

SUSTAINABILITY REPORT 2022



Table of Contents

1. MESSAGE FROM MANAGEMENT	3
1.1. STATEMENT FROM THE MANAGING DIRECTOR	3
2. GENERAL STANDARD DISCLOSURES	5
2.1. PRESENTATION OF THE ORGANISATION	5
2.1.1. DESCRIPTION OF THE GROUP'S BUSINESS MODEL	9
2.1.2. POLICY AND DUE DILIGENCE	9
2.1.3. BASIC INFORMATION ON THE GROUP'S BUSINESS OPERATIONS	9
2.1.4. SUPPLY CHAIN	9
2.1.5. COOPERATION WITH OTHER ORGANISATIONS	13
2.1.6. EXTERNAL REVISION OF GROUP POLICIES AND STATEMENTS	13
2.1.7. ORGANISATIONAL CHANGES IN 2022	14
2.2. SUSTAINABILITY REPORT WRITING METHODOLOGY	14
2.3. REPORTING FRAMEWORKS	15
2.4. PROFILE OF REPORT	15
2.4.1. CONNECTING THE STRATEGIC OBJECTIVES OF THE LTH GROUP WITH THE GLOBAL OBJECTIVES OF SUSTAINABLE DEVELOPMENT	16
2.4.2. MISSION	16
2.4.3. VISION	16
2.4.4. STRATEGIC GUIDELINES AND INTEGRATED MANAGEMENT SYSTEM POLICY	17
2.5. THE COMPANY AND ITS STAKEHOLDERS	20
2.5.1. STAKEHOLDER INVOLVEMENT AND SIGNIFICANT INFLUENCE MATRIX	21
2.6. EXTERNAL PROPOSALS, PRINCIPLES, AND INITIATIVES	23
2.7. MANAGEMENT	24
2.8. ETHICS AND INTEGRITY	24
3. SPECIAL STANDARD DISCLOSURES	26
3.1. ECONOMIC ASPECT OF SUSTAINABLE DEVELOPMENT	26
3.1.1. DONATIONS AND SPONSORSHIPS	28
3.1.2. RISK MANAGEMENT	28
3.1.3. PURCHASE PRACTICE	28
3.1.4. CORRUPTION PREVENTION	29
3.1.5. CONTINUOUS IMPROVEMENT SYSTEM IN THE LTH CASTINGS GROUP	30
3.2. SUSTAINABLE RELATIONSHIP WITH THE ENVIRONMENT	32
3.2.1. WATER AND ENERGY PRODUCTS	35
3.2.2. WASTE	39
3.3. SUSTAINABLE RELATIONSHIP WITH THE LOCAL COMMUNITY	43
3.4. SUSTAINABLE RELATIONS WITH EMPLOYEES	45
3.4.1. EMPLOYMENT POLICY	46
3.4.2. EMPLOYEE STRUCTURE	47
3.4.3. INTERNSHIP AND DECENT WORK	53
3.4.4. HUMAN RIGHTS	54
3.5. RESPONSIBILITY TO BUYERS	55

1. MESSAGE FROM MANAGEMENT¹

1.1. STATEMENT FROM THE MANAGING DIRECTOR

The 2022 Sustainability Report is the fourth report on sustainable development by the LTH Castings Group. It addresses business, environmental, social and management effects, and the operational results of the LTH Castings Group.

“Sustainability in Motion” is our motto, representing the activities of the LTH Castings Group in the field of sustainable development. We have split the contents of sustainable development into three pillars of operational activity: business excellence, environment, and social responsibility.

The three combined are integrated into the frame of the Mission Statement:

All employees of our company strive to for business excellence in all work assignments. We try to achieve this through integrated services for our clients, investing in new expertise, innovative development of products and processes, and continuous improvement of productivity and quality.

In our work, we are aware of our responsibility towards the local community and the environment. The contents of all three pillars were coordinated at the level of the LTH Castings Group with key stakeholders and represent the guidelines of the Group's further development. The activities in the frame of guidelines are regularly checked and adjusted according to current events. The Group reports using Global Reporting Initiative standards, and actively cooperates with leading NGOs that cover the area of sustainability reporting in Slovenia.

Environmental guidelines

In order to achieve our long-term goal of achieving climate neutrality by 2040, environmental activities represent the main part of our operations.

Two important components in this regard are the reduction of CO₂ emissions by all possible means in operational functioning and the increase of the share of renewable resources for the energy used. Other main components for the protection of climate and nature are the promotion of the concept of circular economy, the “local for local” concept and the involvement of suppliers and employees towards carbon neutrality.

- A clearly defined interim target of **CO₂ neutral production by 2030** for pillars 1 and 2.
- The LTH Castings Group is committed to actively approach the reduction of CO₂ emissions in our production processes. This commitment is based on the use of the best technologies from the point of view of the carbon footprint, use of the concept of closed-loop production and the implementation of a system of energy monitoring of consumers and a system of continuous improvements.
- Dedicated funds for energy efficiency projects, including the installation of own green energy sources at production locations.
- Focus on the use of recycled aluminium as an input raw material, also called “green aluminium”. In this context, the input materials have a significantly lower carbon footprint compared to the primary raw material.
- “Local for local” promotion is focused on reducing the carbon footprint in the transport of goods.

Social responsibility

Our company's ethical codex defines who we are and what we believe in, and determines the principles and rules of ethical behaviour, good business practices, and standards we adhere to. It represents the basis for all other internal regulations, policies and practices of our company that

¹GRI 2-22

provide the employees with a safe and good working environment and grant the company the basis for sustainable development.

We are aware that our people are our company's biggest asset, and therefore our greatest treasure. Integrity, compliance with the law, and responsibility to the people are the guiding principles for the management of LTH Castings. They are united as part of the principles of our operation and published in the Business Code of Conduct² of the LTH Castings Group.

Business excellence

Within the scope of business excellence, we have combined the guidelines and aims for customer relations, the programme for continuous improvement of the business, and the concept of long-term sustainable business financing.

- Customer relations: As part of our sustainable products, we have a clearly defined focus on supporting our customers in their transition to electromobility. Our goal is to provide expertise and practical guidelines to help our customers optimise the transition to electric vehicles. At the same time, we strive to establish stable partnerships, to understand our customers' needs, expectations, and strategies. Thus, we are building long-term trust and cooperation that is based on mutual understanding and a shared vision of sustainable mobility. Last but not least, the basis of our business is quality.
- We work hard to continuously improve the quality of our products and services, as we would like to ensure that our solutions are aligned with our clients' expectations, and we want to exceed the standards for electromobility. We are committed to the continuous training of our processes and the use of the latest technologies and best practices, which allows us to offer our clients superior quality and sustainable solutions.
- We strive to be the best in our industry by investing in highly flexible production lines, automation, and digitalisation.
- Our focus is on long-term financially sustainable operations, which we achieve with an excellent financial rating. This stability gives us financial support to carry out large projects and enables us to meet challenges in turbulent times. Our high financial rating is a reflection of consistent financial discipline, efficient risk management, and the skilful management of financial resources.

Sustainable operation is a decisive factor for our long-term competitiveness. This does not encompass only sustainable operation of the company, but also sustainable products and business models. To achieve this, sustainability needs to be incorporated in all key business processes. Thus, we create the prerequisites for a long-term transformation in the direction of sustainable operation.



Peter Šifrer procurator

Figure 1 Peter Šifrer, procurator

² The Code of Conduct is published on the company's website [LTH Castings English](https://www.lthcastings.com/default.asp?mid=en&pid=businesscodeofconduct)
<https://www.lthcastings.com/default.asp?mid=en&pid=businesscodeofconduct>

2. GENERAL STANDARD DISCLOSURES

LTH Castings d.o.o. sustainably realises social responsibility in all projects and long-term plans at all levels with an awareness of the responsibility of connecting economic, social, and environmental objectives.

The data on sustainable operation of the group is collected by the specialist service of the parent company, LTH Castings, which is the rapporteur. Disclosures using the GRI GS standard generally refer to the entire LTH Group. The identified key influences and disclosures in accordance with the GRI GS standard are further explained in the continuation of the report.

In 2017, we reported for the first time on sustainable growth according to 2016 GRI standards. We continue to report in accordance with the GRI standards (GRI 1: Foundation 2021) in 2022. This is the fourth report. The report and the data in the report are reviewed by the management responsible for sustainable development.

2.1. PRESENTATION OF THE ORGANISATION³

In 2022, the LTH Castings⁴ Group comprised the parent company LTH Castings d.o.o. and its subsidiaries, LTH Metalni lijev d.o.o., LTH Learnica dooel, and LTH Alucast d.o.o. The latter is a new entity founded at the end of 2015 and is also 100% owned by the parent company LTH Castings d.o.o.

³GRI 2-1

⁴GRI 2-1, 2-2



production locations

1 SLOVENIA
LTH Castings d.o.o.
Vincarje 2
SI-4220 Škofja Loka
T + 386 (0) 4 5112 109
F + 386 (0) 4 5112 112

2 LTH Castings d.o.o.
Trata 52
SI-4220 Škofja Loka
T + 386 (0) 4 5112 472
F + 386 (0) 4 5112 473

3 LTH Castings d.o.o.
Litostrojska 46
SI-1000 Ljubljana
T + 386 (0) 1 5001 840
F + 386 (0) 1 5001 860

4 CROATIA
LTH Alucast d.o.o.
Republike Austrije 3
HR-40000 Čakovec
T + 385 (0) 40 321 104

5 LTH Metal Cast d.o.o.
Benkovačke bojne 21
HR-23420 Benkovac
T + 385 (0) 23 684 810
F + 385 (0) 23 681 032

6 NORTH MACEDONIA
LTH Learnica dooel
15-ti Korpus 89
MK-6000 Ohrid
T + 389 (0) 46 204 400
F + 389 (0) 46 204 444



info@lthcastings.com
www.lthcastings.com

Below is the basic information for entities included in the Group⁵.

