

ESG REPORT 2024

HAFNER

HAFNER Pneumatika Kft.

www.hafner-pneumatika.com

HAFNER



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Executive Greeting

Dear Colleagues, Business Partners, and Stakeholders!



As the managing director of Hafner Pneumatika Ltd., I am pleased to present our company's second ESG report. Since the publication of our first edition, we have further strengthened our commitment to sustainable operations, social responsibility, and transparent corporate governance. This document not only summarizes the results we have achieved so far, but also shows how we continue to develop along these three pillars.

Sustainability is not new to us—it has always been an integral part of our corporate culture and values. However, the past years have clearly demonstrated how important it is to reinforce all this with conscious, measurable goals and a long-term strategy.

Our ESG report is therefore not merely a retrospective, but also a guide: it helps us evaluate our progress, identify development opportunities, and lay the foundation for our next steps. We believe that sustainability requires continuous learning and adaptation—an ongoing journey through which each year brings us closer to operating even more responsibly and effectively. During the preparation of the report, we once again involved our employees, business partners, and stakeholders to gain a clear understanding of where we can create the greatest value. These dialogues reaffirmed that collaborative thinking and cooperation remain key drivers of progress.

In the following pages, we provide an overview of the main areas where we focus our efforts: environmental protection, social responsibility, and corporate governance. We present in detail the results we have achieved, the lessons learned, and the steps that support our ongoing development.

Finally, I would like to thank all our employees for their dedication and cooperation, which have contributed to our shared success. This report is the collective achievement of our team and confirms that responsible operations create real value for all of us

With respect,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

Gergely Ujváry
General manager, Hafner Pneumatika Ltd.

1. About the report /GRI -2-2, 2-5 /

This document is the second simplified report of HAFNER Pneumatika Ltd. With the preparation of this report, our aim is to reinforce our commitment to sustainability and transparent operations, as well as to provide our partners and stakeholders with a comprehensive overview of our company's annual activities.

Building on the experience gained from our first report, we continue to consider it essential to place special emphasis on environmentally conscious operations. HAFNER Pneumatika Ltd. strives in all its processes to minimize its environmental impact and to strengthen responsible corporate practices. One of the core principles of our management system is the protection of the environment and the assurance of continuous improvement.

Guided by these objectives, we prepare our ESG report, which summarizes the results of the past period and outlines future directions for development.

The reporting organization:	HAFNER Pneumatika Product Manufacturer, Trader and Service Provider Limited Liability Company Registered office: 9228, Halászi Püski Street 3.
Reporting period:	Results for the year 2024
Reporting cycle:	Annual
Content:	The report presents the ESG-related activities and results of HAFNER Pneumatika, as well as sets measurable goals for the next period.
Considerations taken into account:	The report was prepared with reference to the GRI standard (2021)
External validation:	The report has not been externally validated by a third party.

2. Who we are

2.1. Basic information /GRI 2-1/

Company name:	HAFNER Pneumatika Product Manufacturer, Trader and Service Provider Limited Liability Company
Date of Establishment:	1991.
TAX identification number:	10579785 -2 -08
Number of Employee (the end of 2024):	89
Main Activity:	2812 – Manufacturing of pneumatic equipment

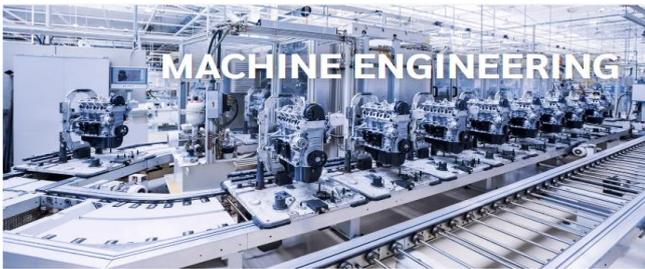
2.2. Who we are and what we do? / GRI 2-4, 2-6/

HAFNER Pneumatika is a second-generation family business committed to long-term, sustainable development. We have more than 30 years of experience in the development of pneumatic components, and we deliver our standard and custom-made solutions to satisfied customers in over 50 countries. Each year, we complete more than one hundred successful custom developments based on customer requirements, which clearly reflects our flexibility and innovative capabilities



Our manufacturing and development centre, in Hungary ensures that we can provide highly efficient production and short development lead times while maintaining maximum flexibility — even in the case of highly customized customer requirements and small batch sizes. We achieve this by relying on the expertise and dedication of our employees, which for decades has established the reputation of “German quality, Hungarian product” within the industry. This approach is also reflected in our continuous efforts to adopt the latest technological advancements and maintain a customer-focused mindset, enabling us to be a key player in the global pneumatics market while supporting efficiency and sustainability across all sectors.

Among others, we offer solutions for the following industries:

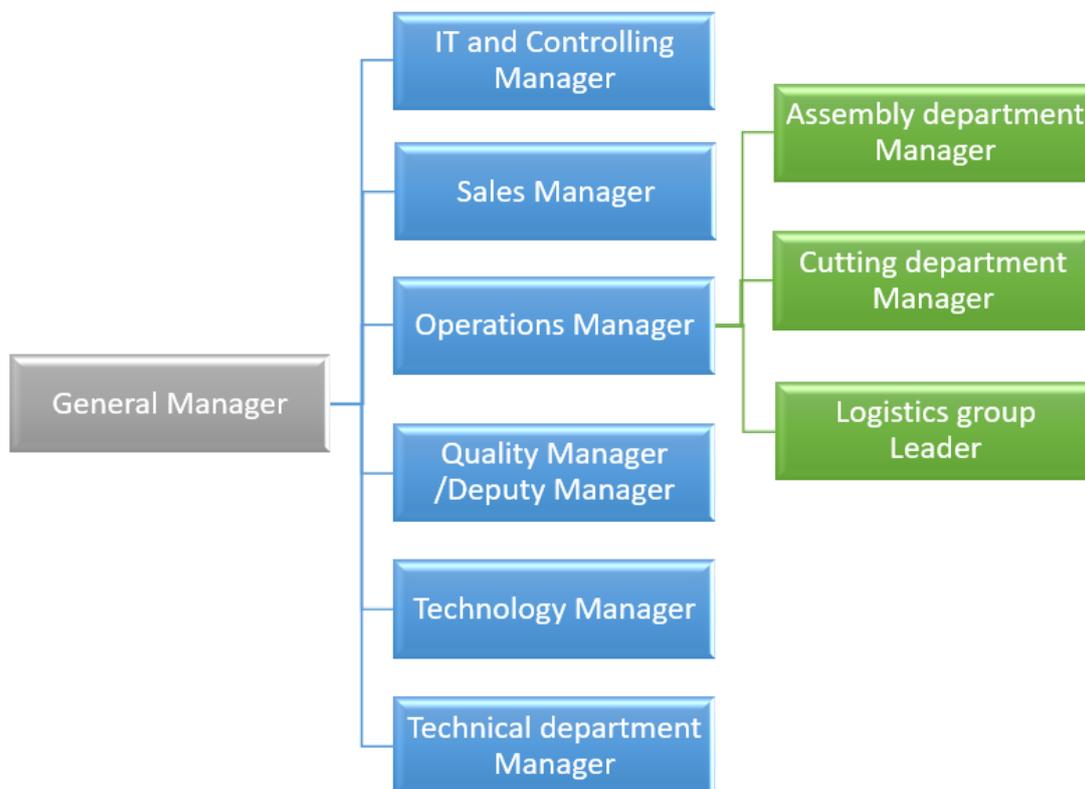


2.2.1 Our Quality system and Quality policy included are the follow:

- **Consistent compliance with the quality requirements set by our Partners.**
We manufacture our products using high-quality, compliant materials, taking into account practicality and suitability for reliable use. We apply modern solutions while keeping technological advancements in focus.
- **The Customer is at the centre of our activities.**
We strive to fully meet the needs of our customers and to offer the most suitable solutions to their challenges. We consciously develop our products, technologies, and operating systems. We are committed to continuous innovation.
- **Quality management is a key responsibility and priority for our company's leadership and every employee.**
All our employees are responsible for and committed to the quality of their own work and to their continuous improvement. They carry out their tasks in a way that contributes to the satisfaction of our Customers and business Partners.
- **The stability and continuous improvement of quality management are of primary importance in our company philosophy.**
Our quality management system is based on a systematic and process-oriented approach, with decision-making grounded in evidence and risk analysis. We achieve our performance and quality through careful planning, high-level execution, measurement, and continuous improvement, supported by the training, involvement, and motivation of our employees, as well as the creation of a positive working environment.
- **We consider it important to establish and maintain mutually positive relationships with our stakeholders.**
We expect and require our suppliers to deliver consistently high-quality products, to continuously develop their own quality management systems, and we support them in these efforts. In addition to cultural and social responsibility, we maintain fair and cooperative relationships with our business partners, employees, competitors, and both our micro- and macro-environment.
- **We are committed to a clean and organized working environment.**
Our senior management expects and requires every employee to keep their work environment orderly and clean during daily operations. We believe that a tidy and clean environment contributes to safe and high-quality work.
- **Environmental and energy awareness**
It is an essential responsibility of all elements of society to act in an environmentally conscious manner and to promote sustainable development for the sake of our future. We consider it particularly important to minimize energy consumption and the company's carbon footprint in our operations, to actively address climate change, to strive for the implementation of a circular economy, and to preserve biodiversity.

Taking into account the special needs of our customers, we deliver the highest-quality and best value-for-money products to our satisfied clients through an innovative and sustainable product portfolio, flexible and fast service, and the expert support of our dedicated employees.

2.3 The structure of company management and ownership /GRI 2-3/



The HAFNER Pneumatika Ltd. is primarily a privately-owned German enterprise.

OWNER	Ownership stake
Andreas Krämer	45%
Christine Krämer	35%
Ernő Novák	5%
HAFNER Pneumatika	5%
Tibor Kovács	5%
Sándor Heincz	5%

Authorized Signatory:

Gergely Ujváry	General manager
Ákos Zorkóczy	Company Leader

2.4 Product Portfolio /GRI 2-6/

CYLINDERS



- ISO standard profile and round profile cylinders
- ISO and UNITOP standard compact cylinders
- Standard, stainless steel, and custom-made cylinders
- Linear guides and cylinder accessories

HAFNER VALVES



- Mechanically and manually operated valves
- Pneumatically and electrically controlled valves
- Base-mounted and valve island configurations
- Solenoid coils and electrical connector

FLOW CONTROL VALVE



- Throttle check valve
- Throttle valve
- Check valve
- Pilot-operated check valve
- Throttle muffler
- Quick exhaust valve

PRODUCTS FOR EXTREME ENVIRONMENTS



- Heat-resistant
- Stainless
- Cold-resistant
- Explosion-proof

GRIPPERS



- Parallel
- Radial
- Three-point

AIR PREPARATION UNITS



- Wide range of different series
- Classic, Futura, Multi-Fix, Standard
- Modular air preparation units
- Pressure gauges and accessories

DIAPHRAGM VALVE, OTHER VALVES



- Ball valves, manually and pedal-operated valves
- Process valves, Römer valves
- GAMMA, MINI, SIGMA, EDV-EBV Valves

FITTINGS



- Push-in, threaded (Hollander), and compression fittings
- Standard self-sealing quick couplings
- Throttle, throttle-check, and check valves
- Mufflers, fittings, and connector accessories

TUBES



- Standard pneumatic tube sizes
- Available in straight, coiled, and DUO versions
- Available in various colors and materials

VACUUM TECHNOLOGY



- Vacuum cups
- Vacuum ejectors
- Vacuum filters

3. A HAFNER Pneumatika Ltd. and the ESG

Since its inception, the management of HAFNER Pneumatika Ltd. has placed special emphasis on the company's operating environment, values, and responsible corporate governance. Over the past year, we have further strengthened our commitment to sustainable operations and the ESG approach.

Employee well-being, safe working conditions, and responsible decision-making continue to be core values of our operations.

In response to the increasing expectations observed in the supply chain, our company continued to strengthen its operations in line with ESG principles in 2024. Our goal is to further develop, over the long term, the measures that support reducing environmental impact, promoting social responsibility, and enhancing employee satisfaction.

The management of HAFNER Pneumatika Ltd. is committed to meeting its partners' ESG-related expectations and to continuously developing its operations toward sustainability, an ethical corporate culture, and innovation.

Considering its results for the year 2024, HAFNER Pneumatika Ltd. achieved an ESG index score of 8 based on the OPTEN questionnaire.

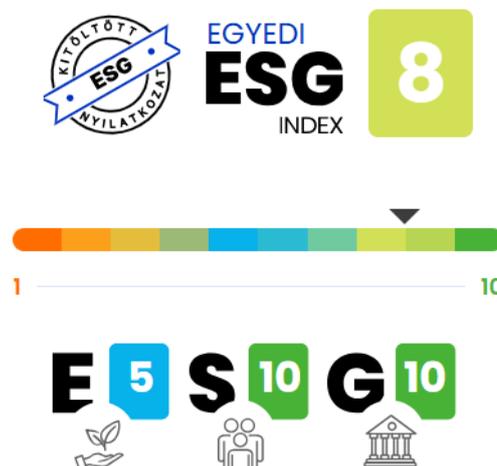
OPTEN categorizes companies on a scale from 1 to 10, where 10 represents the best score. The E, S, and G pillars are also evaluated separately on the same 1–10 scale.

We use the above ESG index as a guideline, enabling us to define new goals so that we can make progress in all segments, especially in matters related to sustainability.

Index changes in 2024 compared to 2023:

- E sub-index: 5 – Unchanged
- S sub-index: changed from 9 to 10
- G sub-index: changed from 9 to 10

We succeeded in improving our 2023 results, and our goal for 2025 is to maintain these values. In the longer term, in 2026, we plan to establish a new solar panel park, which we hope will also increase our "E" sub-index.



