



SUSTAINABILITY REPORT



IMEX Quality Management System

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Date: 01-09-2021

Serial Nr.: IQMS-028.Rev.1

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Foreword by the board of management

'What is impossible today can be realized tomorrow'

József Öveges

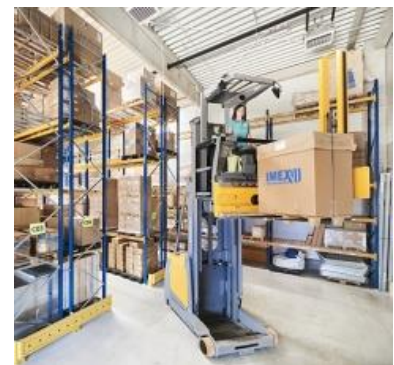
We are delighted to announce that 2021 is a year of many joys, challenges and novelties for our company. We don't just celebrate our 30th birthday, but also publishing a detailed sustainability report for the first time.

Looking back, we can say one of the most memorable years in the history of IMEX Filtertechnika was the year 2006. At that time, important processes were established that have had a long-term influence on the future of the company: For the first time we moved into own buildings which were built for us and thus laid the basis for a sustainable orientation. Over the following years the company is grown continuously and healthy. In 2020, with the high-bay warehouse in Hall C, the last building for the time being, was completed at the Sopron site. Our strategic goals for logistics and services have thus been successfully achieved. In addition to the improved logistics, important ecological goals were also achieved. Today, a modern photovoltaic system with 180 solar cells and rainwater recovery make a significant contribution to the circular economy of the location. Our two spacious office buildings with more than 40 workplaces and common rooms as well as more than 1,800 m² of warehouse and work space are supplied with 70% in-house solar energy.

This continuous development has contributed significantly to our company creating an economical and competitive range of products that strengthens our position in the region and beyond.

As a modern player on the European market, the knowledge and application of the applicable environmental and sustainability standards has been part of our daily work for many years. The regular evaluation of our processes makes it possible to standardize processes again and again and to increase our competitiveness. This applies both, externally and internally, whereby we do not move away from our guiding principles of "customized solutions" and "high service quality".

Of course, the development is never finished: in the coming years we will continue to concentrate on identifying optimization options as key factors for modern corporate management. Employee health and safety (fire and occupational safety) as well as environmental protection were even more important last year than in previous years. The external audit and the integration of the management systems were successfully completed in August 2021. As a result, the guidelines for environmental and occupational health and safety as well as



quality management (ISO14001, ISO45001 and ISO9001) have been integrated into a common system that ensures through its processes that all three standards are always taken into account. The focus is there on process orientation.

The company's performance is in fact the sum of the individual performance of our employees. We therefore understand the creation of conducive conditions for value-adding and meaningful work as well as a climate that promotes development, appreciation and innovation as central values and our responsibility as management.

In this regard, we would also like to take the opportunity to thank all of our employees for their consistent, precise and effective work in the interests of our partners and our company, especially during the pandemic.

Sopron, September 1st 2021



Gernot Schneider

Managing Director



Pandur Attila

Managing Director

The report was prepared taking into account the guidelines for ISO 9001, ISO 14001 and ISO 45001.

In order to ensure better readability, we have dispensed with gender-specific formulations in this report. This does not represent a rating. All entries are to be understood as gender-neutral.

Competence and experience

Our Sopron headquarters have served as the head office of the Austrian-Hungarian joint venture since 1991. Originally founded as a trading company, the IMEX Filtrertechnika Kft. has developed over the years into a technical service provider with specialised engineering services.

More than 45 professional staff members support and advise their business partners in solving their technical and environmental issues as well as in saving costs.

Quality from all over the world

It has been obvious for IMEX Filtrertechnika from the start that it provides its clients exclusively with filter technology and quality products of known European, Asian and North-American manufacturers. Our partners are solely renowned filter manufacturers. This way we are able to combine the know-how of our staff with the expertise of numerous experts in the field, and always be aware of the latest innovations and developments.

The data of thousands of unique products are known and kept computerized in our Sopron headquarters to this day. Our state of the art warehouse and logistic system enables us to deliver all products on stock within 24 hours.

The core of the corporate philosophy of IMEX Filtrertechnika is characterized by a very high level of technical and customer service. For our corporate goal of being able to provide you with all quality filter technology products from a single source, moreover, our technical staff is always ready to support you. We aspire to find the optimal solution for you and your challenges in order to protect both humans and machines.