LTH Castings d.o.o. (parent company)

Company:	LTH Castings, ulitki d. o. o.
Shortened name:	LTH Castings d. o. o.
Registered office:	Vincarje 2, 4220 Škofja Loka, Slovenia
Organisational form:	Limited Company
Company registration court:	Kranj District Court
Share capital:	EUR 17,892,779.00
Ownership ⁶ on 31 December 2022:	The company is 100% owned by LIOR INVEST d. o. o., Ljubljana
Supervisory board:	The supervisory function is performed by the sole member
Management:	Andrej Megušar, director (represents the company together with the director or procurator) Igor Grilc, director (represents the company together with the director or procurator) Peter Šifrer, procurator (represents the company together with the director)

Subsidiary: LTH Metalni lijev d. o. o.

Company:	LTH Metalni lijev d. o. o.
Shortened name:	LTH Metalni lijev d. o. o.
Registered office:	Benkovačke bojne 21, 23420 Benkovac, Croatia
Organisational form:	Limited Company
Company registration court:	Court in Zadar
Share capital:	HRK 30,148,800.00
Ownership ⁷ on 31 December 2022:	The company is 100% owned by LTH Castings d.o.o.
Supervisory board:	The supervisory function is performed by the sole member
Management:	Milivoj Knežević, director Jan Berčić, director

⁵All of the listed business entities are included in the consolidated financial statements.

⁶ GRI 2-1

⁷GRI 2-1

Subsidiary: LTH Learnica dooel

Company:	LTH Learnica dooel
Shortened name:	LTH Learnica dooel
Registered office:	15-ti korpus 89, 6000 Ohrid, North Macedonia
Organisational form:	Limited Company
Company registration court:	Court in Ohrid
Share capital:	MKD 289,131,871.50
Ownership ⁸ on 31 December 2022:	The company is 100% owned by LTH Castings d.o.o.
Supervisory board:	The supervisory function is performed by the sole member
Management:	Nataša Jovčeska, director Klemen Turk, director

Subsidiary: LTH Alucast d. o. o.

Company:	LTH Alucast d. o. o. za lijevanje aluminija
Shortened name:	LTH Alucast d. o. o.
Registered office:	Ulica Republike Austrije 3, 40000 Čakovec, Croatia
Organisational form:	Limited Company
Company registration court:	Court in Varaždin
Share capital:	HRK 29,800,000.00
Ownership ⁹ on 31 December 2022:	The company is 100% owned by LTH Castings d.o.o.
Supervisory board:	The supervisory function is performed by the sole member
Management:	Tomislav Tot, director Tadej Muhič, director

⁸ GRI 2-1

⁹ GRI 2-1

2.1.1. DESCRIPTION OF THE GROUP'S BUSINESS MODEL¹⁰

The LTH Castings Group is a process specialist in the field of development, casting, processing, and assembly of highly complex components from aluminium, and in the manufacturing of tools for their production. Investment in development, process expertise and highly efficient production represent the basis for innovative, top-quality products. The buyers of our products are automotive industries from all across Europe, which selected us as their preferred development partner and supplier. The Group focuses on selling to the buyers, which means that we supply products to the respective locations of the buyers' production facilities within the EU territory.¹¹

The continuous improvement approach, which represents the basic principle of our processes and operations, is aimed at business excellence for the entire Group. Our production locations (Škofja Loka and Ljubljana in Slovenia, Benkovac and Čakovec in Croatia, and Ohrid in North Macedonia) comprise an integrated combination, which is able to adapt to the requirements of the buyer both in terms of the full range of product complexity and price efficiency. The integrated tool making facility allows the company to provide development and production services, fast response times and the optimisation of production processes in foundries.

2.1.2. POLICY AND DUE DILIGENCE

The Group systematically manages the environment and energy. Special attention is given to the quality of our products and the impact of our activity on the environment, which is why we have established a uniform quality and environmental management system. The system is presented in the Rules of Procedure and the resulting documents with which we systematically and continuously strive to improve the operation and attain the goals set in the Environmental Management and Quality Policy. At all of its locations, the Group has the following established and valid certificates: IATF 16949, as well as ISO 14001:2015, ISO 45001 and ISO 50001.

2.1.3. BASIC INFORMATION ON THE GROUP'S BUSINESS OPERATIONS

In the 2022 business year, the realised sales income of the group amounted to EUR 364.6 million, which represents a EUR 70.5-million increase (24% growth) in comparison with the EUR 294.1 million realised in the previous year.

More detailed information about the business operations for 2022 is available in the framework of the publicly published audited annual report of the LTH Castings Group for 2022 (hereinafter Audited Annual Report). The report is publicly published in the AJPES business register.¹²

2.1.4. SUPPLY CHAIN¹³

The detailed process of raw materials and material purchases is specified in the Rules of Procedure, item 6.6¹⁴. The Rules specify the selection of suppliers and the conditions under which the purchasing department may procure material. Each purchasing officer is instructed on the method of work by the head of purchasing.

¹⁰GRI 2- 1, 2- 6

¹¹GRI 2-6

¹²GRI 2-6

¹³GRI 2-6

¹⁴The Rules of Procedure can be found at intranet.utlth-ol.si (the rules apply to the entire Group).

Optimisation of the costs of material and raw materials is ensured by efficient management of the purchase base and raw material risks, rationalisation of stock and close cooperation with the field of production in the search for suitable materials.

Aluminium and steel represent the main raw materials for our production.

Purchase of aluminium by country in 2022

Country	Share
Austria	1.80%
Czech Republic	14.40%
Germany	4.40%
Hungary	26.10%
Italy	36.70%
Poland	11.50%
Turkey	0.30%
Republic of Albania	1.30%
Slovakia	3.50%
Total	100.00%

Amount of aluminium purchased per plant and its waste¹⁵

Country	Amount (t)	Waste (t)
LTH Castings	28,649	2,542
LTH Metalni Ijiev	6,259	662
LTH Alucast	1,661	176
LTH Learnica	4,743	384
	41,869	3,763

Given the total amount of purchased Al, the company generates approximately 8.95% of waste. The waste comprises Al turnings, briquettes, and slag. All waste is sold for recycling.

In the past years, we have struggled to establish a stable and competitive cooperating base in the environments in which we are present.

The purchase is aimed towards competitive prices, and the reliability and development of suppliers.

The main raw materials for the company's own production are:

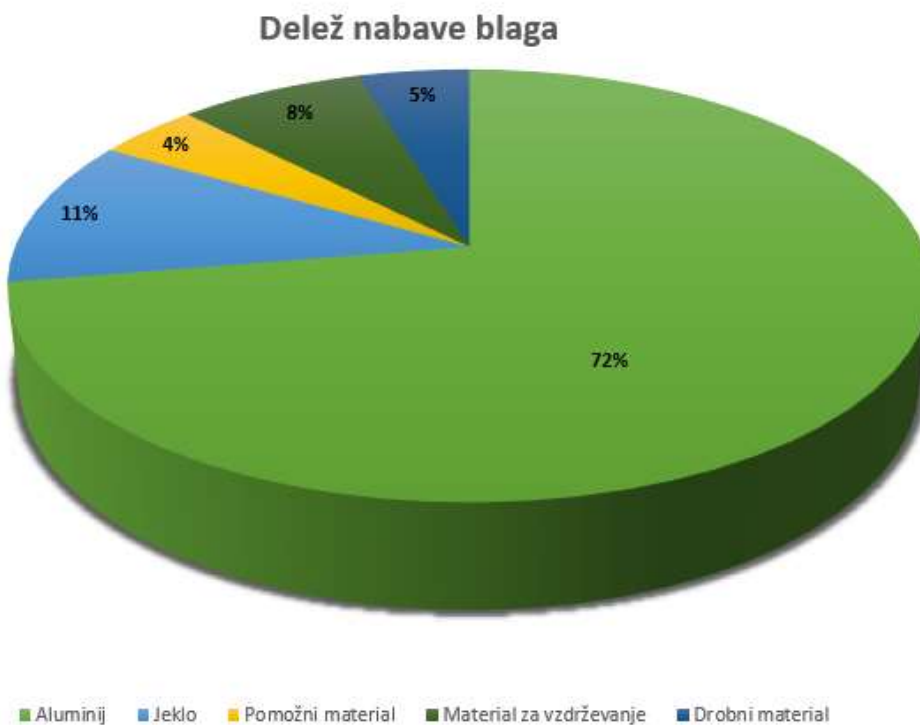
- aluminium (for castings) and
- steel (for tool making).

In addition to the main raw materials, we also require:

- support material,
- maintenance material and
- small items of material.

¹⁵GRI 301-1

The share of the material required by the company for its production is shown in the graph below.



The key priorities in the process of material and raw materials costs management include efficient risk management of volatile prices of raw materials. In the case of aluminium, the company hedges against the risks of volatile prices by adaptable selling prices, which are bound by the quotation of aluminium alloys at raw material exchanges.