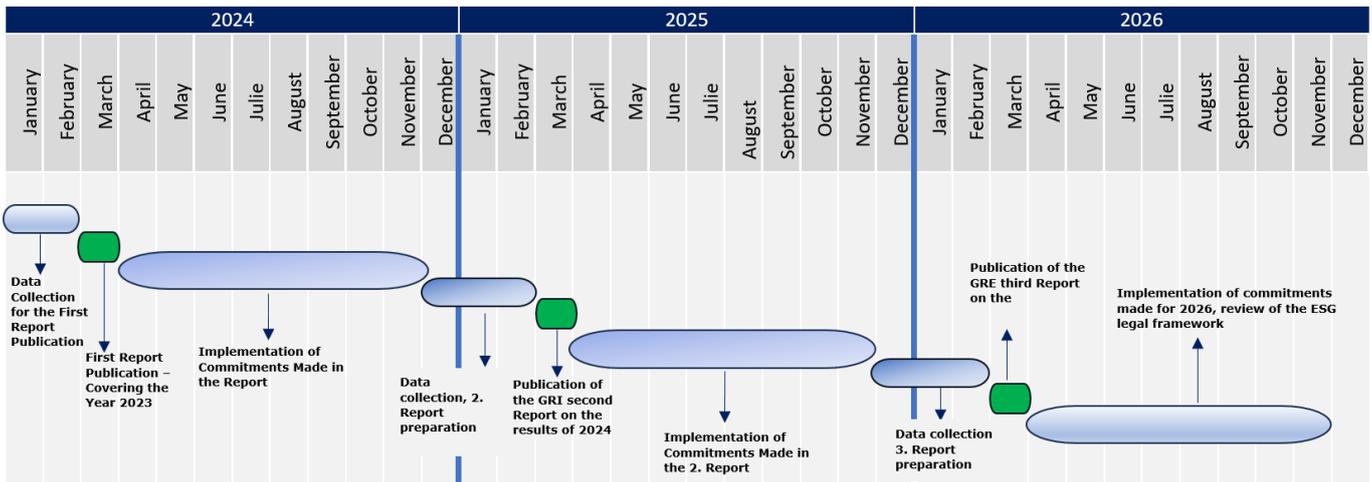
3.The ESG topics at HAFNER Pneumatika Ltd. / GRI 3-1/

The management of HAFNER Pneumatics Ltd. is committed to sustainable and responsible business operations. Since 2013, our company has been operating an ISO 9001-certified management system, which provides an effective framework to consistently integrate sustainability considerations into our daily activities.

We began focusing more consciously on ESG matters in 2023. At that time, we expanded our knowledge through the involvement of consulting partners and participation in professional conferences – a process of knowledge development that we continue to pursue.

Although the current Act CVIII of 2023 on sustainable financing and corporate responsibility does not apply to our company, we consider it a priority to continue developing our operations in line with sustainability principles, and to regularly set new targets accordingly.

In the short term, our goal is to further integrate ESG considerations into our daily processes and to provide ongoing information to our employees. In the longer term, we remain open to having our ESG activities audited by an external certifier, should legal requirements or business needs make it necessary. It is our shared view that the progress we make in environmental, social, and governance areas is important to us beyond the scope of any audited report.



Our primary goal is to fully meet the ESG expectations arising in the supply chains of our existing clients, while also strengthening our market presence and acquiring new partners. Beyond financial objectives, our most important aim is to develop our sustainability-related corporate practices in a structured and transparent manner.

Compared to the plans of the previous year, progress has been made with the appointment of a staff member responsible for ESG topics. The designated representative from the Quality Assurance department coordinates ESG-related processes, including data collection, communication, and development initiatives in this area.

The responsibilities of designated ESG of include:

- Keeping ESG reports up to date,
- Organizing and summarizing information received from data owners,
- Continuously monitoring relevant frameworks and legal requirements,
- Tracking and supporting the implementation of the commitments defined in this report,
- Developing improvement plans and coordinating their execution.

3.2 Essentiality Assessment /GRI – 3.1, 3-2/



Before preparing the report each year, the management of HAFNER Pneumatics Ltd. and the staff responsible for ESG review and prioritize the sustainability topics most relevant to the company.

Based on experiences from previous years, social and environmental issues have primarily been in focus at the company. However, in 2024, due to employee feedback and increasingly stringent regulatory requirements, governance-related topics have also gained greater emphasis.

Our goal is to address all three pillars of ESG – Environmental (E), Social (S), and Governance (G) – in a balanced manner, integrating them equally into our operations.

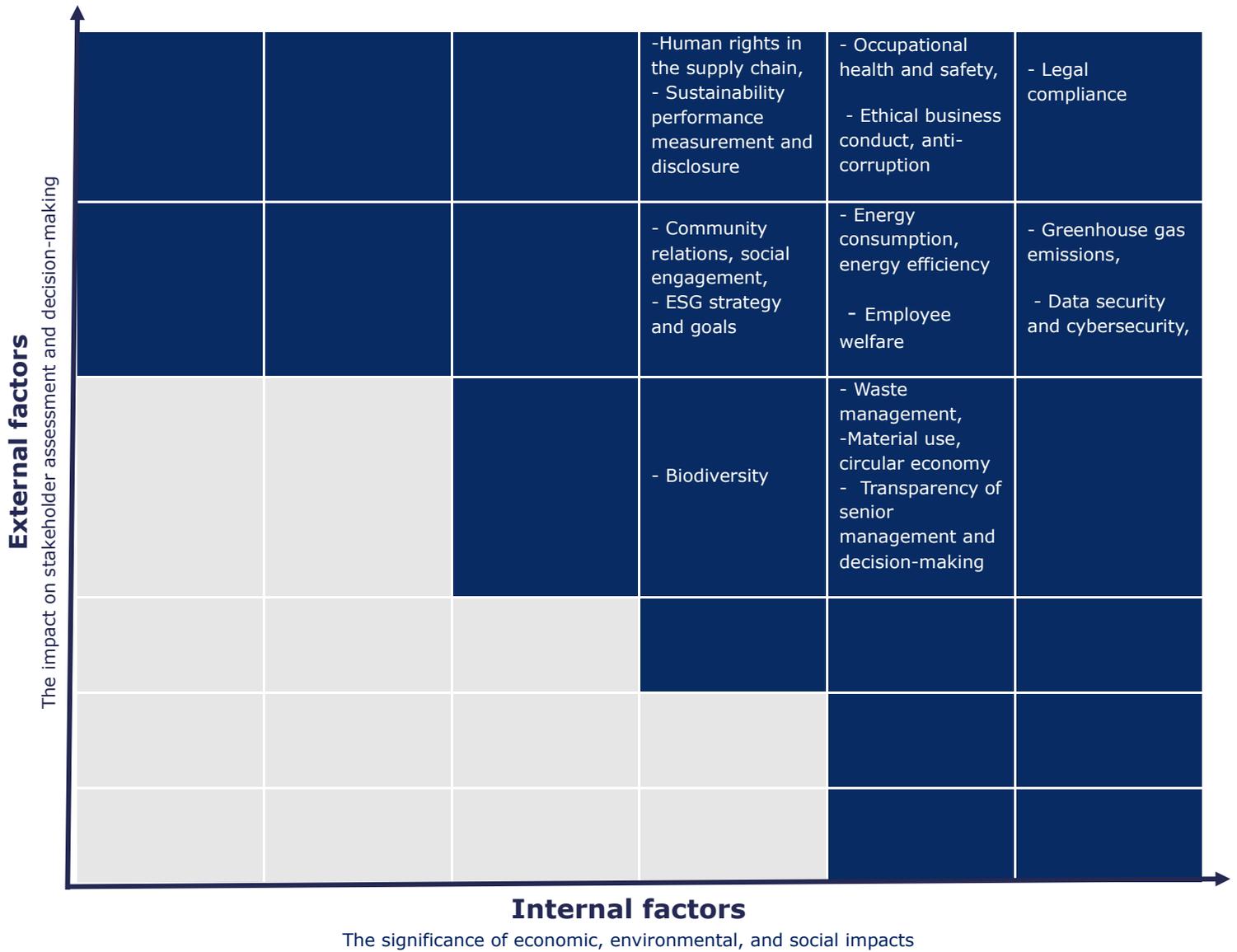
When defining material topics, we focused on issues directly related to the company’s day-to-day operations, which have an impact on our environmental performance, our stakeholders, and the societal perception of HAFNER Pneumatics Ltd.

