

Tom-Ferr Zrt.

ESG report 2022



31 May 2023

1. About the report

Report period	Calendar year 2022 (01.01.2022 –31.12.2022)
Reporting cycle	1 year
Content	Based on Tom-Ferr' s materiality assessment, the report presents the relevant topics related to its operation, as well as the initiatives and goals developed in connection with them.
Scope	The report covers all areas and locations of the company's operations.
BSE SME ESG assessment methodology compliance	The report has been prepared taking into account the methodological recommendations of the BSE (Budapest Stock Exchange) SME ESG assessment, meeting the „Medium” compliance level. In the report the company discloses its data according to BSE performance indicators (Environmental: 7; Social: 7; Governance: 5)

Questions and feedback regarding Tom-Ferr Zrt.'s ESG Report are welcome at the following address: tomferr@tomferr.hu

SE ESG performance indicator notation

Our company's sustainability-focused performance indicators are presented with the help of indicators detailed in the BSE SME ESG assessment methodology guide.



Marking BSE indicators in the drafting of the report

When presenting the data, we clearly indicate which BSE performance indicator the information refers to with the help of markers.



Indicators in the BSE indicator content index

In our BSE Performance Index Content Index chapter, we list all indicators appearing in our report with the definition and relevance of the metric from the company's point of view.



Table of contents

1.	About the report	1
2.	About Tom-Ferr Zrt.	3
3.	Integrating sustainability considerations into company operations	6
3.1	Management systems supporting sustainable operations	6
3.2	Our sustainability objectives	7
4.	Assessment and evaluation of environmental impacts arising from the company's activities	8
5.	Climate protection	9
6.	Waste management	13
7.	For our employees	16
8.	Sustainable supply chain management	25
9.	Fair and ethical corporate operation and respect for human rights	27
10.	Risk management	28
11.	Customer relations	29
12.	Corporate citizenship	31
13.	BSE Performance Index Content Index	33



2. About Tom-Ferr Zrt.

Our company has been present for almost 30 years at the sector, during which time it has grown into one of Europe's major market players.

Founded in 1994, the privately owned Tom-Ferr Zrt. is one of the largest pipe wholesalers in Hungary with a constant volume of 6,000 tons of pipes in stock, with more than 11 billion of HUF net sales in 2022. The company's main fields of activity are steel pipe manufacturing and machining, as well as wholesale, with the automotive industry as its largest customer. Tom-Ferr's main objective is to become an industry leader in the Central and Eastern European region.



Vision and mission

"To become a leader in the CEE region in the production of precision welded tubes and high value-added machined steel pipes for the automotive industry."



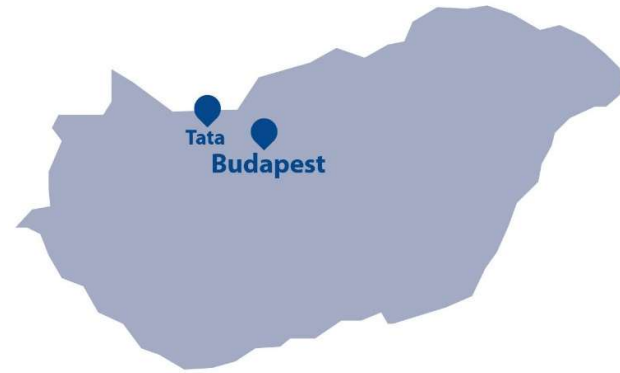
Enterprise value

"For us, our employees and long-term cooperation with them are the real value and knowledge of the company."



Location

Our headquarter is located in Budapest, but our operations take place at two locations, Budapest and Tata. Our Tom-Ferr Automotive Zrt. factory segment started in Tata in 2008, with which we undertake to produce and supply 7 million pieces of products annually to the international automotive market. Subsequently, with our new production unit to be built in 2019, our scope of activities expanded further – in our pipe factory division in Tata, we deal with the splitting of steel coils and the production of steel pipes.



Tom-Ferr operation sites

Budapest

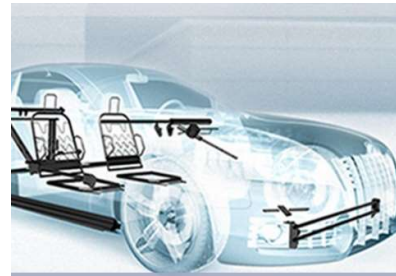


Seat

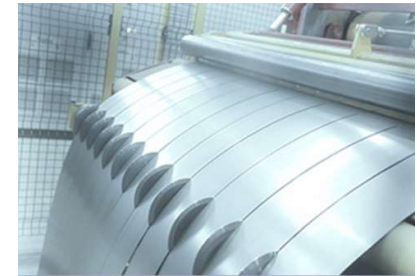


Tom-Ferr Steel Pipe Wholesale

Tata



Tom-Ferr Automotive



Tom-Ferr Pipe Factory



TOM-FERR JUG DOO

In addition to our operations in Hungary, we are also present in Serbia, we founded our foreign subsidiary TOM-FERR JUG D.O.O. in 2006, where we sell steel products, primarily seamless steel pipes.

Applied technologies:



Laser machining



Pipe cutting



Pipe bending



Cold forming



Pipe end machining



Chipping



For more information about our company visit our website.



3. Integrating sustainability considerations into company operations

Our goal is to become a long-term sustainable steel pipe manufacturer with continuous technical and competence development. To this end, we strive to achieve high-quality steel pipe production with environmental impact minimization.

Within the organization, the head of sustainability and the officer for equal opportunities monitors our sustainability-focused corporate activities. In order to achieve our sustainability objectives and to fully integrate ESG considerations into our corporate operations, we aim to educate and train our employees in the field of ESG awareness and to develop ESG competencies in management.

3.1 Management systems supporting sustainable operations

In order to implement our sustainability goals and monitor and reduce our environmental impact, we introduced the Environmental Management System in 2022. We also operate Occupational Health and Safety Management and Quality Management Systems to protect our employees and ensure high quality and customer satisfaction.



Environmental management system



Occupational Health and Safety Management System



Quality Management System



3.2 Our sustainability objectives

Over the past years, we have set out our main ambitions for sustainable operations in our annually updated Sustainability Plan, while in 2023 we will prepare our first ESG strategy, which aims to achieve excellence in ESG activities in the Eastern and Central European region. Relevant targets related to the content of this report are also presented in the relevant chapters (chapters 4-12).