The average price of aluminium at the London Metal Exchange (LME) has been approximately EUR 1.60 per kg for the last 10 years, with various smaller and larger fluctuations of up to 20%. According to the “V” shaped trajectory in the year of the pandemic 2020, in 2021 we experienced a period of constant growth in the price of aluminium at the LME.

The escalation of the war in Ukraine and the enormous increase in electricity and gas costs in 2022 caused an extraordinary jump in aluminium prices. Higher prices of alloying elements such as Silicon and Magnesium created additional pressure on the prices of the alloys themselves. The prices settled at the higher levels in the second half of 2022. The company has a formula for the movement of alloy prices on the stock exchange included in the sales price calculations. Prices are adjusted to changes in the price of the alloy quarterly or semi-annually, depending on commercial agreements with individual buyers.



Figure 11: LME aluminium average price

Steel is the second main raw material, required for the manufacturing of tools used to make castings. In 2022, we purchased 1,099 t of steel¹⁶, 137,620 kg of which ended up as waste in the form of steel turnings¹⁷.

The machine fleet in production, such as robots, lines, CNC machines, etc., were purchased from certified, high-quality suppliers; some from agencies in Slovenia and the majority from Germany.

2.1.5. COOPERATION WITH OTHER ORGANISATIONS¹⁸

In the framework of its development initiative, the Group established several partner connections with external institutions:

- NELA development centre
- TECOS, tool making development centre
- Faculty of Mechanical Engineering, University of Ljubljana
- Slovenian Foundries Association
- Slovenian Association of Maintenance Workers
- Purchasing Association of Slovenia
- Association of Employers of Slovenia
- Škofja Loka School Centre

The Group is a member of the following interest associations:

- ACS, Automotive Cluster of Slovenia
- CCIS, Chamber of Commerce and Industry of Slovenia
- Association of Employers of Slovenia
- Slovenian-German Chamber of Commerce AHK Slowenien
- Science Based Targets
- Fit media d.o.o.

As members of various interest groups, we finance associations through membership fees. Membership of these associations grants us more favourable conditions, integration initiatives and networking among the member companies, greater recognisability among other members, etc.

2.1.6. EXTERNAL REVISION OF GROUP POLICIES AND STATEMENTS¹⁹

Financial reports of the LTH Castings Group and the entities included in the Group are reviewed by an independent auditor. The audit was carried out in accordance with the applicable international financial reporting standards as adopted by the EU. The audit was performed by the internationally acclaimed audit company Ernst & Young.

The importance of quality in the supply chain of the automotive industry is proven by IATF 16949 – a world-renowned standard that defines the requirements of a quality management system for the design, development, production, installation, and servicing of automotive products. The system is established at all locations. The external independent compliance verification is carried out by Bureau Veritas.

¹⁶GRI 301-1

¹⁷GRI 306-3

¹⁸GRI 2-28

¹⁹GRI 2-5

The environment protection system complies with the ISO 14001 environmental standard at all locations of the LTH Castings Group. The external independent compliance verification is carried out by Bureau Veritas.

The occupational health and safety management system complies with the requirements of the ISO 45001 standard²⁰. The system is established at all locations of the Group in Slovenia. The external independent compliance verification is carried out by Bureau Veritas.

The energy management system complies with the ISO 50001 international standard. The system is established at all locations. The external independent compliance verification is carried out by Bureau Veritas.

As a company, we follow the guidelines of socially responsible operation according to the ISO 26000 standard. The external assessment is carried out by the independent organisation Ekvilib Institute.

In 2022, we also received an opinion, verification, by the Ekvilib Institute stating that the company generally complies with the ISO 26000 standard in its operations.

2.1.7. ORGANISATIONAL CHANGES IN 2022²¹

There were no changes in terms of the business locations of the LTH Castings Group in 2022. The Group made no changes connected to supply chains. The share capital of the LTH Castings Group also remained unchanged.

2.2. SUSTAINABILITY REPORT WRITING METHODOLOGY²²

The company's first independent sustainability report, which was prepared for 2015, was a major milestone for the company, marking the method of reporting on the company's sustainable development. Otherwise, in this report the company follows the sustainable development guidelines of the Global Reporting Initiative (GRI). In 2017, the company built on reporting according to the GRI (GS) standards, thereby significantly improving the quality of the sustainability part of past reports into a comprehensive report that emphasizes the essentiality of the company's operations. The last Sustainability Report for 2019 was published on the company's website. The Sustainability Report for 2021 was not written due to the objective reasons. This year, we evaluated compliance with the ISO 26000 standard. When writing a sustainability report, the company follows the directions of the GRI standards. The report seeks to meet the principles of sustainable reporting. By involving stakeholders, we recognise their expectations which make it easier for us to identify the boundaries of the sustainable framework, and consequently the importance of key topics that cover the fields of economy, environment, and society.

The data provided is collected in accordance with the principles of sustainable reporting. We strived to make the data as accurate, balanced, and clear as possible, and also comparable, holistic, reliable, measurable, and placed in a correct time frame.

The report complies with the 2021 GRI standards:

- GRI 2 – General Disclosures,
- GRI 3 – Material topics,
- GRI 200 – Economic aspect,
- GRI 300 – Environmental aspect,
- GRI 400 – Social aspect.

²⁰GRI 403-1

²¹GRI 2-6

²²GRI 3-1

2.3. REPORTING FRAMEWORKS

This sustainable development report aims to assess and demonstrate the economic, environmental, and social impacts of the company's business operations in 2022/23.

The collected data mostly refers to the entire LTH Castings Group with its business departments.

The company's strategy represents all the principles, practices, and values, including environmental management and occupational health and safety, as well as energy management, which also effect sustainable development.

Through its role in global development, the Group takes into account the global sustainable development goals adopted by the United Nations member states, which aim to invest in the development of society as a whole, the economy, science, and civil society to achieve important society-wide goals by 2030.



Figure 12: United Nations global sustainable development goals

LTH Castings prepares the report using GRI (2021) standards at the basic level.

The heads of relevant departments participated in establishing the scope and content of the report, while the data was collected by Mr. Peter Šifrer, who is also the person responsible for the report.

Our starting point comprised the key characteristics of the business activity and the position of the company, in which we included the local community.

The GRI index reveals the identification of the main influences of sustainable business operations.

The Ekvilib Institute was selected for the external audit of the report in compliance with GRI standards²³.

This is the fourth report.

2.4. PROFILE OF REPORT²⁴

The period of reporting coincides with our business year, which lasts from 1 January to 31 December. 2022 is the first reporting year.²⁵

In this report we have decided to report in accordance with GRI standards.²⁶

²³GRI 2-5

²⁴GRI 3-1

²⁵GRI 2-3

²⁶GRI 3-2

This report includes numerical and measurable data and is the starting point for comparative sustainability reporting with the previous report.²⁷

The previous report on sustainable development of the company was for 2019²⁸. The next sustainability report was supposed to be prepared in 2021, however this was not possible due to objective reasons. Due to the monitoring of data trends, this report uses measurable data for 2020, 2021, and 2022.²⁹

The Group has decided on a two-year reporting period.³⁰

Questions about the report can be e-mailed to info@lthcastings.com³¹.

Data on the sustainable operation of the Group is collected by the expert services of the parent company which is in charge of reporting. Disclosures under the GRI standard mostly refer to the parent company, while other entities of the Group are gradually being included.³² The decision on the comprehensive external verification of sustainable reporting has not yet been adopted.

2.4.1. CONNECTING THE STRATEGIC OBJECTIVES OF THE LTH GROUP WITH THE GLOBAL OBJECTIVES OF SUSTAINABLE DEVELOPMENT³³

The LTH Castings Group sustainably implements social responsibility in all projects and long-term plans at all levels. By identifying material topics, we try to help achieve the goals of sustainable development.

2.4.2. MISSION

A clearly defined mission represents the basis of our conception of sustainable development of the LTH Castings Group:

All the employees strive for business excellence in their respective fields by means of comprehensive customer service, investment in knowledge, innovative development of production and processes, and continuous increase of production and quality. In our work we are aware of our responsibility towards the local community and the environment.

The LTH Castings group specialises in pressure die casting of Al castings. Following the "Full-service supplier" concept, we offer our partners a comprehensive array of services of various degrees of complexity in addition to cost efficiency. This is achieved by means of the development and optimisation of processes and castings, and integrated tool making.

2.4.3. VISION

"Casting the future"

The employees of LTH Castings d.o.o. guarantee that we:

- strive for perfection,
- ensure the highest quality products,
- ensure safety and health of all that are connected to us,
- take care of the environment in which our children will live,
- ensure a constant and sustainable increase in energy efficiency.

²⁷GRI 2-4

²⁸GRI 2-3

²⁹GRI 2-4

³⁰GRI 2-3

³¹GRI 2-3

³²GRI 2-2

³³GRI 2-29

2.4.4. STRATEGIC GUIDELINES AND INTEGRATED MANAGEMENT SYSTEM POLICY

With the integrated management system policy, we want to present the principles, practices and values as a starting point for defining the framework and implementation objectives in the field of product quality, information security, corporate integrity, environmental management, and occupational health and safety management, as well as energy management.

With this policy, we are committed to continuously improving the system by:

- identifying risks and who would be exposed to them,
- integrating the provision of safe and healthy working conditions, and the elimination and prevention of accidents,
- continuously improving the occupational health and safety system,
- eliminating hazards and reducing risks to health and safety in the workplace,
- implementing the principles of good practice in the field of safe and healthy working environment,
- promoting workplace health,
- complying with the requirements and context of the organisation, as well as legal and other requirements,
- planning processes with the best possible use of basic raw materials, energy and natural resources,
- selecting auxiliaries and propellants with which we can control processes and emissions into water, air, and soil,
- setting occupational health and safety objectives,
- implementing the principles of good practice in the field of information security,
- in the field of corporate integrity in order to prevent corruption,
- consulting with workers and workers' representatives on occupational health and safety.

