selected due to its relationship with environmental accreditations and good social priorities – a decision we made to strengthen our supply chain.

To reduce our impact, we run regular quality checks on products. A part of this process involves communicating any reworks or redesigns with our suppliers. To best reduce these steps and our environmental impacts, we look to rework parts in-house before sending them to our suppliers, saving on shipping parts overseas numerous times until we get the design right.

# Social

**Our vision is to be the preferred employer for the very best people in our sector by providing an entrepreneurial environment that offers opportunities for our people to develop and thrive.**

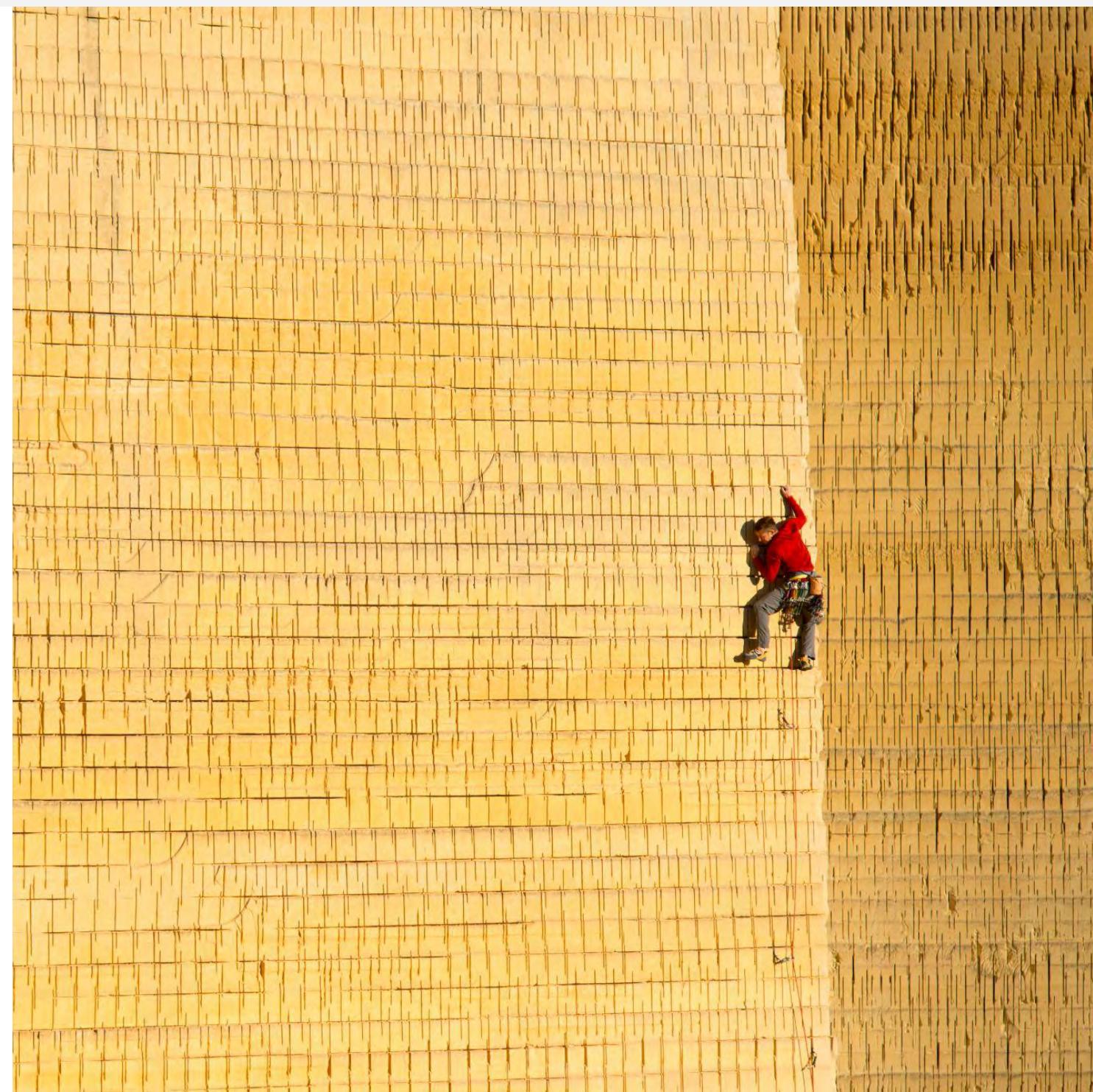
# Our approach

**“Vitec is a socially responsible company which demonstrates strong governance and ethical behaviour, and we are committed to continually enhancing our existing environmental, social and governance activities.”**

## **Stephen Bird - Group Chief Executive**

We aim to attract, retain and grow a talented and diverse workforce, providing equal opportunities for all while nurturing a sense of pride in being part of Vitec.

Our employees are the best in the sector, our greatest single asset and critical to our success. Their attitude and abilities, experience and market knowledge, talent and commitment create a culture that supports product excellence, creativity and integrity. We monitor and improve areas which are important to our people, ensuring that we have consistent policies and processes to acquire, engage and retain our best talent. Initiatives focus on wellbeing, working environment, sustainability, diversity, employee benefits and training. We have comprehensive benefits packages to support employees and remain globally competitive. We also aim to provide our employees with an engaging and stimulating entrepreneurial environment where they are encouraged to learn and develop.



# Social targets and impact

Our key priorities and targets are tailored to address our industry and our areas of improvement, meet the needs of our stakeholders and contribute to the Company's success.

Sustainability aspiration	Goals	2021 progress
Prioritise health and safety	<ul style="list-style-type: none"> <li>- No major lost time accidents</li> <li>- Expand external reporting to cover all accidents (including those resulting in under three days' absence) and all near misses</li> <li>- Continue to identify and monitor any health and safety limitations</li> </ul>	<ul style="list-style-type: none"> <li>- Provide assurance on the number of accident logs in 2021</li> <li>- No accidents over three days absence in 2021</li> <li>- External compliance verification is planned to be completed every three years</li> </ul>
Improve diversity, equality and inclusion	<ul style="list-style-type: none"> <li>- Improve Group's overall gender diversity</li> <li>- Over the next five years, aim to improve the Group's overall gender diversity from 70% men, 30% women. At a senior leadership level, we expect the ratio of women to be at least 30%</li> <li>- Continue to monitor and manage progress</li> <li>- Engage employees on this topic</li> </ul>	<ul style="list-style-type: none"> <li>- We have developed a new D&amp;I strategy with targets and action plans tailored to address our industry and our key area of improvement: a lack of female employees in many areas of the Group</li> <li>- Our Code of Conduct sets out an express prohibition on discrimination of any kind</li> </ul>
Community impact	<ul style="list-style-type: none"> <li>- Positively impact the communities in which we operate</li> <li>- Positively impact one disadvantaged young person for every Vitec employee in the communities we operate</li> <li>- Continue monitoring and measuring progress</li> </ul>	<ul style="list-style-type: none"> <li>- Divisional programmes are being reinvigorated following the pandemic—for example, the "Picture of Life" in our Imaging Solutions Division</li> <li>- We will continue to develop a structured and coherent approach and leverage external communications</li> </ul>