Our main environmental, social, and corporate governance objectives:

E	55% GHG emission reduction by 2030 in Scope 1 and 2 areas (base year: 2022) in line with EU's 55% reduction target		Scope 3 GHG emission measurement preparation
	Reduce the amount of waste generated		Increase the share of recycled/reused materials
S	Develop a coordinated performance management system	Reduce the workplace injury rate by 50% by 2030 while keeping fatalities at 0 (base year: 2022)	Conscious planning of community involvement. Making an impact on local communities and the economy measurable
	Improve occupational health	Monitoring and improving customer satisfaction	Awareness-raising and education on equal opportunities and diversity
G	Full integration of ESG aspects into corporate operations	A comprehensive corporate code of conduct and whistleblowing system that is accessible and known to all	Development of internal rules, policies
	Preparing for CSRD reporting and meeting customers' ESG information needs	Incorporating ESG considerations into procurement policy and partner rating system	

4. Assessment and evaluation of environmental impacts arising from the company's activities

At Tom-Ferr, we believe it is important to have as little negative impact as possible on the environment in which we operate: our mission is to produce high-quality steel pipes for industry while minimizing our impact on the environment. To this end, we measure the environmental factors of our activities within the framework of our Environmental Management System (EMS) and continuously evaluate their environmental impacts at our sites in Csepel and Tata. Every year, we review our environmental impact– identifying the polluting effects and emissions of our activities, carrying out a risk assessment by rating the risk of identified environmental factors, and classifying impacts based on the risk assessment.

Emissions, pollution and resource use are classified according to the following groupings:



Atmospheric emissions



Wastewater discharge



Soil pollution



Noise and vibration, electromagnetic radiation



Waste emission, treatment



Odour, stench



Allergenic products and substances



Resource usage

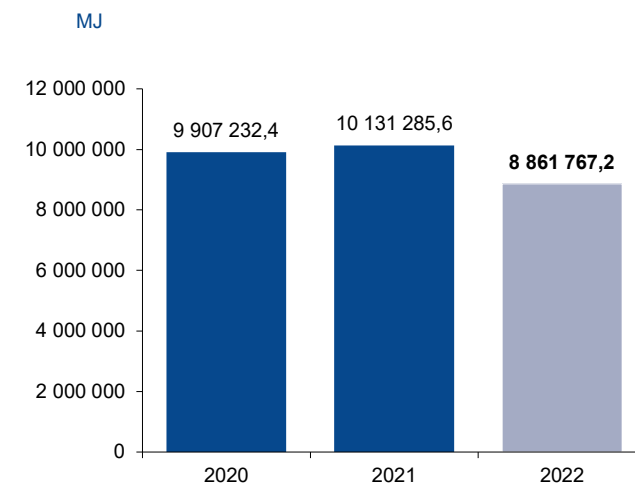
5. Climate protection

The World Steel Association estimates that the steel industry is responsible for 7-9% of global carbon emissions, second only to energy production in terms of carbon emissions. As an industry player, we therefore believe it is important to take measures that contribute to reducing our environmental impact. Accordingly, we strive to promote energy efficiency through our energy efficiency investments and we are committed to significantly reduce our carbon footprint by following the EU's 55% carbon emissions target.

Our actions to promote energy efficiency

Conscious monitoring of energy use is the first step to efficient energy management. Our company tracks its total energy consumption, including electricity, natural gas, petrol and diesel. In 2022, total energy consumption was measured at 8,861,767.2 MJ, a decrease compared to previous years.

We are working to reduce our environmental footprint by investing in energy efficiency. Our planned measures include the complete modernization of lighting at all of our sites: the modernization of Tata pipe production hall was completed in 2019, which achieved 18,613 kW energy savings, the offices at the Tata site are planned to be completed by the end of 2023, and the Csepel site by the end of 2024. In addition to our investment initiatives, we are also striving to use the energy-using equipment in a more energy-efficient way.





Total Energy Consumption (MJ), 2020-2022



Our efforts to increase the share of renewable energy use

One of our goals is to increase the proportion of renewable energy consumption, for which we plan to implement a number of measures. We spend a significant amount on green investments: both our Csepel and Tata sites have completed and planned solar panel and heat pump installation projects.

Implemented and planned investments related to renewable energy use

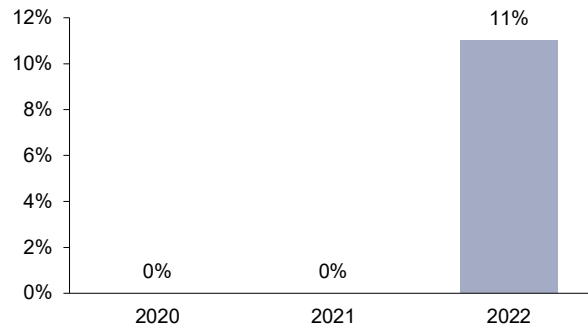
Investment project	Investment (planned) date	Value of investment (estimated*) (thousand HUF)	Investment (estimated) impact	
 <p>Photovoltaic system</p>	Installation of a photovoltaic system at the Tata site (1000 kW)	2023-2024	88 647	Increase the share of solar energy consumption in electricity consumption to 41%
 <p>Heat pump</p>	Heat pump installation in Csepel	2022	25 241	100% natural gas consumption replacement at the Csepel site
	Heat pump installation in Tata	2023	32 197	50% natural gas consumption replacement at the Tata site
 <p>Electromobility</p>	Purchase of 3 hybrid cars instead of current diesel cars	2023	45 849	
	Additional purchase of 1 hybrid and/or electric car instead of current diesel cars	2026	16 862	~ 1 l/100 km reduction per car (i.e. ~10-20 % reduction in fuel consumption)
	Installation of filling stations – 2 in Tata, 1 in Csepel	2022-2027		

*In case of EUR value, calculated with the central rate of the investment year, calculated with the forecast of the MNB average inflation rate