With the integrated system policy, we have opted for a “zero error” strategy.

Product / process quality is planned with an emphasis on the application of statistical knowledge and process management skills.

By planning education, training, and awareness-raising, we ensure that all employees at all levels are aware of the following:

- that they are an important link in shaping occupational health and safety, and that only healthy employees can form a safe and healthy organisation,
- that a safe and healthy working environment in the company and protection of the environment in the broadest sense are the basic conditions for a quality product,
- that quality products lead to client satisfaction and enable us to grow further,
- that product quality means compliance with specifications and environmental considerations, without endangering the health and safety of employees,
- that energy efficiency represents an opportunity for additional investment in product quality, protection of the environment and better working conditions,
- the importance of effectively protecting information sources from threats, internal and external, intentional, and accidental,
- dangers and consequences of corrupt practices.

We implement the policy with teamwork. With their knowledge and suggestions, team members help to select the best possible solutions within the continuous improvement programme. We encourage innovative activity at all levels, which further improves the quality of products and the working environment, reduces the environmental burden, and increases energy efficiency.

We ensure that all those who work for us and on our behalf are aware of this policy, as we believe that by working together and partnering throughout the chain, from supplier to end customer, we can achieve common goals while contributing to sustainable development.

In our work, we strive to eliminate shortcomings at the source.

We take corrective action in case of deviations from the policy.

All employees and all those who work on our behalf and put it into practice are aware of our policy, and it is also available to all interested parties upon request.

Casting the future



Partnerships for achieving goals: With connections in many shapes and forms, we can contribute to a more sustainable society.

Material topics: Economic impacts on the company.

Indicator: Maintain and increase the share of sales per buyer by 2025.



Decent work and economic growth: The group contributes to achieving goal number 8 with successful business operations.

Material topics: Long-term business stability.

Indicator: EBITDA and additional value per employee

Business excellence, comprehensive customer service, investing in knowledge and development, economic stability, quality, and responsibility towards society and the environment



Quality training Because we provide training, we have competent staff who contribute to business excellence and the achievement of goal number 4.

Material topics: Knowledge is our advantage.

Indicator: Number of hours of training per employee



Affordable and clean energy: The LTH Group strives for energy efficiency, a carbon footprint and measures, which lead to smaller energy consumption thus helping to achieve goal number 7.

Material topics: Efficient energy use and effect on carbon footprint.

Indicator: Reducing the use of electricity per kg of sold castings, reducing the carbon footprint – the goal is to reach a zero carbon footprint by 2030.



Industry, innovations and infrastructure: The Group follows the latest information, technological, and ecological trends.

Material topics: Optimal use of resources, maximum efficiency and competitiveness.

Indicator: Movement of investment with movement of the structural share of capital.



Responsible use and production: The LTH Group strives for the responsible consumption of energy products, raw materials, and waste management; this helps to achieve goal

Material topics: Efficient consumption of energy products, raw materials, and waste reduction.

Indicator: Reducing the consumption of energy products per kg of sold casings



Climate measures: The LTH Group strives for the responsible consumption of natural gas, substitution with green electricity, the reduction of emissions caused by logistics. All of our projects are planned with this in mind; this helps to achieve goal number 13.

Material topics: Carbon footprint = 0

Indicator: Carbon coefficient, natural gas consumption coefficient.



Life on land: The responsible production and environmental awareness of the Group affects the lives of its employees and the local community, thus contributing to achieving goal

Material topics: Spatial planning, waste management, water protection.

Indicator: Coating and emulsion consumption coefficient.

Values – safety, development, responsibility, and respect



Health and well-being LTH Group employees are key to achieving the set goals. We ensure that all standards for occupational health and safety are met at all work places. We care about well-being in our company; this helps in achieving goal number 3.

Material topics: Managing the system of occupational health and safety.

Indicator: Number of accidents. The Group's goal is 0 accidents.



Gender equality The Group offers equal opportunities to both genders. This policy helps with achieving goal number 5.

Material topics: Employing both genders in all work places.

Indicator: We wish to keep the number of complaints against the violation of constitutional rights at zero.



Peace, fairness, and strong institutions: Respecting the rule of the law in all of the countries within which we do business strengthens our integrity and reputation with all stakeholders. This contributes to reaching the goal number 16.

Material topics: Moral principles and cooperation in accordance with the company's business practices.

Indicator: Company's reputation in the local and global environment

2.5. THE COMPANY AND ITS STAKEHOLDERS³⁴

The LTH Group communicates correctly with all the participants. To fulfil our mission, we identify and follow up the needs and interests of stakeholders at the strategic and operational level. By doing so, we maintain correct professional relationships and increase mutual trust.

The Group has identified stakeholders. The impact of stakeholders on society and their needs and expectations are agreed individually. On the Group side, authorised persons are designated to communicate with the respective group of stakeholders. It is also determined in what way and by what means a certain communication takes place. Stakeholder involvement and management take place in different ways, depending on the impact that a particular stakeholder has on the Group or the impact that the Group has on the stakeholder.³⁵

³⁴GRI 2-29

³⁵GRI 2-29

2.5.1. STAKEHOLDER INVOLVEMENT AND SIGNIFICANT INFLUENCE MATRIX

2.5.1.1. Communication tools, methods, and frequency of stakeholder engagement

Deležniki	Komunikacijska orodja in način vključevanja	Ključne teme / interes	Vključenost deležnika v pripravo trajnostnega poročila
Zaposleni	<ul style="list-style-type: none"> Osebn stik Interna orodja komuniciranja: internet, elektronska pošta, interni časopis, dogodki Raziskava in spremljanje organizacijske klime v podjetju Sestanki z nadrejenimi 	Možnost osebne rasti, spodbujanje ustvarjalnosti in razvoja, dobri odnosi, stimulatno plačilo za dobro opravljeno delo, skrb za varnost in zdravje na delovnem mestu, dolgoročna stabilnost podjetja, izobraževanja in dodatna usposabljanja, ravnesje med poklicnim in zasebnim življenjem.	✓
Lior invest d.o.o. (odbor družbenikov)	<ul style="list-style-type: none"> Letno poročilo LTH Castings d.o.o. Pregled vodstva Postavljanje in analiza ciljev Obdobni sestanki Osebn stik Elektronska pošta / video konference 	Uspešno uresničevanje postavljenih ciljev skupine, dolgoročna poslovna stabilnost, skladnost poslovanja z zakonodajo, sodelovanje z vsemi deležniki, krepitev položaja na trgu, predstavitev strateških projektov v skladu z vizijo in strategijo podjetja, odgovorno in trajnostno družbeno odgovorno podjetje.	✓
Dobavitelji	<ul style="list-style-type: none"> Osebn stik, tele in video klici Elektronska pošta, spletna mesta Letno poročilo LTH Castings d.o.o. Zapisniki, dokumenti delovnih skupin Spletno mesto Presoje 	Dolgoročno sodelovanje, doseganje letnega prometa, sporazumni pogovori poslovanja, dvig uspešnosti poslovnega partnerja, strateška partnerstva, inovativnosti izdelkov in storitev, varovanje poslovne skrivnosti.	✓
Kooperanti	<ul style="list-style-type: none"> Osebn stik, tele in video klici Elektronska pošta Izobraževanja Spletno mesto Presoje 	Zagotavljanje rednega dela po naših navodilih, uspešnost kooperacijskih poslov, povečanje kapacitete proizvodnje, pokazatelj točnosti in kakovosti dobav, merjenje kakovosti.	✓
Kupci	<ul style="list-style-type: none"> Osebn stik Elektronska pošta, tele in video konference Ključni skripi kupcev Presoje Pogajanja Spletno mesto 	Zadovoljstvo kupcev, strateška dolgoročna partnerstva, pravočasne dobave ustrezne kakovosti, izpeljave razvojnih projektov, dolgoročna partnerstva, inovativnost izdelkov in storitev, varovanje poslovne skrivnosti, razvojno partnerstvo, analiza in morebitna implementacija predlogov in pripomb.	✓
Sindikati	<ul style="list-style-type: none"> Osebn stik Elektronska pošta, tele in video konference Obdobni sestanki z vodstvom in zaposlenimi Sindikalne dejavnosti (pikniki, športne dejavnosti, izleti) 	Sodelovanje med vodstvom in delavci za doseg skupnega interesa, zastopanje interesov zaposlenih v socialnem dialogu, sodelovanje v kolektivnih dogovorjanjih za doseg ustreznih določenih pogojev v kolektivni pogodbi na ravni dejavnosti *, sodelovanje v kolektivnih dogovorjanjih za doseg določenih pogojev, dogovorjenih v Kolektivni podjetniški pogodbi na ravni podjetja **.	✓
Lokalna skupnost	<ul style="list-style-type: none"> Sklepanje partnerstev z neprofitnimi organizacijami in vzgojno izobraževalnimi ustanovami ter izvedba skupnih projektov Neposredni stik z lokalnimi odločevalci Dodeljevanje sredstev za sponzorstva in donacije 	Sodelovanje s šolskimi centri za dolgoročno zagotavljanje ustreznega kadra, sofinanciranje projektov kulturnih, športnih in dobrodelnih organizacij v lokalnem okolju, skrb za okolje.	✓
Državne institucije	<ul style="list-style-type: none"> Telefonski klic Elektronska pošta E-portali Osebn stik 	Zagotavljanje zahtevanih informacij o poslovanju, obrazložitev transakcij, zagotavljanje ustreznih informacij v zakonsko določenem času, zagotovitev možnosti fizičnega pregleda oz. kontrole želenih informacij, zagotavljanje podpore strokovnih sodelavcev.	✓

Table: Communication tools and ways of involving stakeholders and highlighted topics³⁶³⁶GRI 2-29* Collective agreement for the metal material industry and foundries of Slovenia (Official Gazette of the RS, št. 78/14 and 22/17), available at: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=KOLP393>; GRI 2-30** Collective entrepreneurial contract, available at the company Intranet: <http://intranet/si/node/164>; GRI 2-30

2.5.1.1.1. Methodology and presentation of the material topics of sustainable development

When reporting, we followed the principles of sustainable development, which ensure high-quality, transparent, and credible reporting.