# Our people

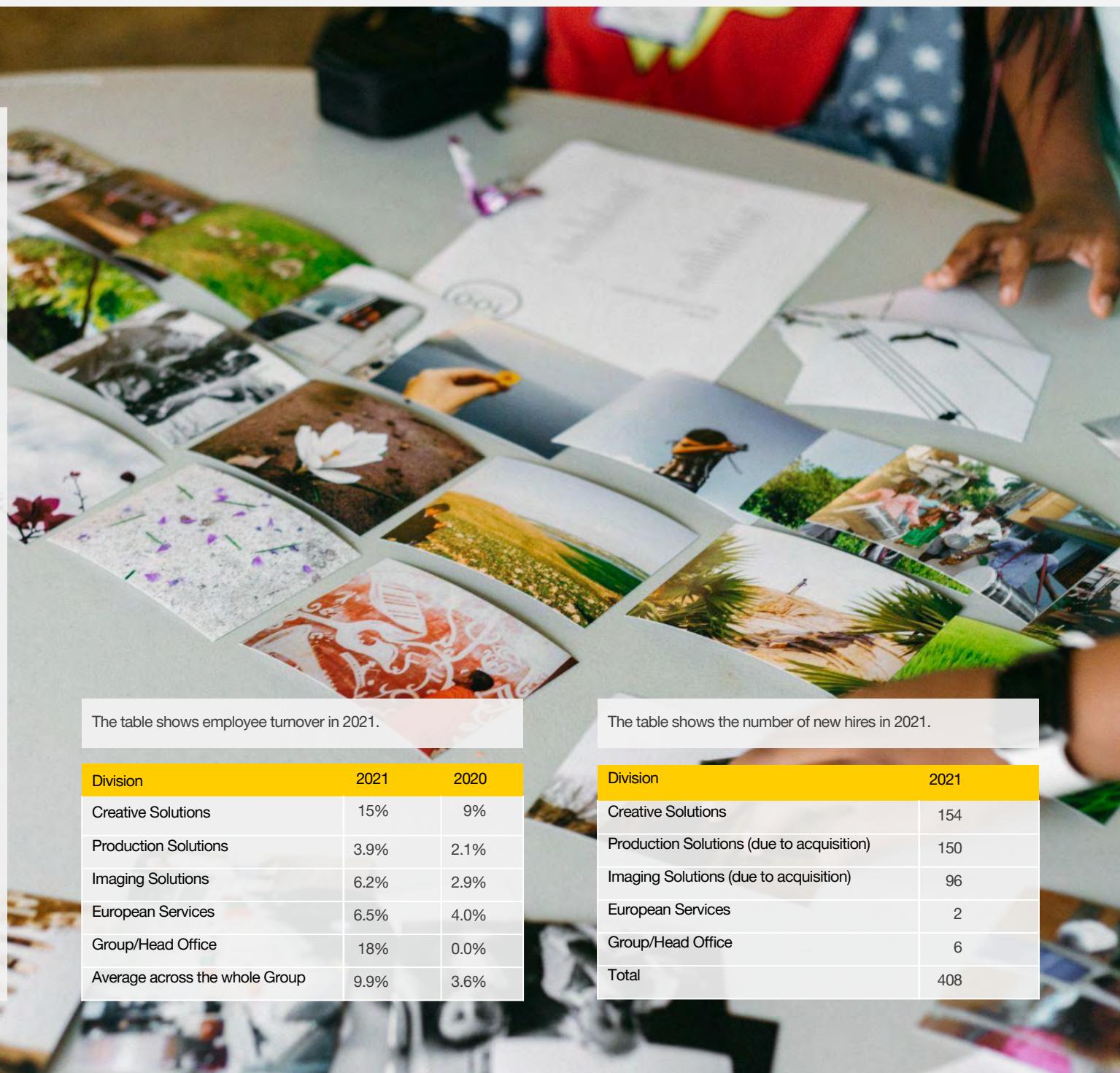
Our employees are our greatest single asset and critical to our success. Their attitude and abilities, experience and market knowledge, talent and commitment, create a culture that supports product excellence, creativity and integrity.

The total number of employees across the Group at the end of 2021 was approximately 2,000, corresponding to 1,568 FTE employees; 48 people were hired on a fixed-term contract, while 36 contractors and seven temporary workers were hired throughout the year and six third-party employees were hired.

Depending on the role, we provide intern, part-time and temporary working opportunities to employees where possible. We aim to collect and publish data on our employees by employee type categorised by age, gender and region across the whole Group in 2022.

## Employee turnover and new hires

We aim to ensure our employees are proud and happy to work for Vitec. The average percentage voluntary employee turnover across the Group was 9.9% in 2021, which is an increase from 3.6% in 2020. This increase is due to some changes within the structure at Head Office and the results of the high demand in a candidate driven market for software engineers, affecting the Creative Solutions Division in particular. 2020 was a year of exceptionally low turnover due to the pandemic which reduced opportunities.



The table shows employee turnover in 2021.

Division	2021	2020
Creative Solutions	15%	9%
Production Solutions	3.9%	2.1%
Imaging Solutions	6.2%	2.9%
European Services	6.5%	4.0%
Group/Head Office	18%	0.0%
Average across the whole Group	9.9%	3.6%

The table shows the number of new hires in 2021.

Division	2021
Creative Solutions	154
Production Solutions (due to acquisition)	150
Imaging Solutions (due to acquisition)	96
European Services	2
Group/Head Office	6
Total	408

# Diversity & Inclusion - enablers for change

Vitec recognises the importance of having a diverse workforce in successfully delivering its strategy and aims to promote a culture of inclusivity. The effective use of our employees' skills and talents is encouraged, which extends to potential new employees. Vitec is fully committed to an equal opportunity culture where talent is recognised.

In 2021, we developed a new Diversity & Inclusion ("D&I") strategy with targets and action plans tailored to address our industry and to actively recruit more female employees in many areas of the Group. Our D&I strategy looks to contribute towards SDG5 Gender Equality.

We need to attract and recruit more diverse employees, particularly females, and then develop and retain them to deliver our strategy. We have embedded diversity into our recruitment and progression processes, allocated specific investments to support our activities, and provided annual data for the Board to review.

Due to our global footprint, we are a culturally diverse company operating across 11 countries, with a workforce made up of many different nationalities. We aim to start collecting data on ethnicity in 2022 before setting an appropriate target to increase our ethnic diversity.

The Board regularly reviews the issue of diversity, including at Board level, senior management level and throughout the entire workforce, taking into account, among other things, Lord Davies' review, Women on Boards, the Hampton-Alexander review, FTSE Women Leaders and the Parker and McGregor-Smith reviews on ethnic diversity. We will introduce a "managing diversity" objective for all managers across the Group, including gender, hire to develop and succession planning for existing teams.

## Gender diversity

We are aware that Vitec operates within traditionally male-dominated industries. In some countries, the traditional business culture means that the number of females in senior management is quite small despite a high female percentage in the total workforce. Our gender diversity targets have been set accordingly.

Over the next five years, we aim to increase female employee numbers to improve the Group's overall gender diversity from 70% men and 30% women. At a senior leadership level, we expect the ratio of women to be at least 30%.

The Board continues to monitor progress on equality and the Group's gender breakdown at the end of 2021, with 2020 as a comparison is shown below.

	2021		2020	
	M	F	M	F
Group Board of Directors <sup>(1)</sup>	86%	14%	86%	14%
Operations Executive <sup>(2)</sup>	92%	8%	92%	8%
Senior Management <sup>(3)</sup>	85%	15%	88%	12%
Rest of Organisation	71%	29%	70%	30%

Contractors are excluded.

<sup>(1)</sup> Group Board of Directors is listed on pages 78 and 79 of the Annual Report.

<sup>(2)</sup> The Operations Executive is listed on page 83 of the Annual Report and includes the Group CEO and Group Finance Director.

<sup>(3)</sup> The Senior Management Team are the senior-most employees or teams within each Division and Group head office.

## Diversity & Inclusion/continued

### Equal opportunities

Our D&I strategy aims to foster an equal opportunities culture, encourage diversity and inclusion among our workforce, and eliminate discrimination and has been communicated to all employees.

Vitec's policy is that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. If employees become disabled, all reasonable effort is made to ensure their employment continues. It is our policy that the training, career development and promotion of disabled persons should be, as far as possible, identical to that of all other employees.

### Hire2Develop

Production Solutions has launched the "Hire2Develop" programme to further develop new employees. The programme aims to increase diversity within our junior workforce, helping to develop a wide range of skills and to foster an environment of creativity and passion. The programme has been incredibly successful, and 69 career expansions have been awarded between 2019-2021. We plan to roll out the Hire2Develop programme across the Group, utilising available apprenticeship programmes

focused on engineering, sales, operations and IT departments, where females are under-represented. We aim to share best recruitment practices across the Group as part of this programme.

### Group policies

We have reviewed all Group policies to ensure no unconscious gender, ethnicity or disability bias and to ensure information on part-time working, flexi-hours and maternity leave is included.

