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# ESG

## REPORT

### 2022

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ENVIRONMENT, SOCIAL, GOVERNANCE



**ttcables**  
ELECTRIC CABLE WORKS



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# Message from our Board

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*Over the years, TT Cables has witnessed tremendous growth in all aspects of doing the business we do. This has been facilitated through astute strategic planning, intensive capital investments, continuous improvement of all processes coupled with an **envisioned focus on human capital**.*

Until recently, we have been reliant on the traditional forms of analytics or financial reporting in order to measure the health of our group mindless of the need to measure other key indicators which should be considered, regardless of the fact that we have always had an intrinsic compulsion towards our environment, community and corporate governance. With this in mind, TT Cables is proud to present

**our first stand-alone ESG report** covering these issues that have always been important to us.

Over the years, we have placed significant effort into our approach and responsibility towards the environment, empowering our employees, playing a visible role in our community, living up to the expectations of our demanding customers and adhering to best practices in running the Company.

This path was inherited by our late owner, whom we unexpectedly lost in 2022 - we are committed to continuing along the path he has entrenched and become a leader and example to other companies in the region. Strategically, we are very aware that our continued success is

dependent on the communities we serve and the global environment.

With this in mind, take a glimpse at what we have been doing over the last year in this regard in the report that follows.

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**Dario Tomić**

*Chairman of the Board and CEO, TT Cables LTD*

# A glimpse at TT Cables

TT Cables LTD was founded in 2007 as a small producer of Low Voltage Cables located in the town of Siroki Brijeg in Bosnia and Herzegovina, less than 40 KM from the Croatian border.

Today, we are the **LARGEST CABLE PRODUCER IN THE REGION** and a key player in the European cables market with subsidiaries in Croatia, Lithuania, Austria, North Macedonia and Serbia. We proudly maintain a strong family of employees which exceeds 370 including our subsidiaries.

We offer all cabling solutions to our continually growing customer base located in over 35 countries including the United States and Israel. Our products

adhere to stringent standards and our abundance of international certificates bear witness to our commitment to quality.

Our reference list includes a wide array of renewables projects which bear proof to our role in the Green Revolution as well as several other projects such as sports facilities, road infrastructure projects, business complexes, residentials and so forth.



**340**

FULL-TIME EMPLOYEES



**25,000 m<sup>2</sup>**

PRODUCTION PLANT



**160 million €**

IN SALES (NON-CONSOLIDATED)



**5**

SUBSIDIARIES



**30,000 MT**

OF FINISHED GOOD ANNUALLY



**35 countries**

WE ARE SERVING IN





We continually strive...

# Responsibility Safety Teamwork Integrity

As awareness has significantly grown globally on ESG reporting, we at TT Cables have decided to publish our first report for 2022 becoming **one of the few pioneers** in this process in Bosnia and Herzegovina.

In writing this Report, we have formatted actions which we have been undertaking for years now as part of our corporate culture, but have not precisely measured, consolidated and published. We are proud of the fact that we have been on the **right path for years** now and we now have the opportunity to publish who we truly are.

In ESG reporting generally, we often find that the E is overly accented and significantly less attention is paid to the S and G components. At TT Cables, we equally weigh the importance of all elements and have integrated this approach into our reporting.



# Caring for our PLANET...



Sustainability is in our DNA. Over the years, we have placed significant effort into our approach and responsibility towards the environment, empowering our employees, playing a visible role in our community, living up to the expectations of our demanding customers and adhering to best practices in running the Company





Tending to our environment has become a top priority at TT Cables over the years as we have wholeheartedly grasped this obligation intrinsically in all aspects of our business. We have proudly maintained our **ISO 14001 Certification for Environmental Management** for years now and are continually involved in new projects directly and indirectly linked to the 14000 family.

We **recycle all** paper, cardboard, nylon, and cable scraps with certified local companies while recycling and reusing PVC waste in our production process. Over time, this strategic aim has become an integral part of our corporate culture placing us in the foreground in our region.



## Green Chemicals in Industry

As a component of the Environmentally Sound Management of Persistent Organic Pollutants (POPs) in Industrial and Hazardous Waste Sectors in Bosnia and Herzegovina implemented by the UNDP and financed by the Government of Sweden, TT Cables participated actively in the Implementation of Green Chemicals in Industry Project together with local consultants. The first phase involved a thorough identification and analysis of all materials and energy fluctuations, including input raw materials and output emissions.