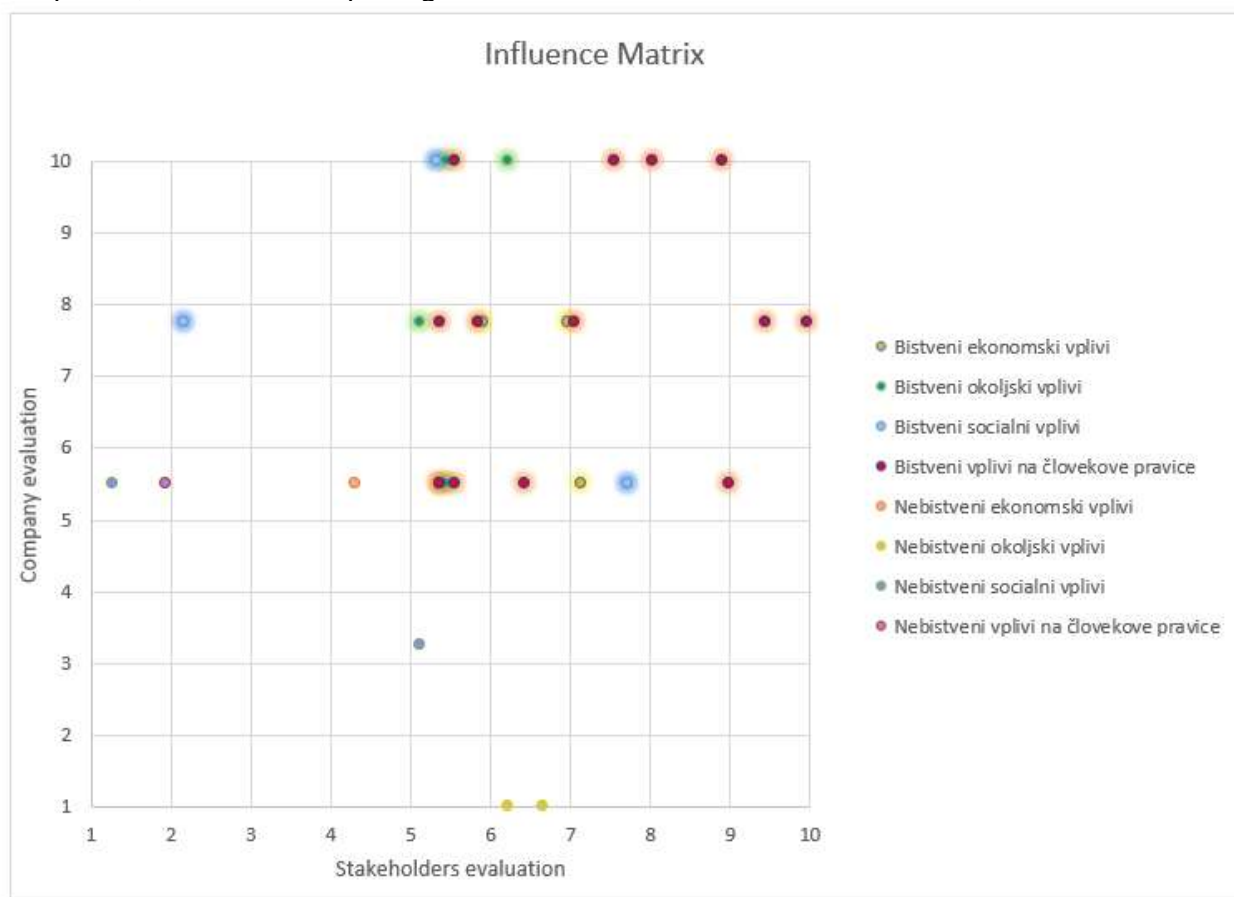


Figure 15: Demonstration of the significance of material/non-material topics

The materiality matrix shows the importance of the company's impact for stakeholders and the Group.³⁷ Below, you can find the topics the company recognised as significant. Material topics (in bold) were chosen based on communication with some of the stakeholders and randomly selected employees at various departments and organisational levels.

Material topics:

- | | |
|------------------------------------------------------|------------------------------------------------------|
| 1. Economic performance | 21. Freedom of assembly and association |
| 2. Market presence | 22. Right to work |
| 3. Efficient risk management | 23. Right to education |
| 4. Business strategy | 24. Right to dignity at work |
| 5. Energy efficiency | 25. Right of collective bargaining and action |
| 6. Rational use of energy products | 26. Right to equal pay for equal work |
| 7. Waste | 27. Right to family life |
| 8. Use of recycled input materials | 28. Right to health |
| 9. Company's influence on emissions to air | 29. Right to non-discrimination |
| 10. Influence on water emissions | 30. Right to rest and leisure |
| 11. Stable and safe working environment | 31. Right to a healthy environment |
| 12. Occupational health and safety system management | |
| 13. Education and training | |
| 14. Cooperation with local communities | |
| 15. Employing from the local environment | |
| 16. Influence on sport development | |
| 17. Right to life | |
| 18. Prohibition of slavery and forced labour | |
| 19. Freedom of movement | |
| 20. Inviolability of human privacy | |

³⁷GRI 3-2

In preparing this matrix, we took into account the needs and expectations of stakeholders. We also considered the company's impacts on the economy, society, and the environment. The matrix is the basis for the report.

Long-term business stability has been identified as a key material topic, which we will achieve by adjusting production, with segments of hybrid components and e-mobility components.

2.6. EXTERNAL PROPOSALS, PRINCIPLES, AND INITIATIVES

The Group has the responsibility to respect and fulfil numerous initiatives. These include: The Universal Declaration of Human Rights from the United Nations, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Convention against Corruption, a voluntary decision to reduce greenhouse gas emissions in accordance with the Kyoto Protocol.

In the development and manufacture of its tools and in the die-casting of the castings, LTH Castings applies the precautionary principle. The company strictly adheres to the protection of business secrets. Since the products of the company are sold to companies (B2B), not final users, we adhere to the agreements with each individual buyer. The training for the employees on preserving business secrecy was carried out within the company in accordance with the time schedule.³⁸

³⁸GRI 2-23

2.7. MANAGEMENT³⁹

The organisational structure of the LTH Castings Group is shown.