### Willis Towers Watson Global Grading System

Production Solutions have been exploring equal remuneration as part of their D&I efforts. The Division has recently invested in the Willis Towers Watson Global Grading System to carry out a job levelling process. This programme will define jobs and structure, providing a foundation for reward and talent management decisions, including base pay, incentives, career management, workforce planning, learning and development, and facilitating career mobility for all.



# Employee benefits

The Group adopts and adapts comprehensive benefits packages as appropriate to ensure we attract and retain the right talent. These benefits assist in supporting our employees and allow us to remain competitive in a global market.

Each Division provides benefits for employees, including discounted childcare options and gym memberships depending on the country. Our employees are entitled to freedom of association. Trade unions operate at our Imaging Solutions sites in Cassola and Feltre, Italy, and our Production Solutions site in Bury St Edmunds, UK.

All benefits are offered to both full-time and part-time employees across the Group.

## Pension plans

Employees have the option to join pension plans appropriate to local markets. In the UK, this involves a Company-approved pension plan with the minimum employer and employee contributions (currently 8% employer and 4% employee), and in the US, a 401k plan. Since April 2014, all UK employees have been auto-enrolled into a qualifying pension plan, except those who have expressly opted out.

We are committed to improving employee education on pensions and other financial matters and improving the overall pension offering. Our UK defined contribution pension provider, Hargreaves Lansdown, ran several educational workshops in 2021, focusing on employee investment, decision-making, and expectations around retirement. We have seen higher levels of engagement and investment decision-making by employees, and over 340 UK employees now participate in the Hargreaves Lansdown pension arrangement. Investment in the default fund represents 60% of investments held, showing that many employees take active control of their investment decisions. We will continue to have these educational workshops to help educate our UK employees on this important employee benefit.

## Flexible working

Vitec is supportive of employees enjoying a healthy work-life balance. Flexible working policies are in place across our three Divisions and are open to all employees. This is usually granted unless the needs of the business cannot otherwise be met. Examples of flexible working policies above statutory requirements include smart working, part-time working for parents with young children, optional maternity leave and flexible hours working.

## Imaging Solutions: benefits snapshot

Our Imaging Solutions employees in Italy receive long service awards or a cash allowance for benefits such as gym membership or private healthcare to suit individual needs. We have extended the supplementary labour agreement in Italy, covering over 450 employees. This focuses on employee benefits, including flexible working, childcare and bonus arrangements.

Our Imaging Solutions Division engages proactively with both unions (including FIM CISL, FIOM CGIL, UILM) and industrial associations (Confindustria) in Italy. Union representatives have regular contact with senior management and engage with employees through structured sessions, monitoring health and safety issues, employee wellbeing, and general business updates. We consult with union representatives regularly, and their feedback is considered while making business decisions, with the needs of the employees our top priority. The Division has actively collaborated with industrial associations, including Confindustria, in industry evolution, including the development of our Innovation HUB.

## Employee benefits/continued

### Parental leave

We offer employees across the Group maternity and paternity leave above statutory requirements. We operate flexible policies to help employees with care needs and special leave if necessary to deal with exceptional personal circumstances. Our UK employees have enhanced maternity leave (four months' full pay, five months' half pay and enhanced paternity leave of two weeks' full pay). Following local regulation, US employees on maternity leave receive three months' leave with 60% full pay, while employees in Costa Rica receive four months' leave. There is no paternal leave in the US, while Costa Rican employees receive three days' full pay. In Israel, employees are paid by the National Insurance Institute for up to 15 weeks for parental leave. 11 employees took maternity leave, 18 employees took paternity leave, and two UK employees took shared parental leave in the Production Solutions Division during the reporting period. We plan to collect and publish data on parental leave across the whole Group throughout 2022.

### Sharesave

We offer the Sharesave Scheme to all our employees in the UK, US, Italy, Costa Rica, France, Germany, Singapore, Hong Kong,

Japan, Australia, New Zealand and Israel. Sharesave allows employees to save a fixed monthly amount (up to £350) to purchase shares in the Company at a discount of up to 20% on the share price at the time of an offer.

Our Sharesave Scheme is extremely popular, with over 70% of Group employees participating in the scheme, demonstrating the close alignment between our employees and shareholders. We have specifically enhanced communication across the Group to ensure it is well understood and encourage as many employees as possible to participate in the scheme. Face-to-face presentations have been held at sites, and communications have been translated into local languages. We plan to expand training to online resources for all employees to explain the process further and how to get involved.

Employees have been specifically excited about the Company's recent share price growth. They were happy to see the extension on the Sharesave Scheme following the approval of a ten-year renewal at the 2020 AGM, and we would like to continue to extend this opportunity to as many of our valued employees as possible.

Level of Sharesave participation as of 31 December 2021

Country	Outstanding options at 31-Dec-2021	Active participants at 31-Dec-2021
Australia	21,548	21
Costa Rica	29,730	75
France	8,206	4
Germany	27,132	18
Hong Kong	7,657	5
Israel	89,794	46
Italy	594,377	404
Japan	73,006	42
New Zealand	33,478	23
Singapore	12,938	7
The Netherlands	2,483	2
UK	356,491	332
USA	307,751	471
Total	1,564,591	1,450

# Employee wellbeing

Employee wellbeing remains a top priority for the Board. We have continuously reviewed and improved processes across the Group to look after staff and improve colleagues' wellbeing.

Our employee's mental health is very important. We regularly conduct mental health and wellbeing risk assessments to review workload, intensity and support.

We aim to ensure our people are engaged, motivated and looked after. Following the effects of COVID-19, we have continued to provide free and subsidised meals in staff canteens in our manufacturing sites. With employee health a top priority, our remote working framework has been extended across the Group, utilising the Microsoft Teams platform to collaborate and interact. Several of our sites, including Production Solutions, Bury St Edmunds, UK and Cartago, Costa Rica, offered flu jab clinics during the year.

## Employee Assistance Programme (“EAP”)

Our EAP provides free and confidential support to all employees and their families, including counselling for emotional and psychological support, practical guidance and support on legal, financial, family and work matters and online health and wellbeing resources such as videos, podcast and downloads. The service is confidential and freely delivered by a third-party company; it remains accessible 24 hours a day, 365 days a year. During 2021, we continued to roll this programme out, translating it into the local languages commonly used throughout the Group.

We understand and appreciate the importance of creating and nurturing healthy working environments for our employees. We offer our employees several levels of healthcare cover for them and their families. This is provided as a non-contributory taxable benefit in the UK through AXA Health. UK employees who do not join this healthcare arrangement can join an alternative arrangement provided by Health Shield. In the US, our employees are offered healthcare cover through several providers, including Cigna and Kaiser; employees can select their level of healthcare.

## Production Solutions: Action4Good – ActionAid

Production Solutions' ESG programme, Action4Good, aims to make positive social and environmental contributions through engaging employees to support two charitable organisations, Rainforest Trust (page 52) and ActionAid.

ActionAid is an international charity that works with women and girls facing socioeconomic disadvantages, aiming to end violence and fight poverty so that all women, everywhere, can create the future they want.

Action4Good launched a series of initiatives for donations linked to an employee's contribution to a physical activity, which would improve their wellbeing. Participation from employees was excellent, and the initiative was a huge success, with 270 people involved.

The Division raised a total of £13,000, a staggering 25% over target, which was divided equally between the two charities.

The programme was so successful that Production Solutions plans to repeat it next year and is currently developing the 2022 plan.