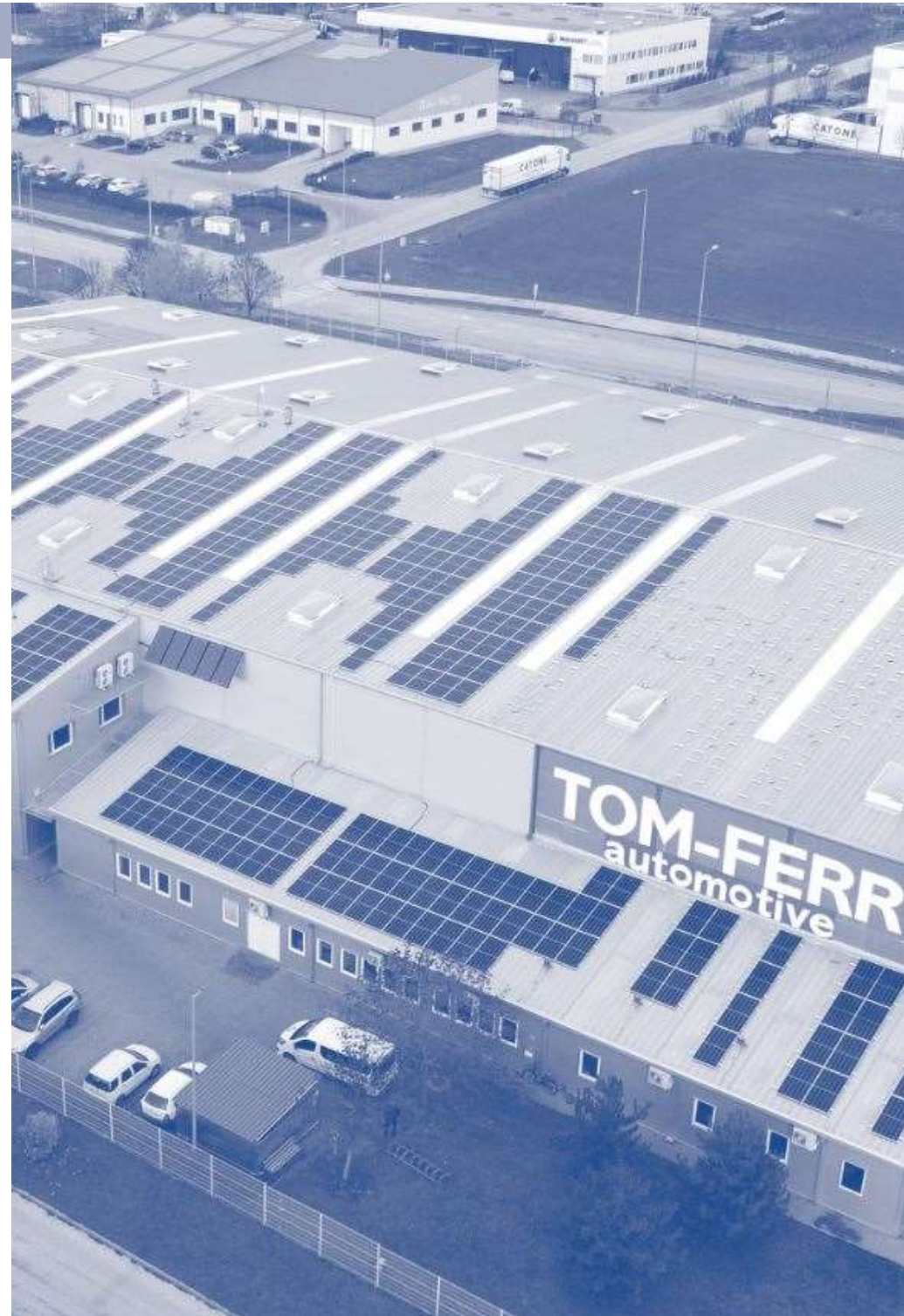
Total renewable energy consumption

Thanks to our investments, we expect to increase the share of solar energy consumption in our total electricity consumption to 41% by the end of 2024. In addition, by the end of November 2022, we will have installed heat pumps to provide heating and hot water in halls, offices and communal areas at our Csepel site. Heat pump generated thermal energy accounted for around 11% of total energy consumption. We are also planning to expand our Tata site by the end of 2023, which will allow us to replace additional natural gas consumption.



Share of renewables in total energy consumption (%), 2020-2022

In addition to our greening initiatives, we also strive to prioritise environmentally „friendly” products when purchasing.

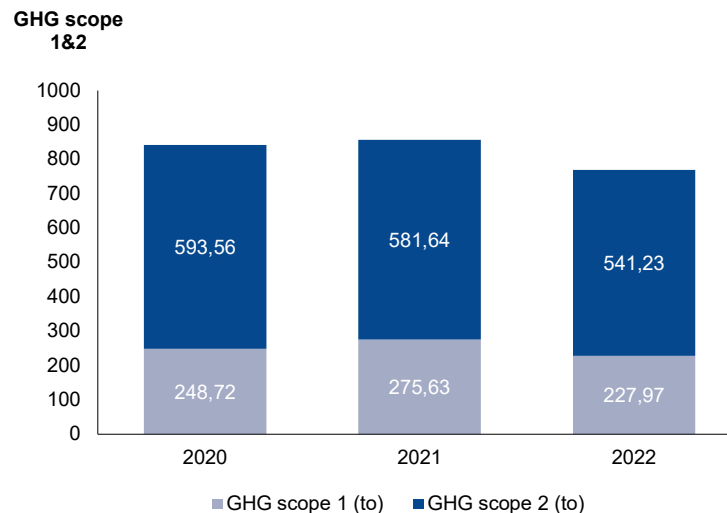


Greenhouse gas emissions

We continuously monitor our greenhouse gas emissions in order to achieve our emission reduction targets and verify the effectiveness of our supporting actions.

Scope 1 emissions include greenhouse gas emissions from our petrol, diesel and natural gas consumption, while Scope 2 emissions measure greenhouse gas emissions related to electricity use.

Based on data from recent years, we have achieved a reduction in GHG emissions and set a goal to further reduce our Scope 1 and Scope 2 emissions. In order to fully monitor GHG emissions across the supply chain, we aim to create the conditions for Scope 3 greenhouse gas emission measurement in the medium term through effective cooperation with our partners.



Objective	Időtáv
To reduce Scope 1 and 2 Greenhouse Gas emissions by 55% by 2030 (base year 2022) in line with the EU's 55% emissions reduction target ("Fit for 55" package)	 Long-term
Scope 3 Greenhouse Gas emission measurement preparation	 Medium term



6. Waste management

The protection of our natural resources plays an important role in our business processes, one of the essential indicators of which is the reduction of waste generation. In order to keep it under control, we have developed our own monitoring policy and ensure accurate internal records through our discretionary process.

Circular economy, minimizing material input

In order to reduce waste generation, we pay attention to the quantity of materials that meet demand during the ordering process. If residues are generated, they are returned to our suppliers, where they are recycled back to the economy. The resulting scrap metal is recycled in partnership, which is returned to us as strip steel. Our goal was to replace our disposable machine rags with washable textiles: through substitution we have solved the reuse of our rags, we wash our oil-contaminated rags. We generate minimal non-recyclable waste through our activities, with 95% of all waste generated recycled in 2022.

Types of waste at Tom-Ferr sites:

01 Municipal solid waste	02 Municipal waste	03 Occasional non-hazardous waste that cannot be removed as a public service	04 Hazardous wastes
------------------------------------	------------------------------	--	-------------------------------



We also strive to use greener materials or tools in our daily work. Our annual sustainability plan includes the use of recycled paper in office and printing work, as well as product and service development taking into account environmental impacts. In addition, our machinery and equipment are made from nearly 100% recyclable materials that can be recycled at the end of their life.