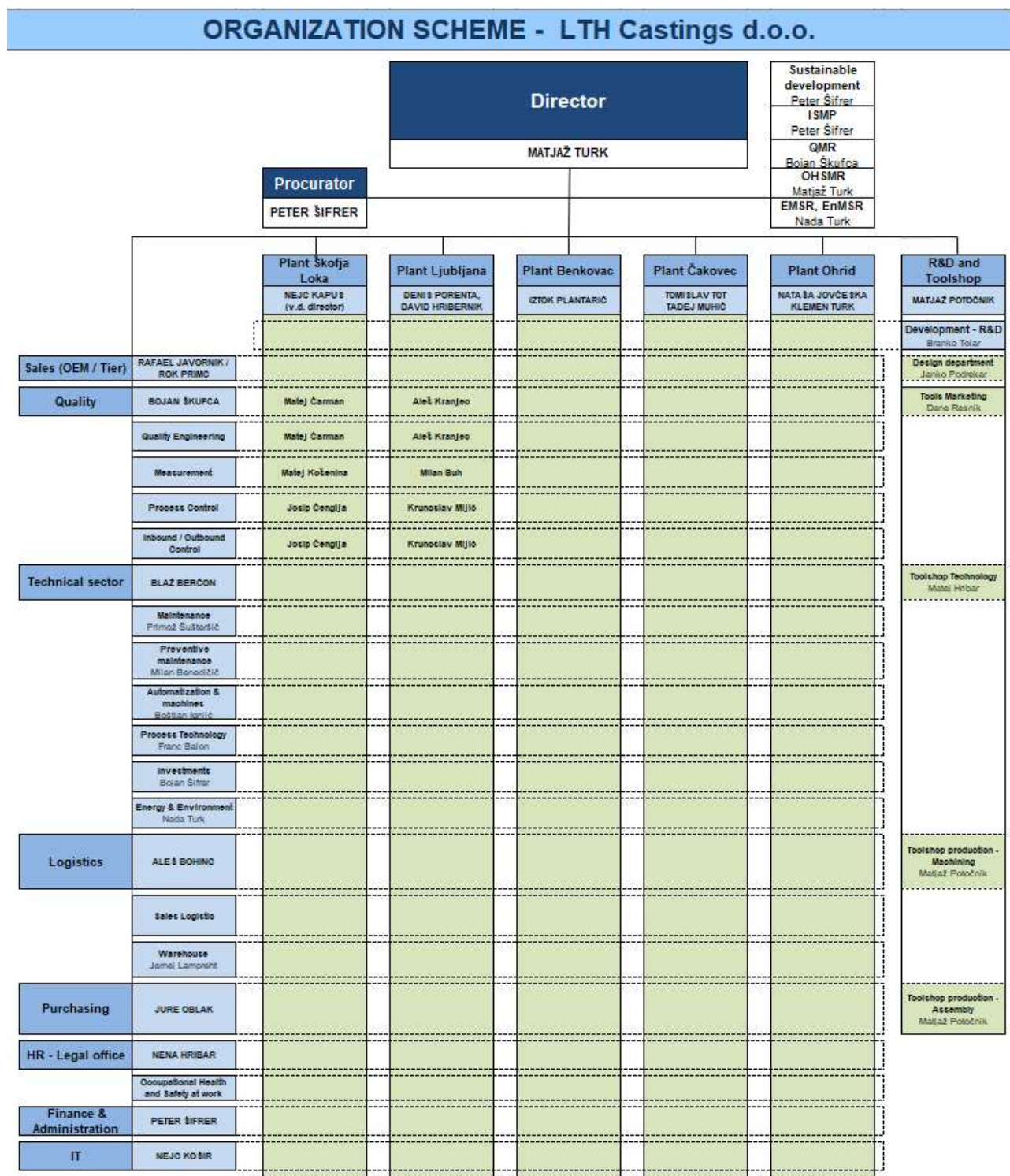


Figure 16 LTH Group organisational chart (12 December 2023)

2.8. ETHICS AND INTEGRITY⁴⁰

Integrity, compliance with the law, and responsibility to the people and the environment represent the leading managing principles of the LTH Castings Group.

³⁹GRI 2-9

⁴⁰GRI 3-3,

The Code of conduct represents the commitment of the LTH Castings group to the fundamental standards, which grant the LTH Castings group good working conditions. The employees of the Group are of primary importance. The individual and collective contributions of the employees at all levels are essential for overall success. The LTH Castings Group has developed policies and practices which ensure that our employees enjoy the protection provided by the concepts specified in the Code of Conduct. The company regulates the protection of employees with its internal act, namely the Rules on ensuring worker protection against sexual and other harassment, mobbing, and other forms of discrimination.

This document specifies the behaviour that we understand as mobbing, discrimination, sexual harassment, and workplace violence. The duties of the employer are precisely defined and identify what measures he/she is obliged to take against the aforementioned acts, as well as the obligations of all parties involved, and the penal provisions.

In 2022, there were three workplace incidents at the Group level. That is one incident less than in the previous year and one incident more than the year before.

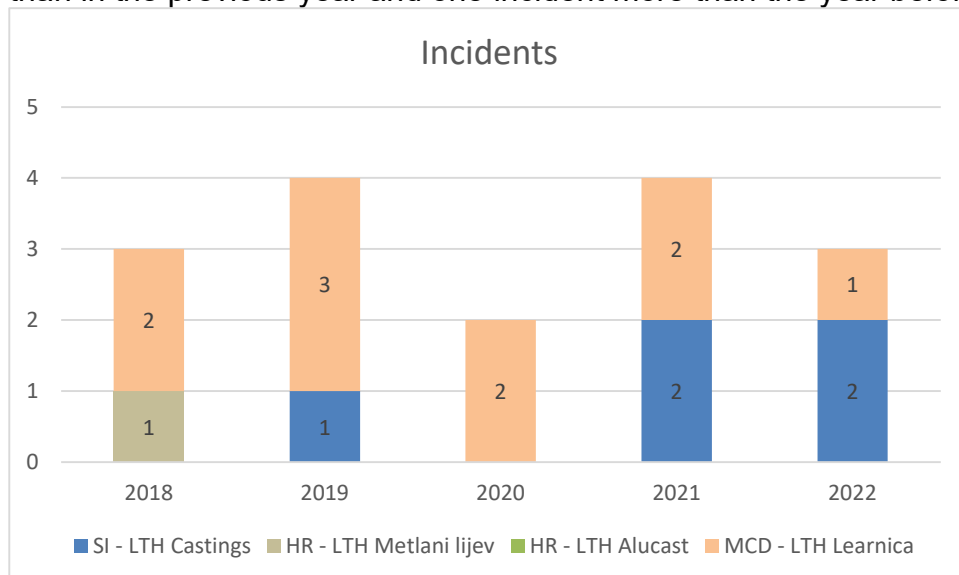


Table 1 Workplace incidents

In 2022, in one of the Slovenian plants, there were two reports of mobbing between employees at the same level. In both cases, the incidents were resolved immediately by talking to the parties involved. We do not consider this to be a long-term solution, as our approach to workplace relationships should be more systematic. One time conversation cannot resolve the complex relationships of the involved parties.⁴¹

The company builds its system of values in three key areas: quality, expertise, and commitment to honour its obligations.

The LTH Castings Group strives for fair and just working conditions across the world and recognises the conventions and recommendations of national and international organisations, such as the UN Global Compact and the UN Guiding Principles on Business and Human Rights as important guidelines. We therefore expect our partners to adhere to the same principles.

⁴¹GRI 403-7

3. SPECIAL STANDARD DISCLOSURES

The long-term goal of the Group is to remain a strategic partner to all leading manufacturers in the automotive industry, which will ensure the sustainable development of the company with investments in modern production processes, employees, and the environment, thus contributing to economic development and social welfare.⁴²

3.1. ECONOMIC ASPECT OF SUSTAINABLE DEVELOPMENT⁴³

The economic dimension of sustainability concerns the effects of an organisation on the economic situation of its stakeholders and on economic systems at local, national, and global levels.

A report on aspects related to economic efficiency, market presence, indirect economic impacts and public procurement practices is included in the company's audited annual report for 2022. It includes aspects related to the directly generated and distributed economic value, commitments of the organisation's defined benefit plan, government financial assistance, development of infrastructure investments, as well as indirect economic impacts.

In EUR 000	LTH Group	LTH Castings	LTH Metalni lijev	LTH Alucast	LTH Learnica
Total income	364,613	339,911	51,043	22,718	29,752
EBITDA	62,440	42,375	11,513	3,890	4,662
Added value per employee (annual basis)	48.1	60.7	43.3	31.5	18.5

Economic Indicator Table⁴⁴

In the 2022 business year, the realised sales income of the group amounted to EUR 364.6 million, which represents a EUR 70.5-million increase (24% growth) in comparison with the EUR 294.1 million realised in the previous year. The growth of the scope of the operation is based on new business that the company has acquired in the past years. The growth is partly connected to adjustment of selling prices to higher material and energy costs.

The profit and loss amounted to EUR 35.2 million, which is an increase of EUR 1.7 million compared to 2021 (+5%). The EBITDA result for the 2022 business year amounted to EUR 62.4 million, which represents an increase of EUR 3.5 million (+6%). It reached a 16.8% share in the revenue structure, and 19.7% in 2021. The instability of the business environment and the war in Ukraine and its consequences for the European economy are the main factors that affected our operation in 2022. We felt this in the form of major fluctuations in the volume of business due to difficulties in providing components to our customers. There has been a dramatic rise in the prices of our basic materials, and we were unable to fully pass on the uncharacteristic deviations to the customers. We were also unable to fully pass on the increase in energy prices to customers.

The net profit for the period reached EUR 31.8 million and was EUR 1.9 million (+6%) higher compared to the previous business year.

Cash flow from operating activities amounted to EUR 48.9 million, which is an increase of EUR 2.2 million compared to 2021. The negative impact of working capital on cash flow from operations still remains. The main reasons for this are the increase in purchase prices and their impact on inventory valuation, as well as an increase in the volume of products in stock as a precaution to ensure uninterrupted supply to the customers in the event of major

⁴²GRI 3-3

⁴³GRI 3-3

⁴⁴GRI 201-1

fluctuations in orders. In 2022, the net volume of assets tied up in working capital increased by EUR 10.3 million to EUR 90.4 million (+13%).

The volume of investments in 2022 amounted to EUR 45.8 million. The investments were related to the expansion of production capacities related to new projects and the implementation of automation of production operations to ensure greater efficiency in business operations. EUR 213.7 million of assets are tied up in non-current assets, which represents an increase of EUR 17.8 million. This accounts for 56% of assets.

The value of capital at the end of 2022 amounted to EUR 223.9 million, which represents a 59% share in the financing of assets. In the last three years, the value of capital increased by EUR 37.2 million at the expense of retained earnings.

At the end of 2022, financial liabilities from loans amounted to EUR 78.1 million, which is an increase of EUR 16.3 million compared to 2021. Financial lease liabilities in 2022 amounted to EUR 0.1 million (+ EUR 0.1 million compared to 2021). Long-term liabilities represent 14.8% of all sources of funds. Total capital and long-term sources represent 73.4% of the balance sheet.

The Group is committed to hiring senior management from the local community at important levels of operations.

Important operating locations of production facilities are determined. Each facility is locally connected to the plant where it is located. Management is defined at the first and second level of management.

We are aware that highly motivated employees are crucial for the successful operation of the Group. Remunerations above the minimum wage are part of the effort for this motivation.

For precisely specific purchases of the technological process local public procurements are established at all locations of the Group.