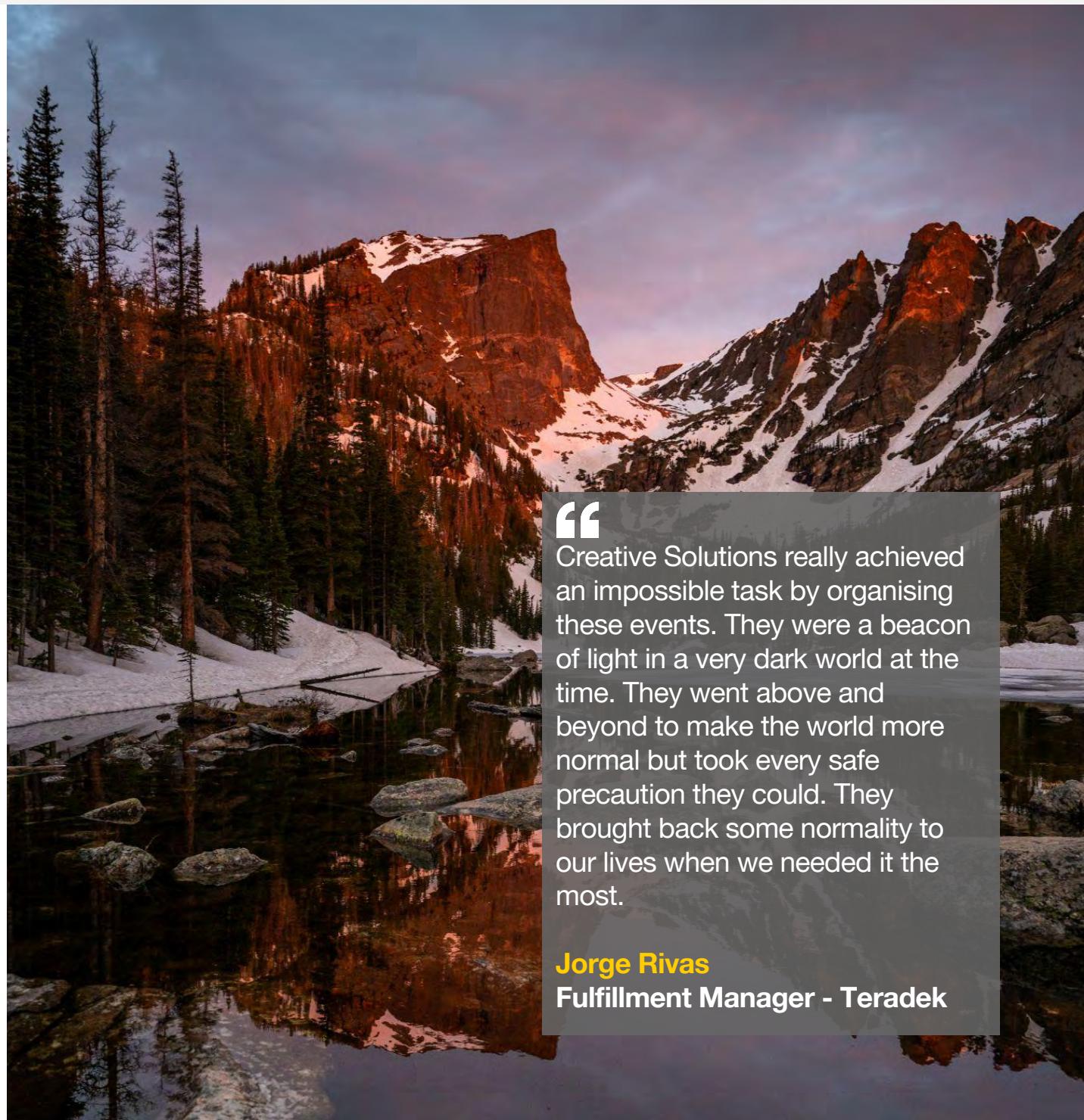
## Employee wellbeing/continued

### **Imaging Solutions: employee wellbeing programme**

Imaging Solutions has launched a campaign to support employees and enhance wellbeing. To improve physical and mental health, employees were given access to a local gym and pool with a subsidised cost, encouraging employees to unwind and exercise to promote a healthy lifestyle. The Division promotes a healthy work-life balance and has invested in reducing the prices of after-school clubs and summer camps to assist employees with young children.

### **Creative Solutions: employee wellbeing programme**

Family picnics, parties and wellness activities have been organised at all Creative Solutions sites throughout the year to increase collaboration and mixing across the Division. Where necessary, employee engagement activities were planned through Zoom to ensure staff working from home were not isolated and could maintain relationships and contact.



“

Creative Solutions really achieved an impossible task by organising these events. They were a beacon of light in a very dark world at the time. They went above and beyond to make the world more normal but took every safe precaution they could. They brought back some normality to our lives when we needed it the most.

**Jorge Rivas**  
Fulfillment Manager - Teradek

# Employee engagement

We communicate with our employees regularly using multiple channels, keeping them informed of business performance at a Group and Divisional level.

All Group employees received regular updates on the business performance from the Group Chief Executive throughout the year. These took the form of emails, videos and all-hands updates on performance and business issues from Divisional senior management.

The Board designated Caroline Thomson as the Independent Non-Executive Director responsible for employee engagement. Caroline has carried out this role for four years.

More informal communications take place in our Imaging Solutions Division, such as breakfast with the Divisional CEO to provide an opportunity for employees to exchange ideas and opinions on business strategies. Welcome meetings at the Imaging Solutions' sites are held quarterly to introduce new colleagues to the business.

In the Creative Solutions Division, "Through the Grain" is a newsletter sent to all Wooden Camera employees to keep them updated on new products, customer feedback and sharing employee volunteering and community service stories.

Production Solutions launched the "Off-Air" weekly newsletter to spread employee-driven, positive news about what everyone was getting up to during the pandemic, including charity work and volunteering. With a return to normality, a monthly "On-Air" newsletter has been launched to focus on the business and the sharing information on products, markets and employees. The response has been incredible, with many employees contributing to the newsletter, bringing a global and multi-cultural team closer together.

Employees are always given notice before change is implemented. Notice for shutdown periods is communicated to employees at least the same amount of time as the expected shutdown.

## Employee survey

Passionate, engaged and skilled employees in safe working environments positively contribute to our strategy, performance and reputation. In May 2021, we carried out our second all-employee survey to help gather feedback from employees.

83% of employees participated in the survey that focused on five questions covering

**95%**

of employees feel that their safety, health and wellbeing are a high priority for the Company

**89%**

positive feedback on all questions

health and safety, wellbeing, culture and values, communications, and satisfaction of working for Vitec. Feedback was reported to the Board at its June Board meeting and showed our people are highly engaged. Concerns raised focused on when and how people returned to the office during the pandemic, increased workload and employee wellbeing.

Feedback on the survey was shared with Divisional management to take corrective steps and improve the employee experience. We plan to repeat further all-employee surveys in future years since they provide invaluable insight.

# Case Study: Production Solutions

## Employee engagement sessions

In October 2021, Caroline Thomson held our fourth employee engagement session with employees in our Production Solutions Division. The session involved a detailed overview provided by Nicola Dal Toso (Divisional CEO) and Penny Wisdom (Divisional HR Director), covering progress within the Division since the last review in 2019 and the impact of the pandemic upon employees. Similar sessions have been held with our other Divisions. The review covered:

- Working practices in response to the pandemic, including flexible working practices
- Talent management
- Communication
- Gender diversity including a target to achieve 40% females in the workforce within ten years and measures to achieve this
- The integration of Quasar following the acquisition in April 2021
- Our Human Resources team
- Priorities around employee engagement (leadership, people management, meaningful work, work environment, growth opportunities and Action4Good initiatives focused on ActionAid and Rainforest Trust)

Production Solutions highlighted a plan to embrace a hybrid working model for white-collar employees following the pandemic.

Employees had communicated positive feedback towards the model, with many finding it motivating and that it increased productivity. It was noted that IT systems performed well during the pandemic, assisting remote working.

Caroline Thomson then followed up with individual sessions involving up to a dozen employees from our Production Solutions sites in Bury St Edmunds, Shelton and Cartago to hear first-hand from employees. Feedback was positive and subsequently shared with Divisional management and the Group Board.

We plan to repeat the employee engagement session in 2022 with our Imaging Solutions Division and our European Services business. We also aim to expand our data collection processes to include employee turnover and new hire rates categorised by age, gender and region. We have started this process in Production Solutions as shown below.

The table shows percentage of leavers by age and gender in Production Solutions in 2021.

Gender	2021
Male	72%
Female	28%
Age	
Under 30	20%
30-50	62%
Over 50	18%



The table shows percentage of leavers by region in Production Solutions in 2021.