The results of the materiality assessment indicate that the greatest potential for future development lies in the area of environmental improvements.

The company considered the following material topics:

 Environmental	 Social	 Governance
<ul style="list-style-type: none"> - Energy consumption and energy efficiency - Greenhouse gas emissions - Water usage - Waste management - Material usage and circular economy - Biodiversity - Climate change risks 	<ul style="list-style-type: none"> - Occupational health and safety - Employee well-being - Employee turnover - Training and development - Community engagement and social responsibility - Work-life balance - Diversity and equal opportunity - Human rights in the supply chain 	<ul style="list-style-type: none"> - Ethical business conduct and anti-corruption - Regulatory compliance - Data protection and cybersecurity - Transparency of executive management and decision-making - Internal controls - ESG strategy and objectives - Measurement and discourse of sustainability performance

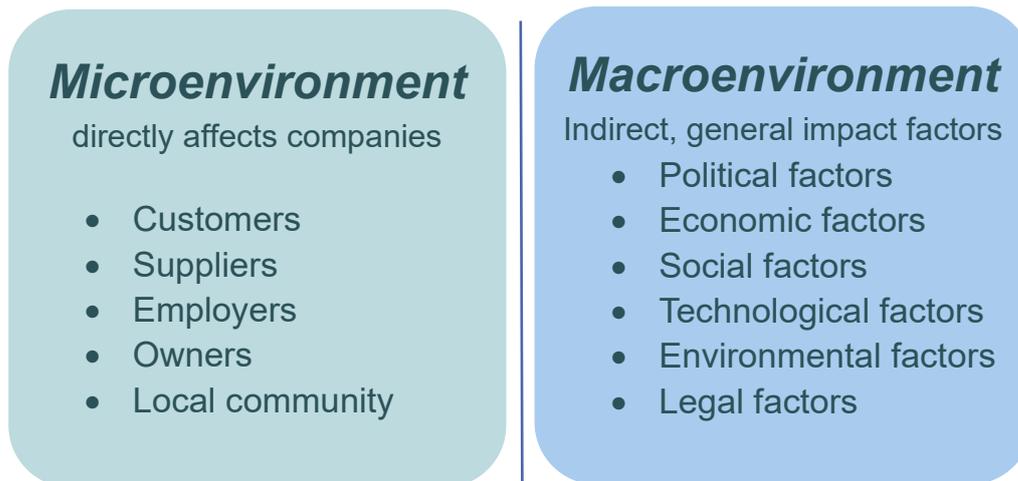
After the assessment, we developed the following materiality matrix:



3.3 Stakeholders /GRI 2-6/

The company's operations are not only an economic interest but also a social and environmental responsibility. Therefore, it is important for the company to define both its micro and macro environment, not only through our management system but also from an ESG perspective. Within this framework, we identify the stakeholders who influence our operations as well as those who may be affected by the company's activities.

With these considerations in mind, we define the stakeholders as follows:



Microenvironment:

Customers:

We strive to capture customer requirements in the form of product documentation. In 2023 and 2024, as part of improvements to the NPI (New Product Introduction) process, an online platform was launched to record customer requirements. In addition to assessing and reconciling these requirements, we aim to measure customer satisfaction at least once a year.

Suppliers:

We aim to regulate our suppliers through contractual agreements. It is also important for us to ensure that ethical and fair treatment principles are applied in our relationships with suppliers. Our key suppliers are evaluated at least once a year, and they receive feedback on the results of these evaluations.

Employers:

HAFNER Pneumatics Ltd. has always aimed to prioritize employee well-being, as the true driving force of the company is its workforce. Employees receive updates at the beginning of each month on important company news and key performance indicators. In addition, management briefings are held at least quarterly. Employee satisfaction is also surveyed annually.

Owners:

The German majority owner actively participates in monitoring the company's processes, maintaining daily contact via email and phone, and verifying the current status of operations during monthly visits. The other shareholders participate in the annual general meeting.

Local community:

The company places a high priority on maintaining good relations with the local community and is committed to supporting community life, whether through financial contributions or organizing joint programs.

Macroenvironment:

Political factors:

The Hungarian political environment influences the company's operations through legislation, taxation, and support systems. The company places high importance on regulatory compliance and ethical business conduct, ensuring sustainable development within the prevailing political framework.

Economic factors:

From a sales perspective, changes in domestic market demand are highly relevant. Our company's operating results are directly influenced by both growth and stagnation. Unfortunately, in 2024, stagnation was noticeable in both the Hungarian and the international, primarily European, economy.

Social factors:

Changes in the social environment affect the company's operations, particularly in the areas of the labor market, consumer expectations, and social responsibility. The company places great importance on employee well-being, a safe working environment, and ensuring equal opportunities. In addition, it actively supports local communities.

Technological factors:

Technological advancements present both opportunities and challenges for the company. The adoption of new technologies contributes to increased efficiency and reduced environmental impact.

Environmental factors:

Environmental protection and sustainability are key priorities in the company's operations. The company recognizes that its activities can impact natural resources and ecosystems, and therefore strives to promote energy efficiency, waste reduction, and the principles of a circular economy. Managing environmental risks is a long-term strategic objective.

Legal factors:

The company's operations are influenced by numerous domestic and EU regulations, particularly in the areas of occupational safety, environmental protection, data protection, and corporate governance. Ensuring continuous regulatory compliance and transparent operations is a key objective. The company regularly monitors changes in the legal environment to adapt promptly to evolving regulatory requirements.



Environment

4. The environmental impacts of HAFNER /GRI 2-22, 413-2/

Hafner Pneumatics Ltd. is located in the Szigetköz region, specifically in the town of Halászi. Although the area is particularly important for protected species, the company does not have a significant negative impact on its environment. It does not pose a risk of soil contamination or other environmental hazards. Its energy and water consumption is not considered significant.

The company classifies its environmental impacts into two categories:

Direct environmental impacts:

- Emission of harmful substances from energy use
- Emission of harmful substances from the transportation of raw materials, from partners
- Emission of harmful substances from the transportation of finished to customers
- Generation of solid and liquid waste (municipal waste+ sewage+ non-hazardous technological)
- Generation of hazardous waste

Not typical – indirect environmental impacts:

- risk of soil and groundwater contamination
- Environmental noise and vibration load
- Negative impact on biodiversity

4.1 Energy consumption /GRI-302-1, 303-5/

The HAFNER Pneumatika Ltd. used the following amounts of energy carriers in 2024:

	Total electric energy:	336 036 kWh
	Total natural gas:	4 266 m³
	Total water:	733 m³

Electricity consumption:

In 2024, the share of primary energy sources used for the production of purchased electricity was as follows:

- Renewable: 20,7% (of which: geothermal 0,1%, biomass/biogas 21,9%, solar 70,2% , wind 4,8%, hydro 1,8%, municipal waste 1,2%)
- Nuclear: 43,3%
- Fossil: 35,9% (of which: natural gas 61,8%, oil 1,2%, coal 32,0%, other 5,0%)

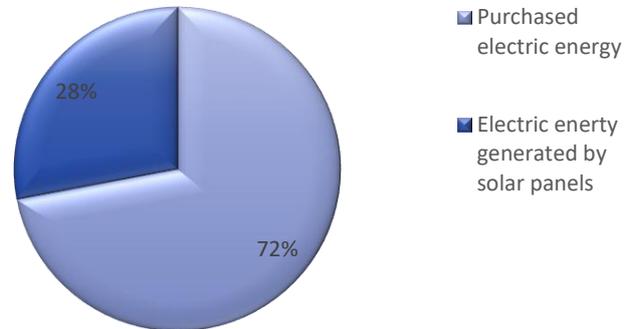
A total of 75% of the company's energy consumption comes from purchased electricity, of which 20,7% is derived from renewable sources.