Milestones:

- 1991 Founding of the owner-managed Hungarian-Austrian joint venture IMEX Filtrertechnika Kft. The objective of the company was the trade of quality Western-European and American motor filters for the Hungarian industry, agriculture and transport.
- 1992 Founding of the Slovenian affiliated company.
- 1993 The company starts trading Donaldson products.
- 1998 Launch of the Industrial dust and oil mist filtration division, complemented with engineering services. – parallel distribution of Donaldson Torit products
- 2001 Founding of IMEX Szerviztechnika Kft., launch of the CompAir compressor representation an affiliate for the sales, servicing and maintenance of compressors and compressed air systems.
- 2006 Construction and move into the first own office and warehouse building in Aranyhegyi Ipari Park in Sopron
- 2008 Setting up the process- and hydraulics filtering division, launch of the exclusive representation of PALL in Hungary and Slovenia. Sales deal with the JACOB company on the distribution of air duct systems.
- 2014 Setup of the HVAC division – parallel trade of JACK Filter, Mikropor and FabricAir products.

- 2017 Acquiring the ISO 9001 certification.
- 2019 Foundation of the IMEX Filtrertechnik GmbH in Austria and taking over W.A.S. GmbH (Weiss Automations Systeme) with oil refinery and gas industry applications as key activities, complemented with measurement and safety technologies.
- 2020 Handover of the new high-bay warehouse (warehouse C)
- 2021 ISO 14001, ISO 45001 certification

Mission statement and values:

In our mission statement, we have set the active shaping of the future as a strategic focus. This includes the challenges of the industry in the 21st century with the special aspects

- Connectivity
- Digitization
- Energy efficiency
- Automation
- Climate protection and sustainability

IMEX Filtrertechnika wants to proactively shape the far-reaching changes in our market and technology environment and be a reliable, forward-thinking partner for our customers and suppliers. Therefore, in addition to future viability, our strategic priorities include customer orientation and excellence.

- Customer orientation means to understand exactly the needs of our diverse customers and their industries and to find the best possible solution for products and services on this basis.
- Excellence in all areas is essential in order to achieve our business targets over the long term. Efficient processes, lean structures and highly motivated, well-trained specialists should help to secure and increase company value and jobs.

A business environment that is changing at an ever faster pace also calls for a very high degree of adaptability and agility. In this area we see ourselves as a permanently learning company. Concepts for leadership, cooperation, organization and communication are continuously developed and adapted to the latest requirements.

The implementation of our strategy is based on a healthy corporate culture, with a high level of innovation, participation and the courage to develop. Our corporate values form the basis of our business:

- Future and result focus
- Responsibility and sustainability
- Initiative and consistency
- Openness and trust
- Fairness and respect
- Reliability and credibility
- Legality and diversity

Guidelines and management systems

Guidelines:

- Health, Safety, Environment (HSE) Policy
- Quality Policy
- Code of Ethics and Business Conduct
- Management principles (ISO 9001,14001,45001)

In 2017 we launched our quality management system certified according to ISO 9001:2015, which we have been successfully implementing since then and regularly checked through renewal audits. In the summer of 2021, the management system for occupational health and safety was certified according to ISO 45001:2018 and the management system for environmental management ISO 14001:2015. Strict HSE goals have been defined to further develop our HSE performance. To achieve these goals, an action plan was drawn up that contains all the tasks and milestones set by the departments that can be achieved through personal contribution. HSE tasks that require investments have been included in the investment plan. We are particularly proud of the fact that no deficiencies were found in the comprehensive fire protection audit carried out by the responsible disaster control authority in May 2021.

An important innovation in the context of HSE management is the organization of the email campaign "Occupational Safety and Health Minutes", which repeatedly draws attention to current occupational safety and health protection issues. The management attaches great importance to the use of a corporate governance system that meets the highest standards. The principles are regularly reviewed to ensure that they are also in line with the best international developments.

The management of IMEX Filtertechnik Kft. sees it as its obligation to apply the applicable guidelines in all areas and in all countries in which IMEX Filtertechnik or sister companies are active and to disseminate them in the company. The management has defined organizational units and their tasks for this purpose. All responsible employees have the right to have a say in their business areas and to make suggestions to the management. The finance department plays a supporting role in terms of risk management and controlling. The area representatives and project managers are responsible for monitoring the implementation of the company's strategic projects, provide the resources for efficient project management and ensure that the systems and filter systems are delivered in perfect condition and in accordance with the relevant standards, on time and on budget.

One of the important innovations of the year's HSE management activities is the organisation of the "Occupational Safety and Health Minutes" email campaign, which always draws attention to current occupational safety and health issues. The management attaches great importance to the application of a corporate governance system that meets the highest standards, and the principles it applies are regularly reviewed to ensure that they are in line with the constantly evolving best international practice in this area as well.