Active protection of the environment is implemented throughout our business activities. We pay attention to the environmental balance of our products throughout their entire life cycle. We continuously monitor the impact of our processes, which are based on our continuous improvement programme. Our environmental protection system is adapted to the ISO 14001 environmental standard to prevent pollution at the source, address social issues, and ultimately, reduce costs.

Reports on risks and opportunities that may cause material changes in operations, revenues or expenses are considered in the Group's strategic plan for the next five-year period, which is regularly maintained. The key risks and opportunities associated with climate change are related to the development of CO2 emission standards for the automotive industry⁴⁵.

In 2022, the number of new battery electric vehicle (BEV) registrations continued to increase, despite the overall decline in the EU automotive market. Consequently, the BEV market share increased to 12.1%, an improvement of 3 percentage points compared to 2021. The year was also successful for hybrid vehicles, which achieved a 22.6% market share.

Petrol and diesel fuelled vehicles continue to lose market share. Despite this, they still accounted for more than half of car sales in the EU in 2022.

⁴⁵GRI 201-2

3.1.1. DONATIONS AND SPONSORSHIPS

The company allocated EUR 256,571.35 for sponsorships of sport, cultural and other purposes and as benefits for the employees, and EUR 77,443.12 for donations to sport, cultural, tourist and charity purposes, for presents for the children of the employees and for employee benefits.

3.1.2. RISK MANAGEMENT

Risk management is integrated into the company's management system, which ensures risk management throughout the organisational structure. For this purpose, a risk analysis is prepared in which the risks are identified and analysed. Risk is assessed by rating (low, medium, high) in terms of the materiality of the risk. Risks are identified, analysed, and managed by managers at the process level, including corrective measures to successfully reduce or eliminate the risk. The activity for their elimination is monitored in relation to a certain period and an assessment of the effective implementation of the measure is given. Using financial instruments, the group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk
- business risk.

The point deals with the company and its exposure to individual risks mentioned above, its goals, guidelines, and procedures for measuring and managing risks, as well as its capital management.

3.1.3. PURCHASE PRACTICE⁴⁶

The function of purchase and purchase logistics is to negotiate the commercial conditions with suppliers (prices, quantities, delivery times, payment terms) and timely orders of goods from the suppliers.

Furthermore, the system includes elaborated procedures for establishing the requirements for the purchase, for the reception of ordered goods and services, and for solving inadequate quality issues with the supplier. The procedure within the purchase serves to remove all types of waste (hazardous, usable, municipal), which occur as a consequence of the company's activity.

In removing special waste, we use the services of authorised providers from the list which is kept and published by Ministry of the Environment and Spatial Planning.

Environment and energy efficiency represent an important aspect of the quality of supply of goods and services, which is why the company has a system in place for monitoring and quality assessment of supplied goods and services. We select among suppliers that are certified with the ISO 9001 standard.

Aluminium is our most important raw material for production, and there are 20 suppliers of this raw material, which represents 30% of the purchase realisation. We check whether all these suppliers have quality environmental standards, such as: (ISO 9001, IATF 16949; ISO 14001 and ISO 45001). 85% of these suppliers have the ISO 14001 standard. Our goal is for all raw material suppliers to have the ISO 14001 standard.

Purchase, sales logistics, sales, the investment sector – energy - ecology, the information sector, the financial and administrative sector, and the human resources and legal sectors inform suppliers of our integrated management system, which we also expect from all the suppliers through a supplier self-assessment questionnaire.

⁴⁶GRI 3-3, 308

The purchase procedure is standardised and published in the Rules of Procedure at <http://intranet.utlth-ol.si/objave/poslovnik/pko06.htm>.

3.1.4. CORRUPTION PREVENTION⁴⁷

The LTH Castings Company Code of Conduct (hereinafter Code of Conduct) presents the commitments of the Group⁴⁸.

Integrity, compliance with the law and responsibility to the people and the environment represent the leading managing principles of the LTH Castings corporation.

The Code of Conduct represents the commitment of the Group to fundamental standards, which allow for the good work of the Group. People are the most important asset of the LTH Castings Group. The individual and collective contributions of people at all the levels are essential for the success of the company. This is why the Group has developed policies and practices which ensure that our employees enjoy the protection ensured by the concepts set forward in the Code.

The LTH Castings Company Code of Conduct also includes the prohibition of bribery, extortion, and other forms of corruption.

The Code of Conduct is published on the company website.

In 2022, bribery, extortion, or other forms of corruption at the Group level could not be identified.

The Code of Conduct was established in the process of crisis management and represents the rules and conditions of the company for doing business with certain business partners. The company did not detect any instance of bribery, extortion, or other forms of corruption. The Code of Conduct was updated at the time of writing this Sustainability Report.

⁴⁷GRI 3-3, 205

⁴⁸ The LTH Castings Company Code of Conduct is published on the website [LTH Castings English](#)

3.1.5. CONTINUOUS IMPROVEMENT SYSTEM IN THE LTH CASTINGS GROUP⁴⁹

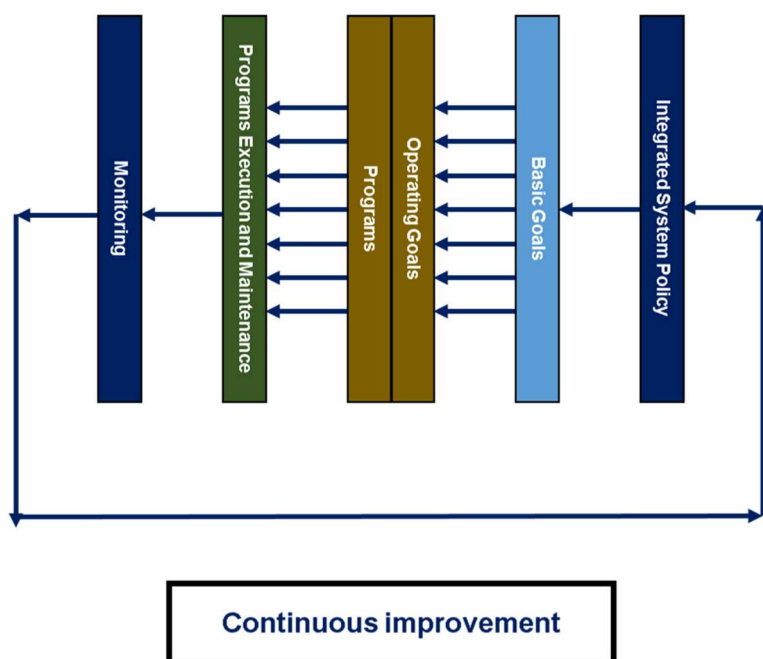


Figure 17 Integrated management policy

- **Selection of input materials⁵⁰**

For its casting production the company uses Al alloys with a standardised chemical composition in accordance with the requirements of our clients. 99% of the supplied material is made from secondary, recycled raw materials. One of the Group's strategic orientations is to increase the use of "green aluminium" before the use of primary aluminium.

- **Production of Al castings**

The production processes use auxiliaries which do not contain prohibited substances (as defined by legislation and our clients). The selection of auxiliaries takes into consideration the environmental aspect and the aspect of occupational health and safety, in addition to the price.

From 1999 on the company has systematically monitored the use of auxiliaries and energy tied to the unit - per mass of sold castings. Consumption per unit allows us to make direct comparisons of specific use among the locations.

In the field of processes and their energy efficiency, we use the concept of good practices. The production infrastructure follows the concept of "smart management" of energy efficiency. The ISO 50001 standard is achieved at all locations.

- **Use of products**

As product development is carried out by our clients, the company does not have direct impact on the shape and functionality of the product. However, our experience in pressure die-casting and machining allows us to lower the mass of the product which impacts the total mass of a vehicle and contributes to lower fuel consumption and consequently to a more sparing use of natural resources and lower emissions. All of our products are 100% recyclable at the end of their service life.

We actively promote the use of green aluminium to all our buyers.

The comparison between the use of primary aluminium and secondary green aluminium is convincing due to the facts about carbon footprints given below.

⁴⁹GRI 3-3

⁵⁰GRI 301

	recycled aluminium alloy	primary aluminium alloy
CO2 footprint	0.5 kg CO ₂ / 1 kg Al	5.0 kg CO ₂ / 1 kg Al

The LTH Group uses a 99% share of recycled aluminium alloys in Al castings DIN 226, 231, 230, etc. This reduces CO₂ emissions by 4.5 kg CO₂ per 1 kg of Al castings sold.

In 2022, we reduced CO₂ emissions by 195,372⁵¹ tons using green aluminium.



195,372 tons of CO₂ savings

- **Recycling**

At the end of their service life, Al castings can be fully recycled. The production process generates waste material, which is mostly recycled internally (leftover Al parts of machine trimming and cutting, reject castings). The remaining material, such as Al slag and Al turnings are submitted to processors of secondary raw materials⁵².

Special emphasis is given to attaining the quality goals, as fewer rejects lead to greater energy efficiency and lower consumption of auxiliaries per product unit. Throughout the production process, we use the closed-loop approach⁵³, which consequently contributes to a more rational and environmentally friendly use of resources.