In addition to our already implemented or planned activities, our goal is to further reduce the amount of waste generated and to increase the proportion of recycled or reusable materials at our sites.



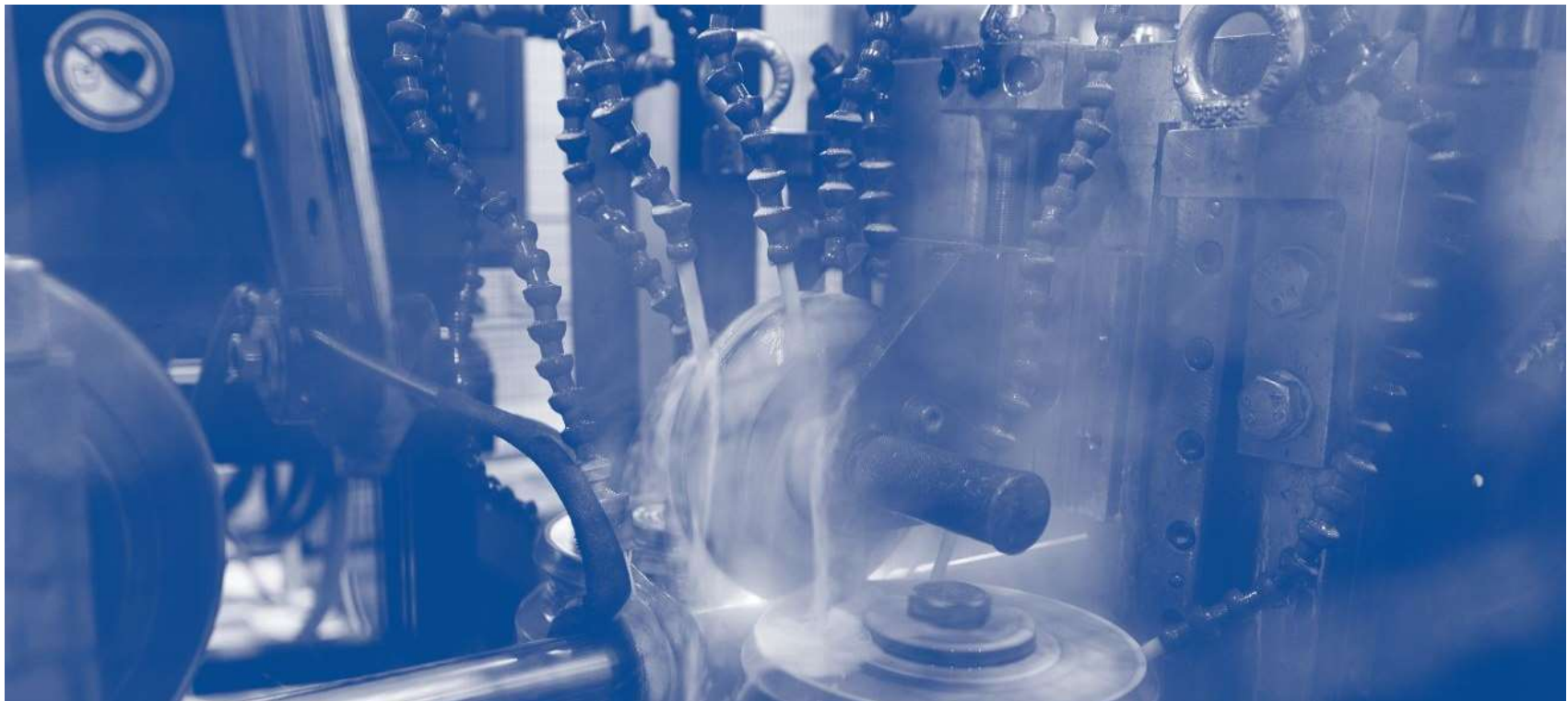
Objective	Időtáv
Reducing waste generation	Short-to-medium term
Increase the share of recycled materials	Short-to-medium term



Separate waste collection, handling of hazardous materials

We aim to reduce our environmental footprint through the effective use of selective waste management. To ensure the success of the program, we also pay attention to employee education on the topic - with training sessions at the sites to raise awareness of the importance of selective waste collection and how to do it properly.

In our activities, we also use hazardous substances, which we handle in compliance with legal requirements. We keep records of these materials and arrange their transportation through partnership. Raising awareness about hazardous substances is also extremely important, we provide training for our new employees and external contractors working permanently in the office building.



7. For our employees

Attracting and retaining skilled workers is a particularly significant and growing challenge in the industry. For us, our employees and long-term cooperation with them provide the real value and knowledge of the company, so it is extremely important that our employees see us as a reliable, attractive workplace.

Health and safety of our employees

At Tom-Ferr, we pay special attention to minimizing workplace risks, preventing accidents and adverse health events in order to preserve the health of our employees and create safe working conditions. In order to implement the principles set out in our Occupational Health and Safety Policy, we operate an MSZ ISO 45001:2018 Occupational Health and Safety Management System at both our Csepel and Tata sites. Our goal is to actively contribute to the health and safety of our employees, the employees of our commissioned subcontractors, as well as those who come into contact with the company's environment during our operations.

The adequacy of the management system is ensured by annual Management inspections, regular internal and external certification audits, and occupational health and safety visits.

As part of the management system, our occupational safety assessment team is responsible for identifying potential hazards and assessing their risks.

In order to increase health and safety at work, we have set ourselves the goal of encouraging health promotion among our employees and reducing the rate of accidents at work.

Célkitűzés	Időtáv
Improving and promoting employee health	 Short-to-medium term
Reducing the rate of accidents at work: Reduce workplace accident rates by 50% by 2030 while keeping fatalities at 0 (base year 2022)	 Medium term

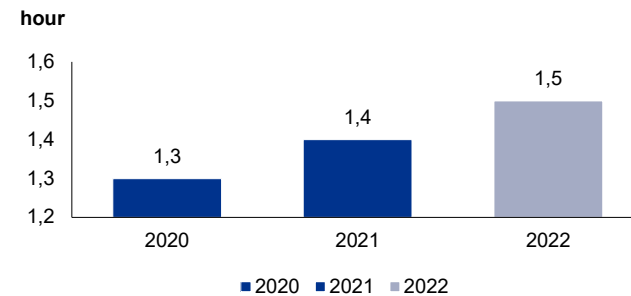


We place a strong emphasis on developing a healthy and safe work culture and employee knowledge, and on communicating with employees, competent authorities and supervisory bodies about health and safety at work. Our employees participate in health and safety training when they start work, change jobs, modify work equipment and when new equipment is installed. In addition, the level of knowledge of our employees is monitored annually, on the basis of which an annual training plan is developed for specific groups of employees. To ensure the effective development of our employees, we provide external training courses, in addition to internal training, as required. The importance of raising the awareness of our employees is demonstrated by the steadily increasing average number of health and safety training hours per employee over the period 2020-2022.