The amount of energy used from renewable sources by the company in 2024:

130 680 kWh/year

The energy consumed by HAFNER Pneumatika



Compared to 2023, the company used 120.48 kWh more electricity; however, a larger proportion of the consumed energy was supplied by the solar panels. As a result, we were able to avoid a total of 148.98 tonnes of CO₂ emissions.

Water consumption:

In 2024, the company used a total of 733 m³ of water, which is 45 m³ less than in 2023. This amount represents the entirety of the company's water consumption, as no water could be sourced from renewable supplies such as rainwater. Nevertheless, as reflected in the reduced volume, we continue to strive for water efficiency in our operations.

We operate our own technology in order to recycle water used in our water-intensive deburring facility. Through this system, we are able to save an average of 9 m³ of water annually by returning treated water back into the process.

Natural gas consumption:

In 2024, the company purchased 4,266m³ of natural gas, which is 588 m³ less than the 4,854m³ consumed in 2023. HAFNER Pneumatics Ltd. does not use district heating in its operations.

4.2 Waste management /GRI 306-3/

	Municipal waste emitted:	10 890 kg
	Industrial waste emitted:	54 120 kg
	The hazardous waste generated from this:	16 649 kg
	The selectively collected waste from this:	54 120 kg

The non-hazardous waste types generated the company's operations are as follows:

- Paper and cardboard packaging waste
- Wood packaging waste
- Other mixed packaging waste
- Discarded electrical and electronic equipment

Hazardous waste generated from the company's activities includes:

- Toner cartridges containing hazardous substances,
- Halogen-free refrigerant-lubricating emulsion and solution,
- Packaging waste hazardous substances as residues or contaminated with them,
- Hazardous packaging waste made of metal containing and solid porous matrix, including empty pressurized gas cylinders,
- Absorbents, filter materials, wipes, and protective clothing contaminated with hazardous substances,
- Waste containing oil,
- Batteries and accumulator.



Our company applies strict selective waste collection practices. In 2024, we introduced selective sorting for municipal waste as well. We acquired dedicated "blue bins" for this purpose, where employees can dispose of paper and plastic waste generated from municipal sources. The company arranges separate collection and transportation of this waste.

With this initiative, we aim to ensure that not only industrial waste generated during production is properly separated, but that equal attention is given to the selective collection of municipal waste as well.

Although the total amount of industrial waste generated was higher than in the previous year, we were able to reduce the proportion of hazardous waste.

Unfortunately, due to the nature of our technology, the use of hazardous materials cannot be completely eliminated. In our production departments, waste generated during operations is collected selectively and transported accordingly. The commercial materials we use daily are delivered by our suppliers in paper or plastic packaging. We strive to reuse cardboard packaging, as well as paper and bubble wrap used as filling materials, in our own packaging processes. This enables us to reduce the amount of waste generated and supports the implementation of circular economy principles.



4.3 The operation and environment of the company /GRI 304-1/

The company owns its own property, the dimensions of which are outlined in the following table

The total size of property:	18677 m²
The size of the built-up area:	5036 m²
Total size of the offices:	303 m²
Total size of other operational areas:	2544 m²

The energy classification the entire building: DD – approaching modern standard



Biodiversity:



The HAFNER Ltd. site consists of 73% green areas, featuring a diverse range of vegetation, including trees and fruit trees. In 2023, the company further enhanced local biodiversity by planting additional shrubs and fruit trees, thereby supporting the richness of the surrounding natural habitats.

In 2024, new biodiversity-supporting structures were installed on the site: two insect hotels and three bird feeders, which contribute to the preservation of native insect and bird species characteristic of the Szigetköz region.

The company’s top management is committed to preserving biodiversity and protecting vulnerable species, and the company’s activities do not have any direct adverse impact on the surrounding ecosystem. Environmental protection and nature conservation considerations remain key priorities throughout its operations.

4.4 The company’s vehicle fleet data /GRI 302-1/

Fuel type	Pc.
➤ Petrol:	6 Pc
➤ Diesel:	8 Pc
➤ Hybrid -petrol	2 Pc
➤ Hybrid - diesel	1 PC
Summary:	17 Pc

	Fuel consumption 2023	Fuel consumption 2024
➤ Petrol	16 302,82 l	15102,68 l
➤ Diesel	17 520,07 l	13 050,14 l

The vehicle fleet of HAFNER Pneumatika Ltd. consists of 17 vehicles. In 2024, diesel consumption was reduced by 25.5% and petrol consumption by 7.3% compared to the previous year.

4.5 Greenhouse effect /GRI 305-1/



The carbon footprint of HAFNER Pneumatika Ltd. in 2024 based on the provided consumption data is: 189,76 t CO2

Social

5. Responsible employment

5.1 Ethical treatment and equality /GRI 2-7, 202-1, 202-2,401-1, 405-1, 405-2, 406-1/

HAFNER Pneumatika Ltd. is committed to the full respect of fundamental human rights and labor rights. Our goal is to create a healthy, safe, and supportive work environment that is free from all forms of discrimination and harassment, while promoting the professional development and career advancement of our employees.

To support this commitment, the company has established and maintains its Code of Ethics, which all employees are required to be familiar with and to follow in their daily work. The Code includes the company's anti-corruption principles and provides guidelines for ethical conduct and responsible decision-making applicable to both employees and management.



The company is committed to promoting equal opportunities, recognizing that every individual has the right to be treated with respect and dignity. HAFNER Pneumatika Ltd. does not tolerate any form of discrimination based on race, skin colour, gender, age, religion, political beliefs, or any other status.

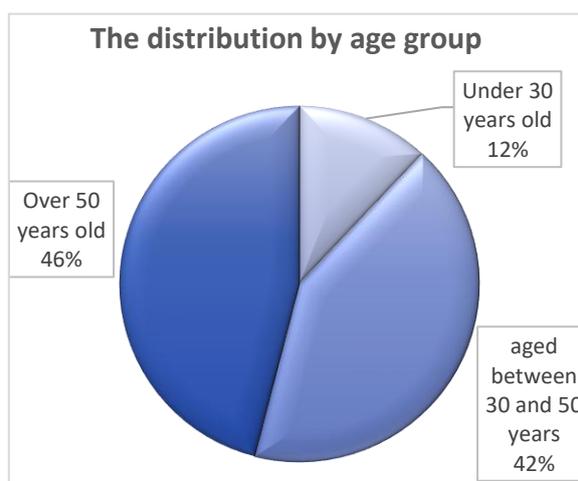
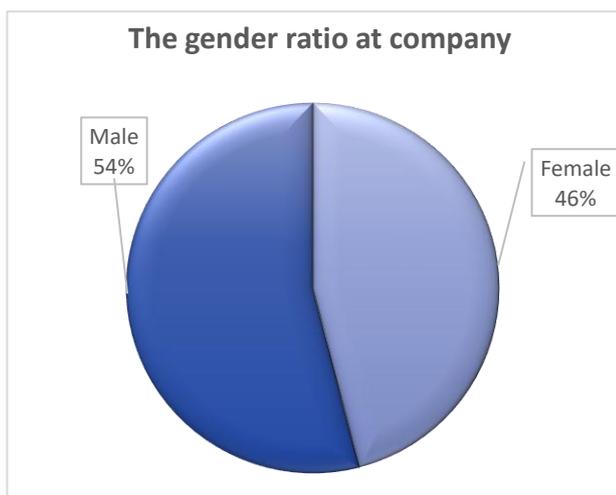
Although there have been no female members in the company's management for several years, the company does not exclude the employment of female leaders. In the case of vacant positions, both male and female applicants are considered on an equal basis.