Region	2021
Costa Rica	52.63%
UK	22.81%
USA	15.79%
EMEA	1.75%
APAC	7.02%

# Learning and development

We invest in our employees to ensure we offer them the best career development plans for their success and the success of the Company. Vitec aims to offer a comprehensive training and development programme linked to performance reviews and organisational needs.

We want our employees to develop and grow. The Board reviews leadership and succession plans across each of the Divisions to ensure a structured approach to growing and developing the Company's future leaders. We encourage inter-Company recruitment between Divisions, including the Group Head Office and offer apprenticeship programmes in many different business areas ranging from Engineering, Business Analysis and HR.

Production Solutions has launched the Hire2Develop programme. Our Imaging Solutions Division has introduced a new appraisal system to improve personal career reviews. Creative Solutions has initiated target personal development programmes.

## Training

All employees receive training on health and safety procedures appropriate to their line of work and environment. We continually review and expand training options for staff. We aim to enhance how we capture and report all employee training across the Group in 2022.

## Imaging Solutions

In 2021 our Imaging Solutions Division invested €150,000 (£125,000) on training programs. The focus of the training was the improvement of both technical skills and soft skills, such as, health and safety, communication skills, leadership and problem solving. The Division has continued to deliver online data security training for employees, increasing awareness of the need to be vigilant on the issue of cyber security and data protection. Upskilling employees is an important focus and Italian language courses are offered to non-Italian employees across the Division.

## Production Solutions

There are currently nine employees on our English Language Programme in Production Solutions at our Costa Rica site, and we intend to increase this number over time. In 2021, Production Solutions invested £50,000 into enhancing its health and safety training for employees.

People management training took place for 20 managers across our Production Solutions' US and Costa Rica sites in early February 2022.

We partner with external vendors such as the American Management Association to offer our employees the best training resources.

Production Solutions introduced a robust Individual Development Plan ("IDP") approach to learning and development alongside a training budget throughout the year. Development and training requirements specific to each employee can now be captured and implemented. The IDP has been very successful across the Division and will be reviewed half-yearly to assess progress and introduce continuous improvements based on specific employee feedback.

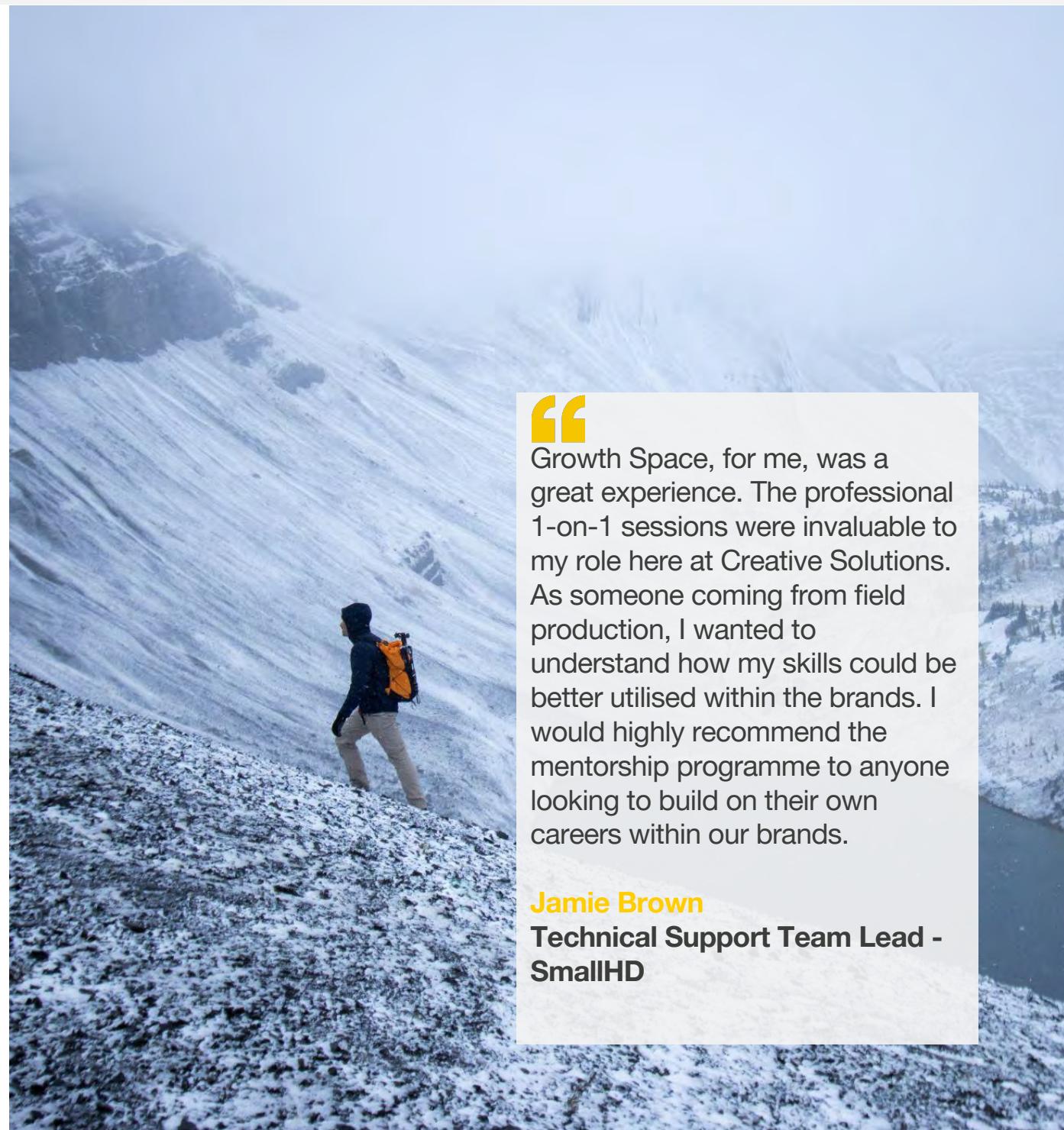
Production Solutions also sponsor various professional qualifications across all disciplines where they are identified as part of an individual's development plan.

## Learning and development/continued

### Creative Solutions: Growth Space

Employees of Creative Solutions Cary, USA site have been piloting the Growth Space programme, the world's leading employee development platform, providing access to 1-to-1 coaching, mentoring and personalised group programmes. With access to 500+ vetted experts in 30+ countries, each employee is matched with the perfect expert for personal growth. The system offers programme management and oversight at scale, helping the Division address development gaps and connect employee development to specific business goals. Relevant employees are provided with role-specific training and we aim to roll this out to all other Creative Solutions' sites and then the other Divisions.

Leadership and management development training is in place at our Creative Solutions' Israel site. We plan to roll this out, alongside diversity training, to our managers at all Creative Solutions sites. All US employees across the Creative Solutions' Division are enrolled in general training, including GDPR and sexual harassment. We plan to roll this training out to all employees in 2022.



“

Growth Space, for me, was a great experience. The professional 1-on-1 sessions were invaluable to my role here at Creative Solutions. As someone coming from field production, I wanted to understand how my skills could be better utilised within the brands. I would highly recommend the mentorship programme to anyone looking to build on their own careers within our brands.

**Jamie Brown**

**Technical Support Team Lead - SmallHD**

# Health and safety

The health and safety of our people is of the utmost importance to Vitec. We operate to stringent standards at all Vitec sites to minimise risk. We are committed to ensuring the safety, health and welfare of all employees, contractors and others who may be affected by our activities. We have continued to share best practices across the Group and have a dedicated Safety Management System and management structure for health and safety across the Group. In addition, we continue to train all staff members on safety relevant to their roles.

Our Health and Safety Policy is communicated to all site management and employees and sets guidelines for adequately controlling health and safety risks arising from work-related accidents. Our Group Company Secretary and HR Director has overall responsibility for creating and implementing this policy. The policy is regularly reviewed and updated to address emerging risks such as COVID-19.

In 2021, the new acquisitions of Quasar, Lightstream and Savage were fully integrated into the Group's Health and Safety Policy and procedures to ensure that new acquisitions are operating to high Group-wide health and safety standards.