We completed this phase in July 2022 and adopted strategies for implementing Green Chemistry Principles which have already led to financial savings, a decrease in waste volume, reduced employee health hazards and generally towards protection of the environment. We have extended our participation through to the end of 2023 and will continue to implement **Green Chemical Best Practices** based on professional recommendations by the Project Team Consultants

# Carbon NEUTRALITY

In 2021, our Board at TT Cables decided to measure GHG emissions for the first time and we selected this as our base year. In cooperation with renown, internationally certified consultants, we have collected and consolidated information for the completion of our first GHG Study according to ISO 14064 (Scopes 1 & 2) which includes a strategy for years to come and an **Action Plan for reduction of GHG's**. We expect the verification process to be complete in early summer 2023.

 **29.16 t**  
CO<sub>2</sub>e EMISSIONS  
PER EMPLOYEE

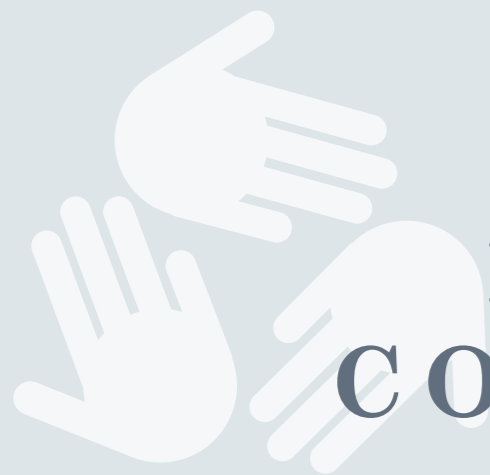
 **0.30583 t**  
CO<sub>2</sub>e EMISSIONS PER METRIC  
TON OF FINISHED GOODS

 **100%**  
ENERGY FROM RENEWABLE SOURCES  
FOR OUR PRODUCTION PLANT NEEDS

Our ultimate goal, in accordance with Global Targets, is  
**CARBON NEUTRALITY BY 2050**  
and we shall continue to take steps year on year in accordance  
with our Action Plan.

## Looking ahead to 2023...

1. Continually measure CO<sub>2</sub> emissions according to ISO 14064 and implement measures in our Action Plan (own-use solar plant, electric/hybrid vehicles, LED lighting)
2. Contract a "Green Model" Agreement with our Power Utility (Elektroprivreda HZHB)
3. Drafting of a Life Cycle Analysis Study & Environmental Product Declarations for six groups of cables
4. Find new & better solutions for scrap recycling



# Impacting our COMMUNITY

For years at TT Cables, we have been aware of the importance of the community we work in – what it bestows onto us and our obligation to continually reciprocate. Our approach to these issues follows Kant's view that the motive and not the consequence of an action determines its moral value. Our motive at TT Cables is *to continually and unconditionally bestow...*



## Blood Drives

Our family at TT Cables is aware of the fact that giving blood is giving life. For years now, we have proudly organized in-factory blood drives in coordination with the Mostar University Clinical Hospital Transfusion Department and the local Red Cross Association.

**2**  
BLOOD DRIVES

**42**  
DOSES DONATED



Transfuzijski centar Sveučilišne kliničke bolnice Mostar | Crveni križ

**PETAK,  
16. PROSINCA**  
09:00 - 11:00  
PROSTORIJE EMERUS-a

**5 RAZLOGA**  
ZBOG KOJIH BI TREBALI DARIVATI KRV

1. Jedna darovana doza krvi može spasiti 3 života
2. 1/3 nas trebat će transfuziju krvi tijekom života
3. Krv nije moguće proizvesti na umjetan način
4. Samo 36 sati je potrebno da tijelo prirodno nadoknadi darovanu krv
5. Redovito darivanje krvi povezano je s manjim rizikom od infarkta

*daruj krv, spasi život*

**EMERUS** **ttcables**  
ELECTRIC CABLE WORKS

## Giving back to the local community

We regularly **donate cables** which serve to electrify local/rural areas and have also donated cables for rebuilding a home in earthquake stricken Petrinja, Croatia. We regularly support infrastructure projects locally as well as at our local parishes which play a key role in our community.

TT Cables is the **Main Sponsor** of the Siroki Brijeg Basketball Club, Key Sponsor of the Siroki Brijeg Soccer Club and several other smaller sports clubs including karate, futsal and local community tournaments.

We are continuously proud **sponsors of several Goodwill organizations** in our community which reach people in need of assistance for health issues, assist children with special needs and the elderly as well as a wide range of other activities from promoting a healthy lifestyle to safeguarding our environment.