During the reporting period, no cases of discrimination requiring action were reported. Our compensation practices do not differentiate between female and male employees holding the same position. When filling positions, we consider only the professional skills, qualifications, and experience of the applicants.

Employee Headcount at the End of 2024:

All employees:	89 head
➤ Female	43 head
➤ Male	47 head
➤ Senior executives	10 head
➤ Employees working in indirect areas:	36 head
➤ Employees working in direct areas	53 head

The gender ratio and distribution by age group are illustrated in the following diagrams:



	Employee with changed work capacity/retiree	3 person
	Employee returning after childcare leave	2 person

Employee Turnover in 2024:

All employees:	89 head
New employees in 2024:	9 head
Female:	5 head
Male:	4 head
Under 30 years old:	2 head
Aged between 30-50 years:	6 head
Over 50yers old:	1 head
Proportion of new employees:	10,1%
The number of departing employees:	15 head
Female:	5 head
Male:	10 head
Under 30 years old:	2 head
Aged between 30-50 years:	4 head
Over 50 years old:	7 head
Proportion of departing employees:	11%

5.2 The well-being, health and safety of the employees /GRI 403-5, 403-9/

HAFNER Pneumatika Ltd. takes all necessary measures to ensure the safety and health of its employees, providing fair working conditions and a safe and healthy work environment in accordance with legal and regulatory requirements. Our employees carry out their daily tasks in a clean, organized, and climate-controlled workplace.

Health and safety:

HAFNER Pneumatika Ltd. places great importance on the physical and mental well-being of its employees, and strives to take all necessary measures in compliance with, and beyond, applicable legal requirements. To fulfil occupational safety and fire protection tasks, the company engaged an external service provider, and in the autumn of 2024, a health and safety representative was also elected at HAFNER Pneumatika Ltd.

The health and safety representative is responsible for, among other things:

- Participating in the planning and implementation of occupational safety measures,
- Having the right to attend occupational safety inspections conducted by the employer,
- Making recommendations to the employer on improving workplace conditions,
- Participating in the investigation of workplace accidents and health impairments,
- Monitoring occupational safety training and participating in its organization,
- Acting on behalf of employees to ensure workplace safety and actively cooperating with the employer to prevent accidents and health risks.

In 2024, there were three minor workplace accidents that resulted in the affected employees being temporarily unable to work. Of these, one was a commuting accident, while the other two involved minor mechanical hand injuries.

In the spring of 2024, several volunteer employees participated in first aid training. Beyond the legally required three-year interval, HAFNER Pneumatika Ltd. organizes this training annually, which also includes instruction on the use of the company's defibrillator. In 2024, six employees participated in the training, and the company strives to involve at least one employee from each department whenever possible.

Ensuring Employee Well-Being:



The company remains committed to improving the well-being and overall comfort of its employees and to continuously taking actions that support these goals.

At our company, Wednesday is still “fruit day” every week.

All our employees work with 100% officially registered (“white”) employment status.

In addition to providing a clean and climate-controlled work environment, the company strives to motivate its employees through additional benefits beyond their base salary:

- Shift allowances at HAFNER Pneumatika Ltd. are 40%, instead of the legally required 30%.
- Starting from 2024, the loyalty bonus has been incorporated into the base salary.
- In addition to the basic salary, all employees are entitled to a performance-based quality bonus.

Employees who successfully recommend a new colleague — hired based on their referral and retained after the probationary period — receive a referral bonus.

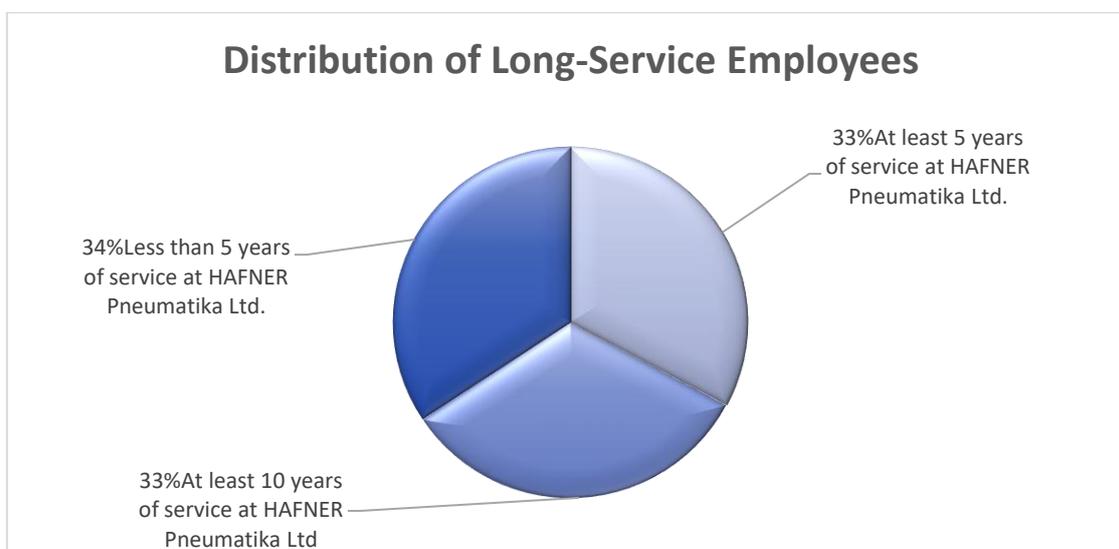
In the event of marriage or the birth of a child, the company provides a financial allowance.

In addition to financial benefits, the company also provided several other opportunities for employees throughout 2024:

- Discounted bank account package for HAFNER Pneumatika Ltd. employees at UniCredit Bank.
- Premium health insurance package.
- Regular training opportunities and support for further education.

Distribution of Long-Service Employees:

We divided the distribution of the company’s core staff into three main groups. The proportion of employees is roughly evenly distributed across the three groups.



We work in a family-atmosphere

Our company's management strives to create a pleasant, family-like atmosphere and makes the most of the advantages offered by our small team.

Every year we organize several events to strengthen our community and our connection with one another.

Our organized programs in 2024 included:

- June: a family day event,
- December: a year-end dinner for our employees.

5.3 Knowledge and talent management /GRI 403-5, 404-2/

Our company provides training at several levels.

Every year we conduct occupational safety and fire protection training, which in 2024 was delivered by an external contractor. An external specialist also provides annual briefings on current GDPR regulations.

For our production staff, we hold internal training sessions to introduce new or modified technologies and processes, repeating these sessions if necessary. In 2024, we placed greater emphasis on refresher training related to work processes. Our goal is to continue this focus in 2025.