Regulatory system:

Basic principles for the design of the system:

- ensuring the right balance between management discretion and the requirements of a rigorous internal management and performance measurement system

- ensuring that decision-making competencies are exercised at the level where the most information is available for making the decision
- ensuring adequate ex-post evaluation and control
- ensuring functional and business matrix management both within the company and in sister companies

The importance of sustainable development:

In addition to future viability, the company's most important strategic goal is to ensure and increase quality in terms of customer orientation and excellence. We have established very good professional relationships with institutions and authorities

- We regularly evaluate our suppliers and are in constant contact with them
- Dialogue for further development in the interests of our customers
- Our management maintains a constant dialogue with the employees
- We offer our employees continuous training and further education opportunities
- We are committed to innovation and quality

Our social responsibility:

IMEX Filtrertechnika Kft. sees itself as a pioneer for domestic companies by fulfilling the domestic HSE requirements to the maximum and creating the best working conditions for its employees. This proactive strategy remains an important goal of IMEX Filtrertechnika Kft. It is therefore important to us to openly communicate our achievements, goals and ambitions and to guarantee the best opportunities and working conditions for all of our employees.

As a company with an international presence, we feel equally committed to European and national cultural values. We are constantly developing our knowledge and sharing information and experiences.

We are committed to promoting environmental awareness and a healthy lifestyle. As part of this, we support children's foundations, young people and people in need. We promote outstanding individual and club sports activities and, wherever possible, provide opportunities for this within the company.

Safety at work:

Since some of our customers' production sites are also classified as dangerous, the safety of our colleagues has top priority. For this reason, we continuously carry out technical tests on the basis of an annual test plan.

These are prepared and carried out in addition to the issuing of self-testing permits and include the calibration of hand tools, personal protective equipment and measuring instruments.

Our company has been logging accidents at work since it was founded in 1991. In order to be comparable with other employers and in accordance with our legal obligations, we consider the number of (reportable) accidents that require more than three days of sick leave as the relevant statistical indicator. In addition, we keep a more stringent record than required of the frequency of accidents that lead to lost work.

As a result of effective preventive measures, our company has not yet had any accidents with prolonged absence from work or serious work accidents. The specific number of reportable accidents is falling annually and thus shows a positive trend. Last year we reached the lowest level ever. (In this regard, we would like to note that this is not due to Covid-19 because we had no fewer work assignments and there was no downtime in our company.)

All types of accidents are investigated internally in accordance with the relevant legal and professional requirements, even if they are not reportable. The evaluation and analysis of accidents, even if they do not result in lost work, increase the effectiveness of prevention. The examinations allow us to detect, identify and eliminate the factors, which can significantly reduce the number of adverse events. The human factor, or rather human error, plays a key role in the occurrence of exceptional HSE incidents (according to our statistics, this affects more than 90% of cases). These accidents are mostly due to inattentiveness or an irregular work process. Identifying the causes of inattention is extremely difficult, but without analyzing it, we would not be able to take effective preventive measures.

In order to uncover high-risk hazards as well as dangerous and inappropriate actions, the following points were investigated at every stage:

- the existence of personal conditions of the persons involved in the work
- the actual and expected practices of the work processes
- the safety condition of facilities, work equipment and personal protective equipment
- the presence and impact of environmental factors
- the causes of the accident

We believe that the quality of the investigation has a major role to play in improving the accident situation. We have developed an effective control practice which we expect to further improve the situation.

We have put in place the following procedures to ensure safe working conditions that are not hazardous to health:

- continuous provision of personal protective equipment on a normative basis
- provision of protective drinks throughout the year
- provision of cooling/heating of workplaces as required
- introduction of ergonomical equipment
- our company pays particular attention to the continuous improvement of the working environment.

Note: our company has placed a defibrillator accessible to all

Employees:

In mid-2021, our company employed 47 people. Taking into account the needs and possibilities of our colleagues, we offer all of our employees with children part-time employment and the opportunity to occasionally work from home if their children become ill. All of our employees have permanent contracts.

The 2020/2021 Covid period has shown that the company can rely on a valued and satisfied workforce in such exceptional circumstances. We were able to give all of our office employees remote access to the computers in their home office, to redirect the landline extensions to their homes and to provide laptops if necessary.

The knowledge that the employer is flexible in dealing with unexpected life situations gives the employees greater social security. We are proud that the employees of IMEX Filtertechnika Kft., while redundancies had to be made in many industries, were able to keep the contractually agreed working hours and received the usual wages for their work.

The company would like to take this positive experience as an opportunity to further strengthen social security, employee satisfaction and employee engagement.