## COVID-19

When faced with COVID-19, the Group implemented appropriate measures to follow local government advice and ensure a minimum Group-wide standard. Appropriate risk assessments for those working on-site and remotely were prepared, communicated and adhered to. We identified potential unsafe working conditions where employees work in proximity and introduced controls to mitigate the risks, including social distancing where necessary and provided face coverings. We have also provided regular testing at many of our sites and track instances where our employees have been infected or self-isolated. COVID-19 prevention procedures have been continuously communicated to employees across the Group.

## Reporting

We promote a culture of continuous improvement to prevent any major incidents, and our goal is to have zero significant lost time accidents. Our robust reporting system ensures all accidents and near misses are accounted for, whether they result in absence from work or not. The reporting process is prompt and any accident resulting in over three days' absence is reported to senior management and the Group

Chief Executive within 24 hours. We have recorded and disclosed our accident record for the past five years (page 70). Each event is thoroughly investigated, and remedial action is taken where necessary to prevent repeat occurrences. There have been no work-related fatalities since the Group began collating health and safety statistics in 2002.

Our five-year accident record details the number of accidents resulting in over three days' absence, accidents resulting in less than three days' absence and near misses from work across the Group. There were no accidents resulting in over three days' absence in 2021, consistent with 2020 and compared to two in 2019.

## Health and safety/continued

Vitec's five year accident history

Year	Incident type	Number	Comment
2021	Accidents resulting in over 3 days absence	0	No accidents resulting in over 3 days of absence for the second year in succession. This represents 0 accidents per 100,000 employees. The average number of employees in 2021 was 1,771
	Accidents resulting in 3 or less days absence	43	
	Near misses	128	Near misses include events or circumstances that could have resulted in an accident
2020	Accidents resulting in over 3 days absence	0	This represents 0 accidents per 100,000 employees. The average number of employees in 2020 was 1,569
	Accidents resulting in 3 or less days absence	42	
	Near misses	110	Near misses include events or circumstances that could have resulted in an accident
2019	Accidents resulting in over 3 days absence	2	This represents 117 accidents per 100,000 employees. The average number of employees in 2019 was 1,714
	Accidents resulting in 3 or less days absence	54	
	Near misses	112	Near misses include events or circumstances that could have resulted in an accident
2018	Accidents resulting in over 3 days absence	2	This represents 116 accidents per 100,000 employees. The average number of employees in 2018 was 1,723
	Accidents resulting in 3 or less days absence	58	
	Near misses	99	Near misses include events or circumstances that could have resulted in an accident
2017	Accidents resulting in over 3 days absence	7	This represents 418 accidents per 100,000 employees. The average number of employees in 2017 was 1,675
	Accidents resulting in 3 or less days absence	46	
	Near misses	93	Near misses include events or circumstances that could have resulted in an accident

## Health and safety/continued

### Audits

To enhance our overall safety objectives, we partner with third-party specialists for an independent audit of our standards every three years and implement improvements and recommendations throughout the business. Safety practices and procedures are reviewed, including accident investigation procedures, housekeeping, general safety and more recently, COVID-19 practices.

These audits have found that our management has a genuine interest in the safety and wellbeing of our employees. We are highly invested in developing safety programmes, recordkeeping and training. The results of our external compliance reviews are reported to the Board, and action plans with corrective measures to address any gaps have been implemented. Follow-up audits have been arranged to ensure all areas are addressed.

### Hazards

Due to the nature of our business, we have a thorough hazard identification and risk assessment process. Each Division maintains an active risk assessment record before all projects and activities. These risk assessments are completed for all employees, contractors and others visiting the Vitec sites.

There is a detailed mitigation and action plan for every potential risk communicated and agreed upon between the Health and Safety Manager and participants.

We encourage our employees and contractors to take a proactive approach to managing and reporting hazards. We routinely review our risk assessment process, and when site conditions change, new procedures are added to prevent the development of unsafe working conditions.

Employees are trained on proper and safe use and maintenance of machinery and proper material moving and lifting procedures for specific job duties.

We have a system for communicating safety issues and training and updating our colleagues across the Group. We display labour laws and universal visual safety signage across our sites, using visual aids to accommodate all employees despite language or visual impairments.

The Production Solutions' sites in Cartago, Costa Rica and Bury St Edmunds, UK, and the Imaging Solutions sites in Bassano and Feltre, Italy, were certificated with the standard UNI EN ISO 45001.

As a result, over 700 employees are covered by an accreditation on health and safety. The standard helps build a framework to manage health and safety impacts and meet legal compliance.

# Our customers

We value the relationships we develop with our customers. Vitec's purpose is to enable our customers to capture and share exceptional content. As imaging technology has improved, we are proud to offer our customers market-leading, innovative products.

All major customers are actively screened for reputational and financial risks to ensure no apparent issues of concern that could damage the Company. Clear terms and conditions are documented, including service levels, payment terms and working practices.

## Customer engagement

Our customers include broadcasters, film studios, production and rental companies, photographers, independent content creators, ("ICCs"), vloggers, influencers, gamers, professional sound crews, and enterprises.

Designing, manufacturing and distributing high-performance products to make our customers' lives easier is what drives us. Our long-standing and extensive market expertise enables us to remain close to our customers, anticipating and responding to developments to ensure that our brands remain at the forefront of the industry, renowned for their premium offerings and market-leading technology.

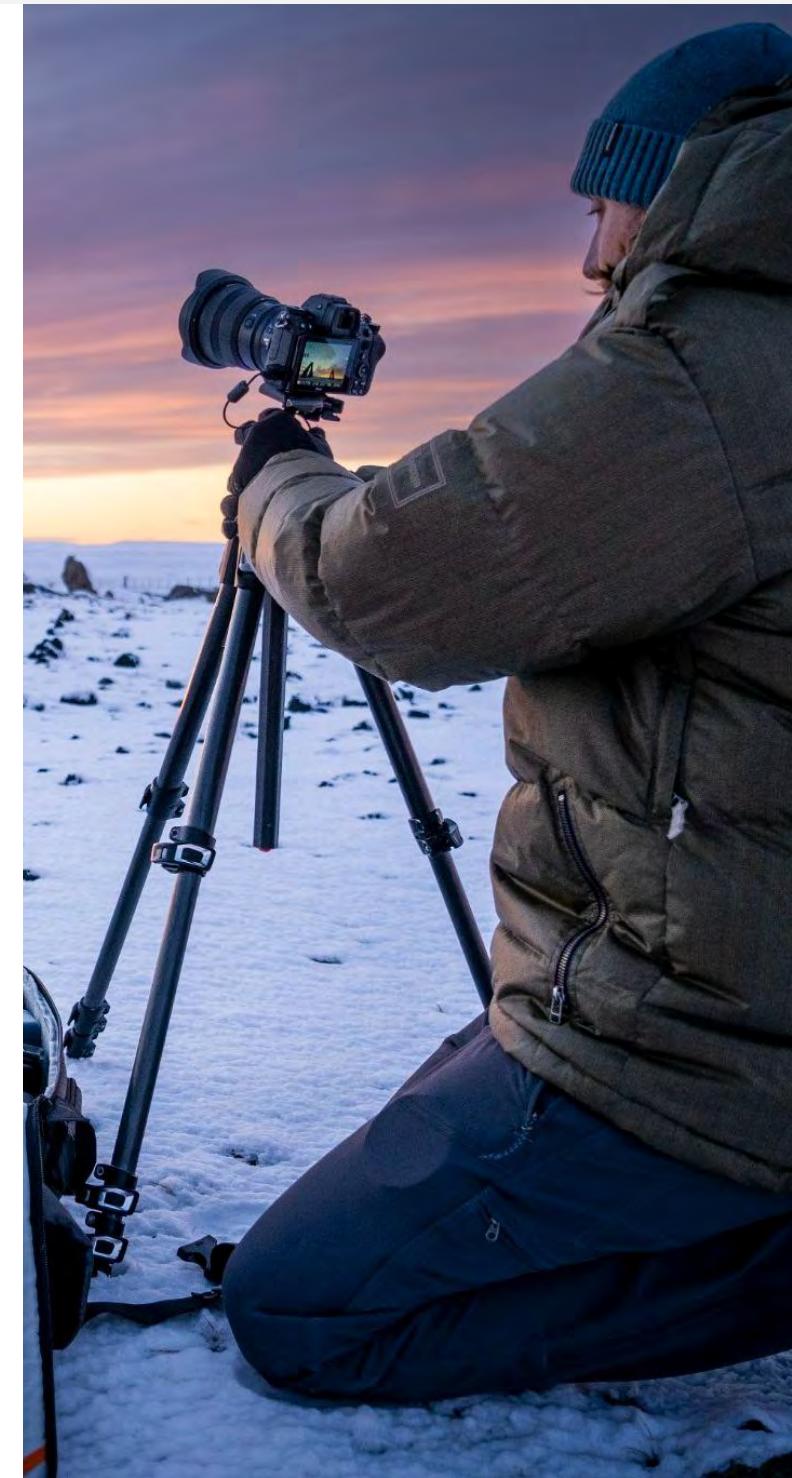
We regularly engage with our customers, and the Board is kept informed about the wide variety of the Company's customers, their changing needs and trends in buying patterns.