TT Cables always prioritizes inclusion of local Small and Medium Size Enterprises in sourcing our various needs in order to help stimulate the local economy.



## Our dedication to learning



TT Cables has played a decisive role in our community for years cooperating with our local vocational school - Srednja strukovna škola Široki Brijeg, as well as two universities - The University of Mostar Faculty of Mechanical, Electrical Engineering and Computer Science as well as The University of Zagreb Faculty of Chemical Engineering.

We have helped significantly improve the dual education system through traineeships, mentoring and technical cooperation with these institutions.

### 2

#### CONTINUOUS STIPENDS FOR UNDERPRIVILEGED UNIVERSITY STUDENTS

A few years back, we helped facilitate the introduction of the **Mechatronics Program** at the local vocational school in cooperation with the Helvetas Foundation from Switzerland which has proved to be extremely successful. The new program has triggered tremendous interest in enrollment numbers and is a modern and suitable response to the needs of industry in the Herzegovinian Region.

## APPRENTICESHIPS at TT Cables in 2022:



**Local Vocational School :**

**22** (Mechatronics Technicians/  
Mechanical Engineering Technicians)



**Universities of Mostar and Zagreb:**

**4** (Mechanical and Chemical  
Engineering)

## Looking ahead to 2023...

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1. Continue cooperation with local health care institutions and promote the importance of giving blood to our employees;
2. Continue with philanthropical work through local sports associations and Goodwill organizations;
3. Support the local economy with SMEs through subcontracting and sourcing;
4. Improve and expand cooperation with the local Vocational School and our partnered Universities

# Empowering PEOPLE...



We recognize that our employees are the cornerstone of our success, and we invest in their growth, well-being, and development. As a result, they continuously help us evolve and adapt to an ever-changing world.



## Employee health & safety

At TT Cables our Employees and their safety always comes first and this approach has been deeply embedded in our corporate culture.

We continually strive to reduce workplace injuries and employee health generally through guidelines, auditing and education sessions based on best-practice and we recurrently make key improvement decisions relying on evidence-based analysis. Our structured approach through our Company's Health and Safety Manager allows us to continually improve processes.

In 2022 we have significantly improved the quality of the employee safety environment including improved equipment, routine walk-around audits and safety signalization which determinately raises awareness and impacts injury frequency.

**545,612**

HOURS WORKED

**94**


EMPLOYEES ATTENDED EHS  
TRAINING SESSIONS INCLUDING  
ORIENTATION TRAINING, SPECIAL  
SESSIONS & FIRE SAFETY TRAINING


**201**

EMPLOYEES UNDERWENT  
PREVENTATIVE MEDICAL EXAMS  
SPONSORED BY OUR COMPANY

## Remuneration & Employee Satisfaction

We have long been aware of the fact that a satisfied employee is a productive one. For this reason, we have always wanted to make sure that our employees can cover all basic living costs with their monthly salaries and have spared no expense in making this happen.

 **8%**  
IN NET SALARIES  
OVERALL Y/Y

 **32%**  
AVERAGE NET MONTHLY  
SALARIES AT TT CABLES  
EXCEED FEDERAL AVERAGE



TARGET-BASED MONTHLY  
BONUS BUDGET ALLOCATED TO  
MOST PRODUCTIVE EMPLOYEES  
IN PRODUCTION PLANT.



OFF-TO-SCHOOL STIPENDS FOR  
EMPLOYEES WITH CHILDREN IN  
ELEMENTARY SCHOOL

**13%, ↓ 2% y/y**  
EMPLOYEE EXPERIENCE-ACHIEVING ANNUAL  
IMPROVEMENT IN EMPLOYEE RETENTION,  
MEASURED BY EMPLOYEE TURNOVER RATE

## Equal Opportunity & Development

We are devoted to maintaining a respectful, fair and inclusive workplace where all employees have the opportunity to emphatically contribute to the success and growth of TT Cables. From recruitment to advancement, our Policy is selection of only the best regardless of background diversity.

TT Cables was one of the pioneers in engaging women into the industrial workforce in our region and in 2022 we significantly increased the participation of women at our Company. A bold move, this strategy not only empowered women by offering them responsible positions with equal pay in a non-traditional sector, but simultaneously impacted reducing workforce migration to other countries in the

EU which has been a tremendous demographic problem in our country.

We strive to encourage our employees to develop at TT Cables. From internal development sessions to external training and education here and abroad, all willing employees have the opportunity to widen their horizons with the full support of our Company.

With periodical Team-Building sessions our goal is to not only keep our employees informed on what the future holds at TT Cables, but create a bond stronger than that of a Team – our goal is to be one big Family.