Tom-Ferr employee training in occupational health and safety

<p>01</p> <p>Introductory and annual training on the management system</p>	<p>02</p> <p>Occupational safety, fire and accident prevention training</p>	<p>03</p> <p>Training on Occupational Health and Safety Policy</p>
---	--	---

In addition to training, we also support the information of our employees through other means: the regulations on the management system are available to all employees, and we provide information on changes to these and to major legislation affecting our employees by e-mail and on notice boards.

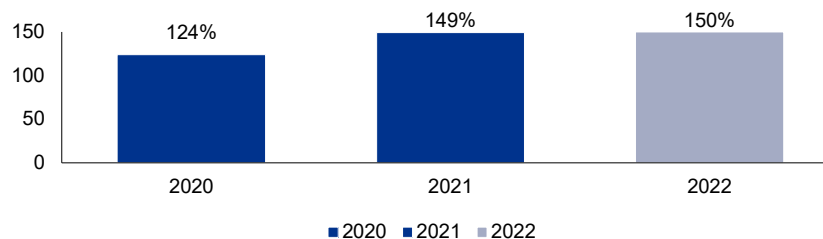


Average health and safety training hours per employee (training hours per employee), 2020-2022

Providing fair pay and other benefits to our employees

At Tom-Ferr, our goal is to ensure fair wages for our employees. Our efforts are proven by the fact that the salaries of our employees entering the period 2020-2022 also steadily exceeded the minimum wage.

2In 2022, the ratio of wages to minimum wage for our entry-level employees was 150%.



Entry-level wages to minimum wage ratio (%), 2020-2022

At the same time, we strive to ensure fair and equal treatment of salaries. One of the important commitments of our annual sustainability and equal opportunities plan is to ensure equal pay for employees with similar or similar job titles, so any pay differences depend only on the job, individual performance, skills, abilities and expertise.

Other benefits for our employees



Leadership première



Providing cafeteria for blue-collar workers



Commute support, provision of company buses



Other Employee Recognitions

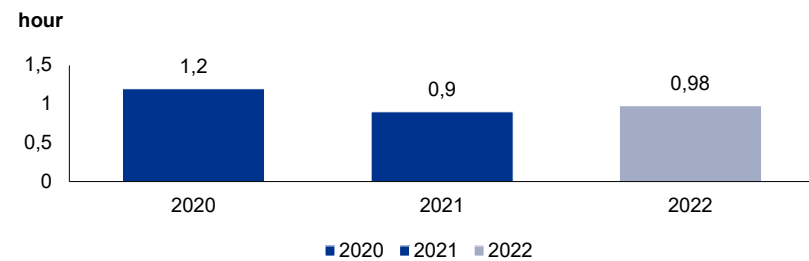


Internal Career Program


Depending on the job, we supplement our employees' wages with other benefits. We provide an annual premium to our colleagues working in managerial and administrative positions, while our blue-collar employees receive cafeteria benefits up to a certain monthly budget. In addition to the statutory requirements, our company reimburses the costs of employees travelling by car at individual discretion, in addition, two company buses suitable for group passenger transport help our employees to get around daily.

Each year, we also pay attention to highlight our most successful employees in the framework of monthly and quarterly awards, and we recognize our employees who prove their dedication with their work of several years. In addition, we keep in mind the career aspirations of our employees: in order to realize their career ambitions, we provide opportunities for job expansion and internal "job rotation" in management positions as well.

We monitor the availability and development of professional skills from the moment our employees join us: when new employees start their jobs, they receive theoretical and practical training appropriate to their job, including training to perform their job duties, such as training in the use of the ERP system or communication. After joining, we prepare an annual training plan to support career development, including specific training needs for each employee group after joining. We aim to develop a harmonized performance management system for our employees, including a training program tailored to job roles and employee development needs.



Average number of training hours per employee (training hours per employee), 2020-2022

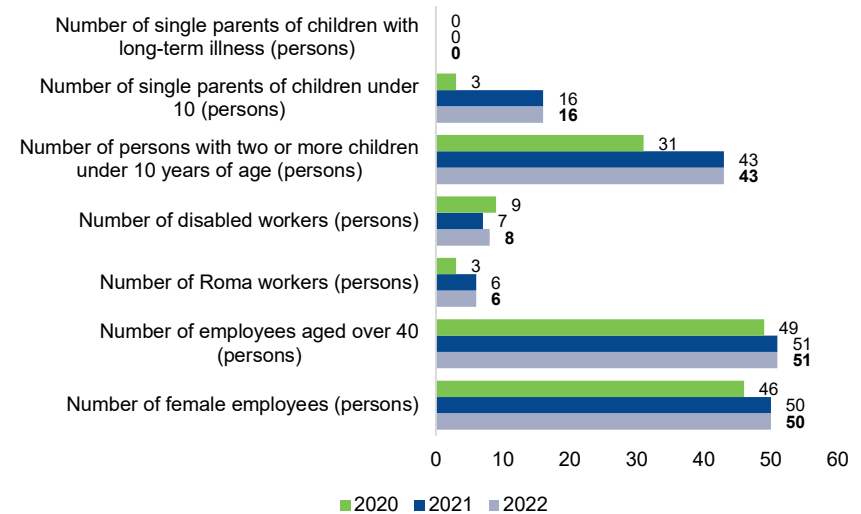
Objective	Time frame
Development of a coordinated performance management system (performance evaluation and incentives, training/career path planning), development of benefit policy	 Short-to-medium term



In order to ensure an adequate supply of professionals, we also strive to establish cooperation with local schools. Where possible, within the framework of cooperation with Széchenyi István University, we operate our internship program in vehicle engineering, transport engineering and mechanical engineering, and with the Bláthy Ottó Technical School, Vocational School and College of the Tatabánya Vocational Training Center in the fields of mechatronic technician, mechanical technician, welder and electrician.

Diversity, equal opportunities, non-discrimination

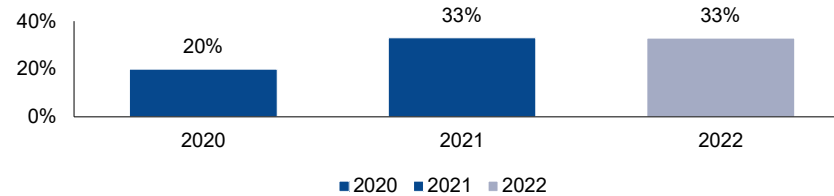
Ensuring diversity and equal opportunities for all of our employees is an important building block of our corporate culture. Since 2020, we have set out our initiatives and targets for equal treatment in our Annual Equal Opportunities Plan. In our annual plan, we prioritise women, people over 40, people with a Roma identity, people with disabilities, people with two or more children under 10, people with children under 10 on their own, people with long-term illness, people caring for elderly relatives and people starting their careers, and we also make a conscious effort to employ disadvantaged workers. As a result, there is an upward trend in registered disadvantaged groups of workers, with the exception of those caring for a long-term sick child and Roma workers, compared to 2020.