## Marketing and labelling

We consider marketing and labelling requirements when preparing and delivering products for our customers. We follow regulations and best practices to ensure customers are appropriately informed when purchasing products.

All our products contain labels detailing the country of origin of the finished product and include instructions for safe use. We include instructions for the safe and appropriate disposal of our packaging and electrical products. We have extended our Call2Recycle partnership to support customers to recycle used batteries (page 48). Our products are compliant regarding regulation on chemicals and substances, and where required, we include information on the content of the products.

Creative Solutions has recently introduced an initiative to enhance the marketing and labelling of our customer products. Printed quick-start guides have been replaced with QR codes; see page 49 for more information.



## Our customers/continued

### Helping our customers adopt a sustainable lifestyle

Our customers are becoming increasingly interested in sustainability, making more responsible choices in their purchases and expecting more from their brands. We see this as an opportunity to assist our customers on their sustainability journey by offering lower-emission alternative products.

Continued technology enhancements have allowed Vitec to make innovative changes to our design process and produce more sustainable products. Our experienced teams, clear strategy, premium brands, efficient supply chain and global distribution focus on delivering outstanding products and services to our customers. As detailed on pages 45 to 47, we have begun integrating ESG into our business practices and processes and embedded sustainability into brand strategies to develop sustainable products and packaging. We are enabling customers to make a difference with their purchases.

### Customer health and safety

The health and safety of our customers is a priority for the Group. As most of our products are accessories, it is essential to highlight that they pose little risk to our customers.

There have been no instances of non-compliance with regulations or voluntary codes relating to customer health and safety throughout the reporting year.

Our products are assessed for health and safety impacts throughout the design and manufacturing process to minimise the risk. Every new product is subject to rigorous safety testing as required by local regulations. Thermal chamber testing is carried out to verify that products can operate within specification at upper-temperature limits and vibration testing is conducted to ensure parts do not shake loose in transit or vibrating environments.

Electronic products are subject to further testing, such as our acceptance test procedure, comprising a physical, electrical and functional test. We conduct electromagnetic interference and electromagnetic compatibility unintentional radiation and susceptibility testing for all new products that include any electronics or active circuitry. Radiofrequency testing is compulsory for all new products containing a radio transmitter. In cases where we use off-shelf equipment like WiFi or Bluetooth modules, we select modules that are already tested and approved to be used in a modular application. We perform these tests for every country or region a product is deployed in.

### Customer privacy

The privacy of our customers' data is of extreme importance to us. Customer information, including personal and account details, is held in our system and protected by GDPR and third-party data security systems. Details of this can be found in our [Group IT Policy](#).

There have been no substantiated complaints concerning customer privacy breaches from outside parties or regulatory bodies. No leaks, thefts or losses of customer data were identified throughout the reporting period.

# Supply chain

At Vitec, we aim to uphold high ethical standards while dealing with all stakeholders. We constantly improve our practices and processes to maintain safe and responsible operations across our supply chain.

We are committed to acting responsibly and conducting our business operations with integrity. All our suppliers must comply with the terms of our Code of Conduct or have standards that are compatible with our own.

The Group sources components, materials and services worldwide. We recognise that our supply chain activities have a broad impact and that our responsibilities extend beyond our operations and those of our suppliers.

## Supply chain vetting

We aim to reduce the risk of negative impacts on society and the environment throughout our supply chain. We are conducting a Group-wide standards review to ensure that all suppliers operate terms aligned to our policies and procedures, and that all raw materials are sourced ethically and sustainably. We expect to complete this process by the middle of 2022.

The Group has recently developed our Responsible Sourcing Policy and has

communicated this to all suppliers. This policy reinforces our commitment to engaging with our suppliers. It applies to all Vitec Group employees involved in purchasing and sourcing activities and consultants, contractors and agency staff concerning their work for, or on behalf of, Vitec.

Our Divisions actively monitor supplier relationships, conduct annual reviews and follow strict sustainable procurement processes to uphold the Group working standards across our supply chains. Our senior management has built close relationships with our suppliers over several years, enabling us to understand their working practices better and be confident in their integrity.

We procure materials from reputable suppliers and produce our products in efficient and environmentally friendly operations and, where appropriate, in lower-cost countries such as Costa Rica, China, Vietnam and Myanmar. We are aware of the potential risk of child and forced labour across our supply chain, specifically in China.

We conduct supplier risk assessments to review health and safety procedures, run checks against forced and child labour risks, and protect IT security and data.

When sourcing minerals, we aim to conduct a country-of-origin assessment to ensure materials do not emanate from a region affected by conflict.

In 2022, we aim to explore the end-to-end supply chain for products and services involving multiple levels of suppliers to improve visibility. We must ensure that our evaluation encompasses the entire supply chain.

# Responsible practices

We aim to partner with suppliers committed to sourcing finished goods and raw materials in a compliant and responsible way. Vitec, together with its suppliers, must adhere to the United Nations 10 Principles of the Global Compact covering: Human Rights, Labour, Environment and Anti-Corruption.

## Respecting human rights

We fully support the principles set out in the UN Universal Declaration of Human Rights. Our policies and procedures reflect the principles contained within the Declaration.

Key suppliers and manufacturing contractors are regularly reviewed and must validate their compliance with UN guidance on human rights. Suppliers are expected to treat their workers equally and with respect and dignity. We request supporting evidence that forced labour and child labour are prohibited; wages are at least above minimum legal standards; working hours comply with local directives and no employees work more than 60 hours in any given week.

## Modern slavery

We are committed to ensuring that slavery and human trafficking do not exist in our business operations or supply chain and continually develop our monitoring systems to stamp out

the issue. We continually monitor the situation through an online database and site visits. We support the Modern Slavery Act 2015 and have a slavery and human trafficking statement, setting out our processes to eliminate this issue.

Our long-standing business partner and supplier relationships enable us to understand their working practices better and be confident that no slavery or human trafficking occurs.

The Group's NAVEX whistleblowing service supports our processes, and we are pleased to declare that no reports of slavery or human trafficking have ever been made. We will promptly and thoroughly investigate any claim or indication that a supplier is engaging in human trafficking or slavery or has contravened our Code and would not hesitate to terminate our relationship with that supplier if the allegations were substantiated.

Employees receive periodic training covering our Code of Conduct. Additional training is provided to those employees whose roles are more likely to be impacted by slavery or human trafficking issues.

Our internal audit function also considers reputational risk issues and the integrity of the supply chain and acts as a further check on the risk around modern slavery and human trafficking.

## Giving back

Supporting and integrating with the local communities and economies we operate in is important to Vitec and our employees. We invest in projects that align with our core values and look for opportunities to positively impact one disadvantaged person for every Vitec employee.

We believe in the positive power of images to convey ideas and create wealth and positive social and environmental value. As a leader in our markets, our employees are experts in photography, videography, engineering and technology, and we aim to share this knowledge to enable positive social and environmental outcomes.