In addition to the trainings required by law and our internal training programs, employees also have the opportunity to participate in professional and language courses.

At the end of each year, we assess training needs among our staff, who submit their suggestions to their supervisors. The final approval for trainings is given by the Managing Director and the General Manager.



Professional and language courses that the management deems necessary for an employee are fully financed by the company.

The company also offers the possibility of financial support for additional professional or higher education studies. If the further education is related to the employee's professional field, the company may provide support based on individual assessment.

In 2024, our employees participated in the following trainings and conferences:

- Excel training
- English language training
- IATF 16949 Lead Internal Auditor training program
- HR Management online course
- Partctial training on wages and employer benefits
- HVG Labour Law Conference 2024
- "Lean on the Beach" conference 2024

Talent Development and Support for Professional Competitions:

The engineers of the future start today – and we are there to support them!

At HAFNER Pneumatika, excellence is important, but so is actively supporting talented individuals at the beginning of their professional careers.

For this reason, we have proudly supported the Csernyánszky Imre National High School Pneumatics and Mechatronics Competition for many years. This year, it was held for the 31st time in Jászberény. In addition to professional support, we offer high-value equipment as prizes.



5.4 Social responsibility /GRI 413-1/



For HAFNER Pneumatika Ltd., it has become a tradition to organize a cleanup day, and in March 2024 we held the event again with the help of the local forestry community. We cleaned up waste from both the inner and outer areas of Halászi village.

Our employees regularly participate in blood donation drives organized in Halászi and the surrounding settlements. A significant number of our staff consider voluntary help a personal commitment. Employees who donate blood are granted half a day off from work.

Our company regularly supports local and other associations and foundations.

In 2024, the company supported the following nonprofit organizations and events:

- Befogad-Lak Foundation
- Reménység Autism Foundation
- Halászi Kindergarten
- Moson Big Band
- Children's Day – Darnózseli
- "Gazdász" Ball
- Public Foundation for Infants with Heart Disease
- MŰGÉP Association

The company maintains close relationships with educational institutions, cooperating with and supporting them, thereby promoting the education and career choices of future generations. We also participate in public-benefit social activities, contributing to the well-being of our local community.



Governance

6. Corporate governance

6.1 Financial status

	Taxable income 2024:	621 000 000 Ft
	Owner's equity 2024:	3 372 000 000 Ft
	Current assets 2024:	3 811 000 000 Ft

HAFNER Pneumatika Ltd. operates as an independent organizational unit and does not have any affiliated sites.

The senior management is committed to ensuring that the company does not rely on external financial capital, and therefore holds no short- or long-term liabilities with any financial institution. According to the classification by the Hungarian Tax Authority (NAV), the company is considered a reliable taxpayer.

6.2 Exemplary corporate governance

The company obtained its ISO 9001 certification in 2013, which it has continuously maintained and operated since then. Our quality management system is built according to this standard, and beyond that, it also helps corporate management to regularly and systematically communicate the company's objectives, strategy, and vision.

In addition to current updates, our regular monthly employee briefings provide staff with information on company goals and their progress, such as planned versus actual financial targets, or the rate and significance of customer complaints.

Employee opinions matter!

Idea boxes have been placed at four locations within the plant and are checked monthly. Anyone can submit suggestions by filling out the form provided next to the box, including their name. A designated committee reviews and processes the submissions once a month.

A suggestion is defined as any idea whose implementation results in a measurable benefit. If a suggestion is implemented, the employee who submitted it receives a reward. The company has established reward levels for this purpose.

Suggestions aimed solely at improving employee satisfaction, even if positively evaluated, do not receive a separate reward. In such cases, the potential implementation of the suggestion itself is considered the reward.

In 2024, a total of 46 employee suggestions were submitted, of which 22 were approved.

In addition to collecting improvement suggestions, we are also interested in employees' job satisfaction. We gather this information through questionnaires to assess how satisfied they are with the workplace atmosphere, colleagues, management, and work ethic.

At HAFNER Pneumatika Ltd., the "open door policy" continues to function effectively. Management is approachable and does not avoid anyone; employees can bring daily questions or issues to their attention at any time, including the Managing Director, provided they are competent to address the matter.

6.3 Suppliers /GRI 408-1, 409-1, 414-1/

Good quality starts with high-quality raw materials and components sourced externally. Hafner sets strict quality standards. To consolidate and maintain these rules, we have created and continue to uphold the Procurement Manual.

Supplier relationships

Our company places great emphasis on maintaining and developing relationships with existing suppliers. To achieve this, we exercise appropriate diligence even when selecting potential partners.

We consider it important that, when searching for new suppliers, we collect as much accurate information as possible. This information includes:

- Number of employees
- How long the company has been in operation
- References
- Communication (e.g., response time to requests for quotations)
- Machinery and equipment
- Existence or absence of management system(s)

After collecting the necessary information, we request quotations. From the companies offering the most favourable bids, we request sample products, which must first be approved by our Quality Assurance department for assembly. After assembly, the product is tested, incorporating the components or raw materials from the new supplier.

An important criterion is that cooperation can only take place with companies that have signed both the HAFNER General Terms of Supply and the HAFNER Supplier Code of Ethics. If these requirements are not met, cooperation cannot begin. Any exceptions can only be approved by the Operations Manager or the Managing Director .

HAFNER Pneumatika Ltd. regularly organizes supplier visits and audits. The purpose of these is to gain a deeper understanding of the supplier's capabilities and to assess their manufacturing, organizational, and quality assurance processes on-site, in a real working environment.

Just as we expect honesty and ethical behaviour from our employees, we also require the same from our suppliers

In addition to the basic expectations from our partners—providing high-quality services and maintaining proper communication—we also take other ethical considerations into account in our relationships with them:

- HAFNER Pneumatika Ltd. rejects corruption: Suppliers shall not request, give, or accept any form of bribery in the course of our cooperation.
- Intellectual property: Suppliers must respect intellectual property rights and may only use them in accordance with applicable usage terms and the provisions of the contractual agreement.
- Protection of reputation: Suppliers must refrain from any statements or actions that could harm the reputation or public image of HAFNER Pneumatika Ltd.
- Fair competition: Relations with competitors must be characterized by fairness and professional conduct.
- Conflict of interest: Suppliers must avoid any conflicts of interest, as well as the appearance of such conflicts.
- Compliance with laws: Suppliers must comply with the laws of the countries in which they operate and produce and deliver their products or services in accordance with applicable regulations.
- Fair cooperation and communication: Suppliers are required to provide accurate, clear, and courteous communication, free from any misleading information.
- Respect for human rights: HAFNER Pneumatika Ltd. expects suppliers to ensure the human rights of their employees and to comply with employment laws. HAFNER Pneumatika Ltd. is committed to treating its own employees fairly and humanely, and expects the same from its suppliers.
- We reject all forms of forced labour and child labour.”

Our company records and elaborates on the above guidelines in the ‘Supplier Code of Ethics.’ Every supplier is required to familiarize themselves with and accept the code. In the event of a serious violation, HAFNER Pneumatika Ltd. reserves the right to terminate the existing business relationship.

We appreciate our suppliers!

The supplier list is reviewed at least once a year.