Number of disadvantaged workers (persons), 2020-2022



However, the proportion of female managers is in line with the national industry average and is on the upward trend compared to 2020.



Percentage of female managers (%), 2020-2022

At Tom-Ferr, we also employ foreign workers and strive to integrate these employees. To this end, we translate the work instructions and try to facilitate integration at shift supervisor level, for example by employing a shift supervisor with dual nationality.

In order to ensure equal opportunities and non-discrimination in the long term, we strive to prevent cases of abuse. We continuously monitor the composition of the workforce and during the recruitment and selection process we ensure that employees are evaluated solely on the basis of relevant qualifications, skills and know-how. To ensure equal opportunities, we set objectives in our Equal Opportunities Annual Plan, the implementation of which we review with the help of our Head of Equal Opportunities, and based on this, we set further targets necessary for its further development. In case of possible abuse, we ensure a full, meaningful investigation of the circumstances, and cooperate with the aggrieved party, the authority handling the case, and ensure the identification of the causes and the necessary measures for prevention. There were no abuses of equal opportunities during the reporting period.



Tom-Ferr's activities to address discrimination risks



Objectives

- Formulate objectives for equal opportunities in the Equal Opportunities Plan



Monitoring


- Head of Equal opportunities job: regular review of the plan, formulation of objectives necessary for its further development
- Hátrányos Monitoring cases of discrimination:
 - Recruitment process: evaluation of employees solely on the basis of relevant qualifications, skills and know-how
 - Continuous monitoring of the composition of the workforce



Risk management

- In case of abuse, a full, substantive investigation of the circumstances
- Cooperation with the aggrieved party and the authority handling the case
- Identifying causes, measures for prevention

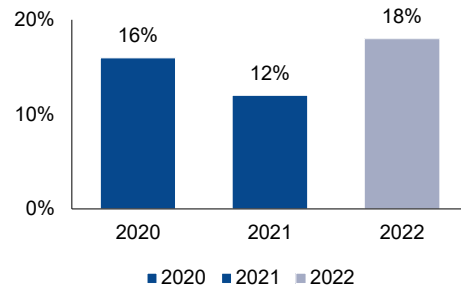
We strive to draw the attention of our employees to the importance of equal opportunities and diversity. To this end, we have set ourselves the goal of strengthening awareness raising and awareness raising among our employees.

Objective	Időtáv
Awareness raising and education on equal opportunities and diversity	 Short-to-medium term

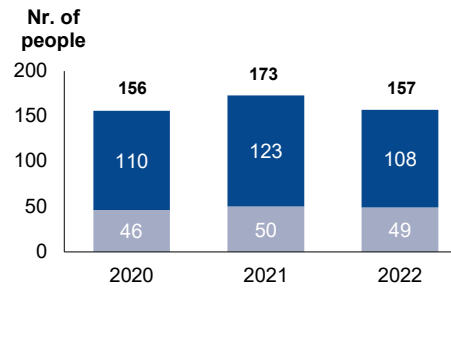


Retaining and involving our employees

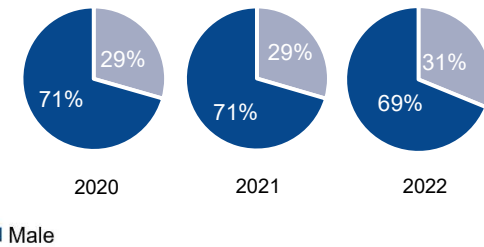
Establishing successful collaboration with our employees is important for our corporate operation element, which is why retaining qualified and stable workforce is a priority.



Fluctuation (%), 2020-2022



Data on the number of employees (persons), 2020-2022



Organizing team building and family programs to strengthen cohesion

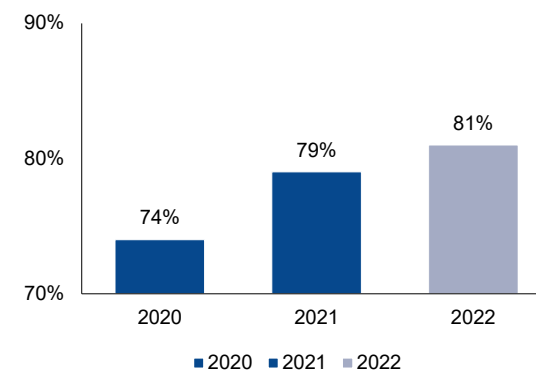
As well as providing decent working conditions and fair benefits, we also pay attention to

create a family atmosphere alongside the day-to-day work, which greatly contributes to a sense of well-being at work and success. Our annual team-building and family programs, and participation in joint mass sporting events, help to foster a sense of belonging.



It is important to encourage two-way and effective communication between employees. One of the key elements of our corporate culture is "Open door policy" and live communication, in which we encourage consultation even at CEO level, in addition to direct line management discussions, on both internal and external issues.

To monitor employee feedback, we conduct an annual employee satisfaction survey among blue-collar workers. The topics covered in the survey include, among others, the evaluation of work workload, professional preparedness, work organization, performance evaluation system, benefits, work atmosphere. In 2022, 81% of survey respondents gave positive feedback.



Employee satisfaction (%), 2020-2022

Involving employees in the company's innovation activities – TOM-FERR idea box

Within the company, we encourage and reward employee ideas that help our operations – we implement all the concepts thrown into the idea box that measurably reduce downtime, result in norm improvement, make it easier to achieve the norm or measurably reduce waste generation. Tried and tested ideas that can be maintained for at least three months will be rewarded.



8. Sustainable supply chain management

The performance of our supply chain also contributes greatly to our impact on the environment, society and the economy, which is why we strive to promote responsible operations for our suppliers. We expect our subcontractors to operate in accordance with fundamental environmental, human rights, anti-corruption and responsible material sourcing requirements. Our related minimum requirements are set out in a Code of Conduct for our partners. In addition, we include our requirements to prevent unfair use or trade in our supplier terms and conditions.