The pandemic affected our ability to interact with our local communities during 2021 but our teams were still able to have an impact in certain areas. We plan to resume our community activities throughout 2022.



# Investing in future industry talent

Vitec donates and lends professional photographic, TV and cinematic equipment to educational institutions worldwide to upskill future industry talent.

In Italy, the Imaging Solutions team collaborated with universities to share employee know-how with students and future industry professionals via webinars and online lectures. A mentoring partnership was set up with the universities of Venice and Padua, including virtual meetings and online lectures.

Our Production Solutions employees work with different technical schools in the community, onboarding eight to ten students each year to complete their professional practice of Precision Mechanics. Some of the schools we work with include COVAO, Ciudad de Los Niños and CTP. Once with us, we train the students in specialised machinery and often offer jobs following their training. We have an ongoing apprenticeship programme for employees at the Production Solutions UK site, in various fields, including Engineering, Business Analysis and Human Resources. The programme is fully funded through our apprenticeship levy fund, with 11 employees currently enrolled.



# Imaging Solutions: Picture of Life

The Picture of Life project in Italy is a social and environmental education initiative aimed to empower young people with positive values, professional skills and knowledge on how to minimise their impact on the environment. The collaboration between Vitec, the non-profit organisation the Jonathan Association, and the Italian Justice Ministry started in 2014. Vitec supports the project by donating photographic equipment to equip participants with all they need for the programme and organising the course.

In 2021, the course aimed to show young people from the Jonathan Association in Naples how photography and videography can be used to create new opportunities and overcome adversity.

We worked with students to:

- Develop their photography and videography skills
- Help them execute their storytelling and creative ideas
- Evolve their environmental consciousness, specifically looking at plastic pollution on the coasts

Imaging Solutions' ambassadors worked directly with young participants from the Jonathan Association to run a plastic-free campaign in Procida, the Italian capital of culture. The programme consisted of workshops and practical activities. Imaging Solutions' employees also joined the wider Jonathan Association in a beach clean-up activity in Castel Volturno. Since 2014, 60 young people have participated in Picture of Life, with two alumni starting a professional career in photography.

Since its initial launch in Italy, the initiative has proved so successful that it has been replicated in New York and Chicago, US; Shanghai, China; Johannesburg, South Africa; and the UK. This year we expanded the Picture of Life programme further and employees supported a range of social and environmental activities in Australia, New Zealand, China and Japan.



# Imaging Solutions: Wild Shots Outreach

As part of our commitment to our long-term ESG strategy, our Lowepro and Gitzo brands have made great strides in sustainability and social projects in 2021. Lowepro launched Photosport, made from 75% recycled materials and Gitzo launched the Légende Tripod, which has a lifetime guarantee.

Both products were launched on a crowdfunding platform to help engage their community in the brands' social impact initiatives. Backers each contributed \$1 to Indiegogo, raising \$50,000 for Wild Shots Outreach ("WSO"). In addition to the funds donated, Vitec ran a digital masterclass with Gitzo Ambassador and wildlife and conservationist photographer Roie Galitz.

The South African NGO empowers young people from challenging backgrounds through photography and education, opening up employment opportunities in environmental conservation. Funds raised have been used to double the photography programmes offered to the communities bordering the Kruger National Park and further support the most talented young photographers and videographers. This donation enabled WSO to hire two full-time employees and offer five bursaries for young people to continue their professional education.

“

The funds will support vital aspects of our programme delivery for disadvantaged young people and our Bursary Fund for the further study and training of some of our most talented graduates.

**Mike Kendrick**  
**WSO Founder**



## Creative Solutions: Made in Her Image

“

This is the most collaborative and educational workshop environment I have ever attended. Everyone was very kind and deliberate in their lesson plans, so learning and picking up information was easy and clear. Thank you so much for this opportunity.”

“

It was such a warm and open environment from the moment I came in. I was nervous, based on my lack of experience in cinematography, but the instructors and volunteers made me feel extremely supported. We are Black/People of colour and non-binary people making strides in the industry, and I am so thankful for this organisation and experience. Thank you all!”

**Student feedback from the Mentorship Lab**

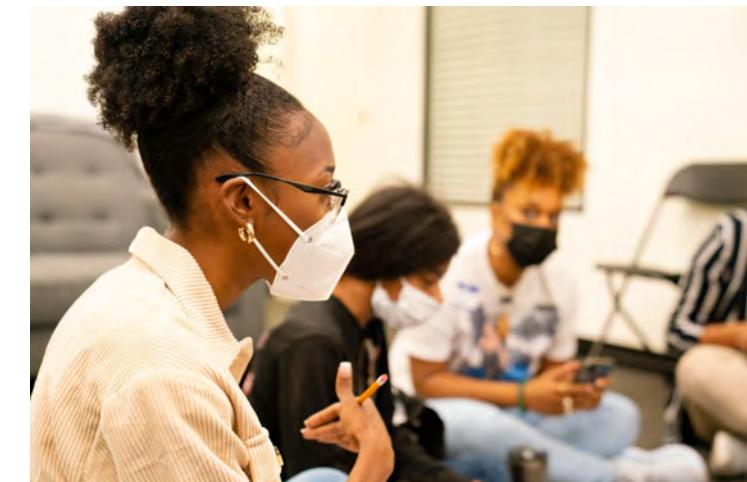
The Creative Solutions Division worked with “Made in Her Image”, an organisation dedicated to advancing young women, girls and non-binary youth of colour within film, media and technology.

This organisation is important to us. It fosters education within our industry and encourages and celebrates representation on set by curating engaging programmes to foster media literacy and empowerment.

In October, we donated \$15,000 to fully sponsor a four-week virtual cinematography course called “Their Point of View” for 40 students in Los Angeles, providing free and accessible learning opportunities. Accompanying the donation, our team organised an in-person Mentorship Lab. The Lab gave students and local youth a chance to participate in hands-on cinematography lessons taught by five LA-based female cinematographers.

### Giving Tuesday

We have extended our outreach with Made in Her Image by participating in the global day to celebrate generosity, Giving Tuesday. For two weeks, we promoted Made in Her Image merchandise. Any of our customers who purchased a sweatshirt were entered into a giveaway to win a SmallHD Cine 24 4K High-Bright Monitor and a Wooden Camera Ultra QR Articulating Monitor Mount. All proceeds were donated directly to Made in Her Image to fund more free educational courses for young female and non-binary filmmakers of colour.



# Charity

Donating to charitable causes is a core focus of the Group. Our employees give generously with their time and money, and in 2021, we estimate that the Group donated approximately £69,000 (£15,000 in 2020).

## Employee volunteering

We encourage a culture of active participation in the communities in which we operate. Staff worldwide give their time and money to various social programmes in their local communities. Our HR policies allow employees to take time off from work to support social programmes and charities.

Employees have volunteered in local community food distribution missions across the US, while all employees at our Israel site participated in a “good deeds” day.

Imaging Solutions worked with Theodore D. Young Community Center, an after-school haven that provides a foundationally safe place for disadvantaged students. JOBY and 100cameras partnered to create a curriculum built on storytelling and photography.

The curriculum provides a course where young adults can process and tell the stories of their past, present and future with no judgement or expectations.

Production Solutions' employees volunteer in local schools and carry out activities such as painting walls and helping with maintenance tasks. The Division partnered with the Offshoot Foundation to empower, enthuse and inspire disadvantaged people in the UK. Our Production Solutions' employees helped develop life skills and raise aspirations by running professional film workshops.

In our Imaging Solutions Division, 37 employees volunteered over 392 hours during the year in a range of community initiatives. We plan to collect and publish volunteering data across the Group throughout 2022.

## Production Solutions: Vitec Recycles

Production Solutions' “Vitec Recycles” is a community initiative where monthly collection centres are set up for recycling materials at the Cartago, Costa Rica plant. Vitec employees, nearby supplier employees and the wider community can bring complex materials to be processed responsibly and recycled. The collection mainly receives cardboard paper, plastics, aluminium and glass. Following collection day, a company specialised in recycling these materials collects the waste and is responsible for disposing of it responsibly and at no cost.





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