The following suppliers receive feedback on the past year as part of a detailed evaluation:

- The top 20 suppliers who delivered the highest number of items to the company,
- Suppliers of components and raw materials used in our special products (e.g., explosion-proof or products for extremely cold environments),
- Suppliers of strategically important components,
- New suppliers,
- Suppliers identified as problematic.

Based on 2024 data, we evaluated 9 fewer suppliers than the previous year, but added 3 new suppliers to the list. Of these 3 new suppliers, 2 are Hungarian clients.

The evaluation criteria include:

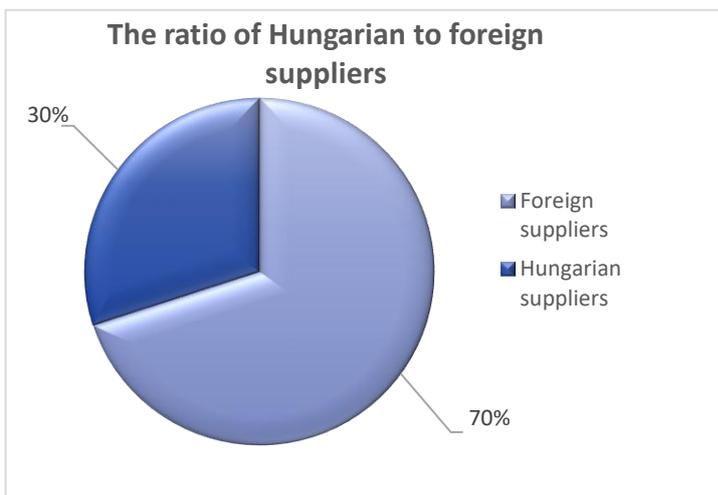
- Overall reliability
- Quality of communication
- Quality of provided services
- Existence of certified management system(s)
- Accuracy of deliveries and associated documentation

Since 2024, our company has also taken ESG (Environmental, Social, Governance) aspects into account. Therefore, when selection new suppliers, we consider:

- Whether the supplier is domestic or foreign – aiming for the shortest possible transportation routes.
- The level of their pollutant emissions.

Currently, Hungarian suppliers account for 30% of all our suppliers.

In 2024, we observed significant progress among our suppliers in terms of commitment to sustainability. An increasing number of our partners are paying attention to ESG topics and transparently reporting their own environmental impacts. Compared to 2023, at least 35% of our suppliers now publish their emissions data or prepare a sustainability or ESG report on their activities.



6.4 Data privacy /GRI 418-1/

Data protection is an important topic for HAFNER Pneumatika Ltd. To this end, and in accordance with the EU General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679), which came into effect on May 25, 2018, our company established its own data protection policy.

The policy provides detailed information to employees, clients, and partners regarding the handling of their data by our company. It applies to all employees, as well as to all partners and clients who have a contractual relationship with HAFNER Pneumatika Ltd.

At the company, personal data must be processed lawfully and fairly, for specified purposes, with data minimization, accuracy, limited storage, and confidentiality.

When establishing partnerships with suppliers, we enter into mutual non-disclosure agreements. These agreements cover all confidential information and data that are not widely known and that the disclosing party designates as confidential.

In 2024, there were no data leaks or cases of data misuse:

The type of data security incidents	The number of data security incidents
The number of substantiated complaints regarding misuse of customers’ personal data	0
The number of complaints received from external parties and substantiated by the organization	0
The number of complaints received from regulatory bodies	0
The total number of identified data leaks, thefts, and customer data losses:	0
the number of data leakage incidents	0
The number of data theft incidents	0
the loss of customer data	0

7. Objectives

Objective for 2024	What we done?
Expansion of selective waste collection.	For the selective collection of municipal waste, we placed 'blue' bins, and on operational areas we also installed additional containers for packaging waste. Employees were trained on the correct use of these containers.
Reduction of paper usage (Used in 2023: 350 reams Target for the end of 2024: 325 reams).	In 2024, we purchased 300 reams of paper, which is 25 reams less than the target set for 2023.
Reduction of waste from PET bottles by 50% (Purchased 0.5 L bottles in 2023 – 797 units).	We purchased water filter jugs for the meeting rooms. After placing the jugs, we no longer bought water in PET bottles. In 2024, we purchased 359 bottled waters, which is 55% less than in 2023.
Support for biodiversity.	We installed 2 insect hotels and 3 bird feeders.
Increasing energy efficiency by replacing light bulbs.	The modernization has begun and is scheduled to be completed in 2025.
Trainings on sustainability topics.	Apart from internal trainings on selective waste collection, we were unable to organize any external training sessions.
Conducting trainings on anti-corruption topics.	We were unable to organize any external training sessions.
Increased oversight of suppliers.	When selecting and evaluating suppliers, we consider whether they monitor and report their emissions data.
Informing customers about sustainability practices.	We published our first report on our website in two languages, along with a one-page summary of our ESG activities.
Expanding ESG knowledge.	This was achieved through compliance with legislation and online research.

Objective for 2025	What are we doing?
Electricity savings by replacing the old compressor.	Assessing options, requesting quotations, and replacing the compressor.
Initiation of solar panel park installation. 2–3year goal: to cover 65–70% of the company’s electricity needs with the energy generated by the solar park.	Selection of the installation company and preparation of the site for the solar park.
Further training for all employees through an application process, organizing LEAN trainings.	Practical organization of the trainings.
Daily occupational safety, fire protection, and environmental tasks are carried out in-house.	Review of the external subcontractor’s contract, outlining options, and modifying the contract.
Establishment of a lockable, separate waste storage area.	Engaging an external subcontractor to set up the waste storage area. Creating appropriate, clearly identified sections within the storage for different types of waste.
Establishment of outdoor rest and smoking areas.	Conversion of the inner courtyard into a shared outdoor rest area. Relocation of the smoking area and bicycle storage, creating additional parking spaces.

8. Inclusion of GRI topics in the ESG report

GRI Standards 2021			
GRI Topic number	GRI Topic's name	The relevant section	Comment
2-1	Organizational details	2.3	
2-2	Entities included in the organization's sustainability reporting	1.	
2-5	External assurance	1.	
2-6	Activities, value chain and other business relationships	2.2; 2.4; 3.3	
2-7	Employees	5.	
2-22	Statement on sustainable development strategy	4.	
Material Topics			
3-1	Understand the organization's context	3.1; 3.2	
3-2	List of material topics	3.2	
Top-specific publications			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1	
202-2	Proportion of senior management hired from the local community	5.1	
301-3	Reclaimed products and their packaging materials	4.2	
302-1	Energy consumption within the organization	4.1, 4.4	
303-5	Water consumption	4.1	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.3	
305-1	Direct GHG emissions	4.5	
306-3	Significant spills	4.2	
401-1	New employee hires and employee turnover	5.1	
403-5	Worker training on occupational health and safety	5.2; 5.3	
403-9	Work-related injuries	5.2	

404-2	Percentage of employees receiving regular performance and career development reviews	5.3	
405-1	Diversity of governance bodies and employees	5.1	
405-2	Ratio of basic salary and remuneration of women to men	5.1	
406 - 1	Incidents of discrimination and corrective actions taken	5.1	
408 -1	Operations and suppliers at significant risk for incidents of child labour	6.3	
409 -1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	6.3	
413- 1	Operations with local community engagement, impact assessments, and development programs	5.4	
413-2	Operations with significant actual and potential negative impacts on local communities	4	
414-1	New suppliers that were screened using social criteria	6.3	
418-1	Negative social impacts in the supply chain and actions taken	6.4	