Topics covered by the Tom-Ferr Code of Conduct for Partners



Business ethics

- Fight against corruption
- Responsible procurement
- Data protection
- Financial responsibility
- Fair competition
- Conflict of interest
- Counterfeit parts
- Intellectual property
- Export controls, economic sanctions
- Handling of complaints



Environment

- Energy consumption, renewables
- GHG emissions
- Water quality - consumption
- Air quality
- Resource management, waste reduction
- Responsible chemicals management, minerals from conflict zones




Working conditions and human rights

- Child labour, employment of young workers
- Forced labour
- Non-discrimination
- Wages and benefits
- Working hours
- Handling of complaints
- Collective bargaining and associations
- Health and safety
- Supply chain requirements

In our supplier partnerships we make it a priority to make an independent and professional decision on the partnership, both when selecting and in our existing supplier relationships. To this end, we have developed our partner qualification system, within the framework of which we regularly evaluate the compliance of our suppliers based on quality and previous experience, and we also assess the substitutability of the given partner. A key aspect of the rating process is the partner's compliance with IATF and ISO standards, and we also consider compliance with minimum human rights requirements as a fundamental principle.

In addition, we have set ourselves the goal of complementing our partner rating system and procurement policy with ESG aspects.




Objective	Time frame
Integration of ESG considerations into procurement policy and partner rating system	

9. Fair and ethical corporate operation and respect for human rights

In our corporate operations, respect for human rights and recognition of the values, dignity and uniqueness of our employees are essential aspects. At Tom-Ferr, we condemn all forms of discrimination and respect the principles of equal opportunities and equal treatment in all respects. Our ethical principles are set out in our Annual Plan for Equal Opportunities, and in case of abuse, our employees can turn to their direct team leader with complaints.

Our basic expectations regarding human rights and ethical operation are set out in the Code of Partner Conduct mentioned in the previous chapter, which we consider binding on our employees. Our Partner Code can form the basis for our Code of Ethics and Conduct for our employees, our human rights due diligence policy, and our whistleblowing system, which are among our

short-to-medium-term objectives. Our company does not currently have a reporting line or anti-corruption policy

Objective	Time frame
Implement a comprehensive corporate code of ethics and whistleblowing system that is accessible and known to all	 Short-to-medium term



10. Risk management

We regulate our risk assessment processes separately by area of operation, which is published in the description of our quality management systems.

In order to address the specific risks related to our operations, we have developed our own risk assessment process, which includes a number of criteria for rating potential risks based on severity and likelihood of occurrence. Key dimensions assessed include customer relationships, raw material supply and quality, availability and quality of human resources and assets, and the external environment. Mitigation measures will be formulated for the hazards to ensure that the risks identified are adequately addressed, with responsibilities and deadlines for implementation.

Quality Management Systems and Certifications

ISO 9001:2015 – Quality Management System

MSZ EN ISO 14001:2015– Environmental management system

MSZ ISO 45001:2018 - Occupational Health and Safety Management System

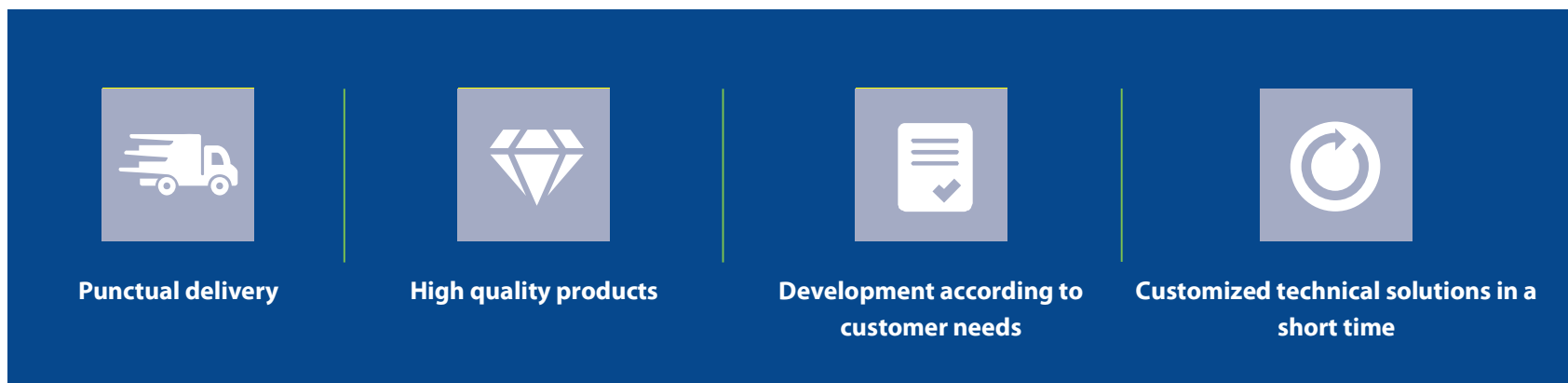
IATF 16949:2016 - Standard for automotive component manufacturing



11. Customer relations

Customer satisfaction is at the heart of our operations. Our goal is to provide high added value services and products to our partners in all areas of our company, with punctual delivery, high-quality products, joint development of components with the customer, and the ability to solve seemingly impossible technical challenges in the shortest possible time.

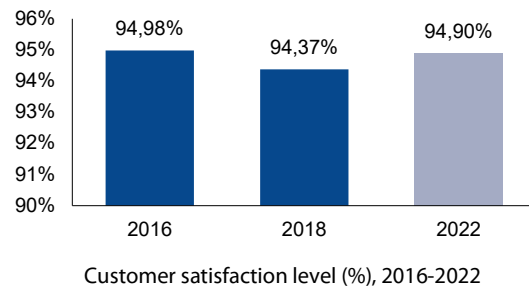
The most important cornerstones of customer satisfaction at Tom Ferr




In order to provide high quality services, we consider it important to regularly monitor the feedback of our customers. Since 2016, we have been conducting customer satisfaction surveys among our major customers, approximately 25 users per year. We assess the feedback of our customers taking into account several aspects, the main focus areas being product quality, logistics performance and pricing. Based on surveys and reviews, the vast majority of our clients rated their satisfaction as consistently high in recent years. In case of inadequate evaluation, we prepare an action plan to improve satisfaction.



In order to channel customer feedback more effectively to improve our service delivery, we are working to further improve our customer satisfaction monitoring process.




Objective	Time frame
Improving customer satisfaction monitoring, standardizing and extending the process to a wider customer base	 <p>Medium term</p>

12. Corporate citizenship

As responsible corporate citizens, we pay attention to creating value in the communities in which we operate. Accordingly, we strive to support the employment of local or micro-regional residents: in addition to employing local or nearby residents, we involve local subcontractors whenever possible. However, we only source raw materials from Europe. Some of the tools and packaging materials are purchased in Hungary, and we also source raw materials from Slovakia, Poland and the Czech Republic.

As part of our social responsibility activities, we support disadvantaged families and also strive to provide assistance to local initiatives, where we have been involved in a number of CSR activities over the past years.

For the further development and conscious planning of our CSR activities, we believe it is important that our engagement and social impact can be traced: one of our objectives is the structured planning and monitoring of our activities related to social responsibility.