**13%**

WOMEN REPRESENTED  
IN OUR WORKFORCE

**5**

WOMEN MANAGING KEY  
POSITIONS AT OUR HQ

**9**

EMPLOYEES WITH  
DISABILITIES

## Looking ahead to 2023...

1. Continue improvement of the Health and Safety Environment through training, equipment and monitoring
2. Monitor and improve employee compensation packages
3. Maintain/reduce employee turnover rate
4. Foster education and advancement opportunities

# Governance and Integrity

## Corporate governance

Members of our Board of Directors at TT Cables are selected exclusively based on their competencies, experience and knowledge which is reflected in our annual number crunch for years now. Our Board intrinsically fosters sustainable growth in accordance with principles of Good Corporate Governance, innovation, ethics, employee development, legal obligations and particular attention is paid to sustainable development trends.

This approach has been fortified through the adoption of internationally recognized best practices in several segments of what we do. We proudly maintain several ISO certificates for years now and have adopted corporate policies which define who we are and how we work:

## CERTIFICATES:

1. ISO 9001 Quality Management Systems
2. ISO 14001 Environmental Management System
3. ISO 45001 Occupational Health and Safety Management Systems
4. ISO 50001 Energy Management



## POLICES:

1. Overall Quality Policy Statement
2. Corporate Social Responsibility Policy
3. Drug and Alcohol Policy
4. Anti-Corruption Policy
5. Anti-Slavery and Human Trafficking Policy



These certificates and policies on their own mean very little without quality follow through. Our company is in the process of building internal structures which shall constantly monitor adherence to these systems including our **Employee Health & Fire Safety Manager**, our Internal Auditor as well as new positions we shall be introducing in FY 2023.

### Transparency

Responsibility to our Shareholders is of the utmost importance to us at TT Cables which is reflected through our planning and reporting processes.

Upon adoption by our Shareholders, our Annual Business Plan is followed up with well-structured Monthly, Quarterly and Biannual Reports from key business segments containing crucial KPI's which substantiate conformance with planned activities and indicate problems in a timely manner when they may come up.

### Political Engagement and Public Policy

All businesses are undoubtedly subject to massive administrative, legal and other regulations throughout the world. For this reason, at TT Cables we are convinced that we must play our role as a responsible corporate citizen and be an active cocreator of policies, laws and regulations that impact not only ours, but all business in our country.

We facilitate our impact through membership in organizations and other bodies that can make a positive change to the business climate:

1. The Foreign Trade Chamber of BH
2. The American Chamber of Commerce in Croatia
3. The Siroki Brijeg Business Association
4. The Metal and Plastics Cluster, Mostar BH
5. The Technical Committee for Electric Cables and the Institute for Standardization of BH
6. BH K Cigre



## Information Security

Aware of trends in the field of information security and its importance, upcoming legal obligations and potential cyber security threats in an ever-digitalized world, TT Cables has taken concrete steps in 2022 to adopt best practices in an attempt to manage these risks. In order to safeguard the information of our clients and our own, TT Cables has initiated procedures for certification according to **ISO 27001 Information Security Management Systems in 2022.**

Through this activity, we hope to mitigate risks by improving our procedures and other systems, particularly paying attention to the high reliance on digitalized systems and the accompanying threats. We plan to finish the certification process in the next fiscal year.

## Digitalization

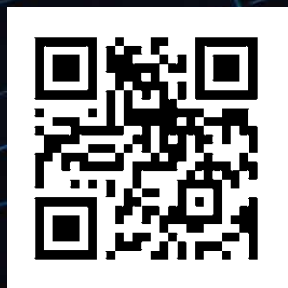
Aware of the gravity and benefits of keeping in step with digitalization, we at TT Cables have been continuously undergoing change over the past several years. We presently are implementing several new processes with the goal of optimizing production activities, increasing efficiency and better monitoring including:

1. Warehouse Management System
2. Routine and Preventative Maintenance System
3. New Business Information Management System
4. Manufacturing Execution System
5. Cable Design Software System
6. Production Planning Software System
7. Document Management System

These systems are abundant and complex and are all in the process of being introduced.

## Looking ahead to 2023...

1. Nominate a Quality Management Systems Manager who will integrate all ISO and other systems and monitor processes;
2. Nominate Contact Points in each Department which will be responsible for dissemination and implementation of Policies and Procedures;
3. Remain an active player in policy making;
4. Continue with digitalization processes;
5. Complete the Certification process for ISO 27001.



## CONTACT

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