Objective	Time frame
Conscious planning for community engagement, making the impact on local communities and the economy measurable	



CSR activities of Tom-Ferr



Bonitas in Motu (BIM) Association

- Christmas gift distribution to the S.O.S Crisis Foundation



Tata handball team

- Support for recreational sports units and the Tata Sports Hall



Local Government of Tata and the Tata Group of the Hungarian Charity Service of the Order of Malta

- Contribution to supporting disadvantaged families, food distribution



Arrabona Racing Team

- Support with raw material supply and laser machining



13.BSE Performance Index Content Index

Basic data					
BSE indicator/ base data	Description	Value (2022)	Page number	Organizational context	GRI reference*
VAT number	-	12273753-2-43	33	-	-
Company name	-	TOM-FERR Manufacturer and Commercial Closed company	33	-	-
Name of activity, TEÁOR number	-	2420'08 Manufacture of tubes, pipes, hollow profiles	33	-	-
Company status	-	Operating company	33	-	-
Headquarter	-	1211 Budapest, Acélcső u. 2-22	33	-	-
Date of foundation	-	1997.05.31.	33	-	-
Revenue	-	11 632 676 000 Ft	3,33	-	-
Number of employees	-	157 person	23, 33	-	-
Number of female employees	-	49 person	23, 33	-	-



ENVIRONMENTAL INDICATORS

BSE indicator / base data	Description	Value (2022)	Page number	Organizational context	GRI reference*
Total energy consumption	Total energy consumption within the organization (purchased and/or self-produced) expressed in joules or multiples thereof	8 861 767,2 MJ	9, 34	The company monitors the use of electricity and natural gas in accordance with legal obligations.	GRI 302: Energy 2016 / GRI 302-1
Total renewable energy consumption	Total renewable consumption within the organization (purchased and/or self-produced) expressed in joules or multiples thereof	940 053,6 MJ	11, 34	We monitor the development of our renewable energy consumption, aiming to increase its share of total energy consumption	GRI 302: Energy 2016 / GRI 302-1
Total waste generated	Total weight of waste generated in tonnes	1118,8 t	14, 34	The company keeps track of the amount of waste it generates, has a monitoring policy and an internal weighing process.	GRI 306: Waste 2020 / GRI 306-3-a
Total recycled waste	Total weight of recycled waste in tonnes	1068 t	14, 34	The amount of recycled waste is monitored through partnership	GRI 306: Waste 2020 / GRI 306-4
GHG emission (Scope 1)	The organisation's Scope 1 greenhouse gas emission in tonnes of carbon dioxide equivalent (tCO ₂ e), calculated for each relevant organisational and operational unit.	227,97 t	12, 34	The company monitors Scope 1 GHG emissions and strives to reduce it.	GRI 305: Emissions 2016 / GRI 305-1-1
GHG emission (Scope 2)	The organisation's Scope 2 greenhouse gas emission in tonnes of carbon dioxide equivalent (tCO ₂ e), calculated for each relevant organisational and operational unit.	541,23 t	12, 34	The company monitors Scope 2 emissions and strives to reduce it.	GRI 305: Emissions 2016 / GRI 305-2
Environmental risk assessment	Organisation has an environmental risk assessment process or processes	yes	8, 34	The company operates an Environmental Management System, which includes an environmental risk assessment.	GRI 2: General Disclosures 2021 / GRI 2-24-a-ii



SOCIAL INDICATORS

BSE indicator / base data	Description	Value (2022)	Page number	Organizational context	GRI reference*
Employee satisfaction	The organisation has at least an annual employee satisfaction measurement process	yes	24, 35	The company regularly conducts employee satisfaction surveys among physical workers.	-
Fluctuation	The employee turnover rate, where turnover is the ratio of the number of employees leaving during the reporting period to the total number of employees at the end of the period	18%	23, 35	The company has annual data on fluctuation.	GRI 401: Employment 2016 / GRI 401-1
Entry-level pay	The ratio of the organisation's entry-level wage to minimum wage.	150%	18, 35	The company pays above minimum wage to its entry-level employees.	GRI 202: Market Presence 2016 / 202-1-a
Percentage of female managers	Percentage of people holding middle and senior management positions in the organisation by gender, expressed as a percentage of women	33%	21, 35	The company monitors the share of female managers.	GRI 405: Diversity and Equal Opportunity 2016 / GRI 405-1-b-I
Number of health and safety training hours	The average number of health and safety training hours provided to employees, expressed as the number of health and safety training hours provided to employees divided by the number of employees	1,5 hours / employee	17, 35	The company operates an Occupational Health and Safety Management System, which includes regular training for employees.	GRI 403: Occupational Health and Safety 2018 / GRI 403-5
Average number of training hours	Average number of training hours attended by employees of the organisation during the reporting period. The indicator is calculated as the number of training hours provided to employees divided by the number of employees.	0,98 hours / employee	19, 35	The company also provides for employees and new joiners as well.	GRI 404: Training and Education 2016 / GRI 404-1
Customer satisfaction	The organisation has at least an annual customer satisfaction measurement process.	yes	30, 35	The company regularly monitors customer satisfaction among its customers.	-



GOVERNANCE INDICATORS

BSE indicator / base data	Description	Value (2022)	Page number	Organizational context	GRI reference*
Head of ESG	The organization has an employee and/or organizational unit responsible for monitoring, managing and making decisions about the ESG impact of the organization.	yes	6, 36	The company has a manager responsible for ESG.	GRI 2: General Disclosures / GRI-2-9-b
ESG competence development	The organisation has taken measures to improve the ESG knowledge, skills and experience of middle and senior management	no	6, 36	The company aims to develop ESG competency for an ESG-focused approach.	GRI 2: General Disclosures / GRI-2-17
Protection of whistleblowers	The organisation has a policy and a process for reporting and protecting whistleblowers who become aware of misconduct (illegal activities, abuse of rights, ethical violations) in the work environment.	no	27, 36	The company aims to establish a hotline for employees	GRI 2: General Disclosures / GRI-2-26
Anti-corruption policy	The organisation has an anti-corruption policy	no	27, 36	The company currently does not have anti-corruption policy due to its ownership and size.	GRI 205: Anti-corruption 2016
Responsible procurement policy	The organisation has a responsible procurement policy	yes	25, 26, 36	The company sets out its standards for responsible sourcing in its Code of Conduct for Partners and operates an independent partner rating system.	GRI 2: General Disclosures / GRI 2-24-a-ii

* The GRI indicator related to the BSE performance indicator has been included in the table according to BSE recommendation, its indication serves only to display the related, relevant reporting framework, it does not imply full compliance.





Contact

tomferr@tomferr.hu

www.tomferr.hu