⁵¹Calculation based on Al alloy consumption in 2022 – (43,416,069 kg)
(43,416,069 * 4.5 kg CO₂)/1,000 kg

⁵²GRI 301-2

⁵³closed loop approach

3.2. SUSTAINABLE RELATIONSHIP WITH THE ENVIRONMENT⁵⁴

The company appoints a sustainable development team with the following goals:

1. Prepare an estimate of CO₂ emissions, in-house or with the assistance of an external contractor if needed.
 - Calculation of CO₂ emissions for SI
 - Calculation of CO₂ emissions for the LTH Group (Scope 1 and 2)
 - Validation of the assessment by an external institution with a certificate – connection with BVQI
2. Identify measures to reduce the CO₂ footprint in three scopes and develop a plan to reduce it.
 - Scope 1: Reduce CO₂ emissions during remelting
 - Analyse and evaluate the possibility of remelting using electricity
 - Performed analysis – electric melting furnaces suitable for smaller quantities, i.e. special alloys. Remelting price approx. 0.25 €/kg.
 - Possibility to purchase biogas – realistic in 10 years (2030)
 - The alternative is compensation of green energy sources
 - Scope 2: Reduce CO₂ emissions using green electricity
 - Draw up a proposal for the use of green electricity
 - Scope 3: Reduce CO₂ emissions in logistics
 - Transport, commuting
3. Additional measures to reduce the CO₂ footprint and TR included in Hiber projects.
 - Energy efficiency
 - A more efficient melting furnace
 - All new plants equipped with heat pumps
 - Reducing the number of tempers in the casting cell
 - Replacing lights with LED technology
 - Compressors with heat exchangers – also at the Benkovac and Ohrid locations
 - Flue gas heat recovery (ventilation)
 - Continue to recover heat from melting furnaces, emit excess heat into the Energetika Ljubljana system and arrange ventilation
 - Reduce electricity consumption on SW machine tools – analysis of the use of standard drives
 - Environmental conservation
 - Active waste reduction
 - Reduce the consumption of auxiliaries and propellants
 - Return of waste water to the process
 - Improve working conditions
 - Improve the purity of the air in the foundry – extractor hoods
 - Ensure quality work places (Lean – WF)

Tasks are assigned to the responsible persons who ensure their execution according to the standard procedure agreed at individual meetings of individual projects.

⁵⁴GRI 3-3, 302, 303, 305, 305-7

The company's vision for sustainable development:



Figure 19 Vision

The elements of activities, products and services which interact with the environment are called environmental aspects.

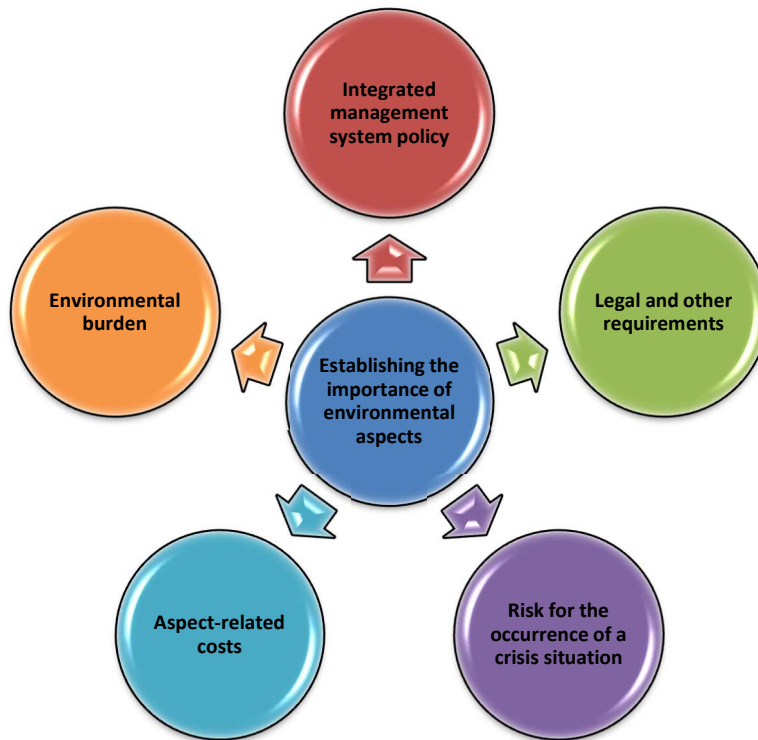
In establishing environmental aspects, we take into consideration all phases of the production process, products and activities, under normal conditions, in extraordinary conditions and during a crisis situation.

Each aspect impacts the environment. The following assessment criteria were set up to establish the importance of individual environmental aspects:

- the level or risk for the occurrence of a crisis situation,
- fulfilment of legal and other requirements,
- policy requirements,
- aspect-related costs,
- burden on the environment.

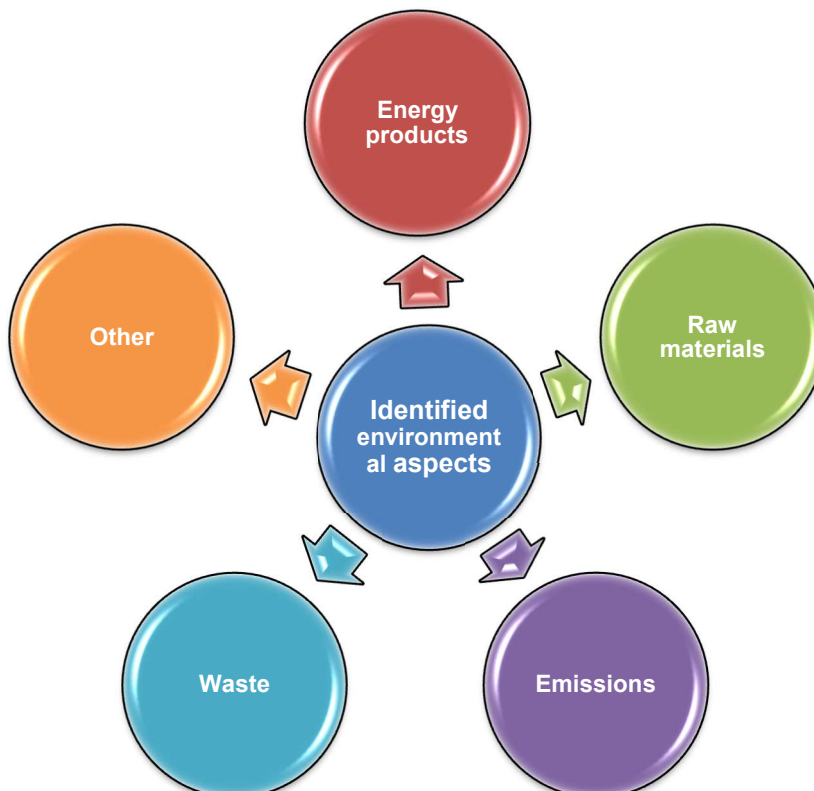
Regular and periodical education and training represent an important part of communication and cooperation among employees in the area of environment and energy consumption.

Criteria for determining important environmental aspects



The assessment of the environmental aspects is carried out once a year or in the event of changes to the legislation or other significant changes within the scope of the environmental management system. In accordance with the assessment criteria the company determines important environmental aspects for which we determine indicative and operational goals with programmes.

Identified main environmental aspects in the scope of the operation of the environmental management system



Identified environmental aspects, entire set⁵⁵

Energenti	Surovine	Emisije	Odpadki	Drugo
✓ Električna energija	✓ Al zlitine	✓ Emisije v zrak	✓ Nevarni odpadki	✓ Logistika
✓ Zemeljski plin	✓ Jeklo	✓ Emisije v tla	✓ Nenevarni odpadki	✓ Skladiščenje
✓ Voda	✓ Pomožna sredstva	✓ Emisije hrupa		✓ Okoljsko ravnanje dobaviteljev
✓ Komprimirani zrak	✓ Embalaža	✓ Emisije vode		
✓ Toplotna energija		✓ Elektromagnetno sevanje		
		✓ Svetlobno onesnaževanje		

The environmental aspects in bold were recognised by the organisation as important.

3.2.1. WATER AND ENERGY PRODUCTS

For these purposes, the company regularly monitors the use of energy products and ensures their optimal use. Natural gas and electricity are consumed at all the locations, which is also monitored in terms of the costs and environmental burden. Monthly monitoring is used to control the consumption of energy products and compare the results to the goals set by the expert commission for each individual year. In case the consumption deviates from set goals, the analysis of the elements which impact the consumption of the energy product helps the company design an action plan to eliminate consumption anomalies⁵⁶.

The organisation operates in accordance with ISO 14001 and ISO 50001 and conducts environmental monitoring to demonstrate compliance with environmental legislation. The organisation has obtained an IED permit at the Škofja Loka, Ljubljana, and Benkovac locations in accordance with Directive 2010/75/EU on industrial emissions.⁵⁷

The management of the LTH Group undertook a commitment to environmental responsibility, efficient use of natural resources and energy efficiency. The management guarantees that, given the continuous cost optimisation, quality improvement, adherence to the requirements regarding occupational health and safety, environmental requirements and improved energy efficiency, our products will satisfy the requirements and expectation of buyers and the interested public. In order to carry out the management activities of environmental protection and energy consumption, the LTH Group has appointed a representative at each of its locations for the system of environmental management and the system of energy management. These representatives have an advisory, supervisory, developmental, and operational role in cooperation with the management. The management understands that each employee importantly impacts the efficiency of the systems of environmental and energy management, which is why great emphasis is given to training and raising awareness of all the employees in these areas.

Once a year during the managerial review the management reviews the efficiency of the systems for environmental and energy management.

The LTH Group demonstrates its environmental awareness and energy efficiency by reducing its impact on the environment and by the analysis of energy efficiency indicators.

The company is certified with the environmental management system in line with the ISO 14001 standard in all of its locations, while the energy management system in line with the ISO 50001 standard was introduced in all the locations in 2016.

⁵⁵ GRI 3-3

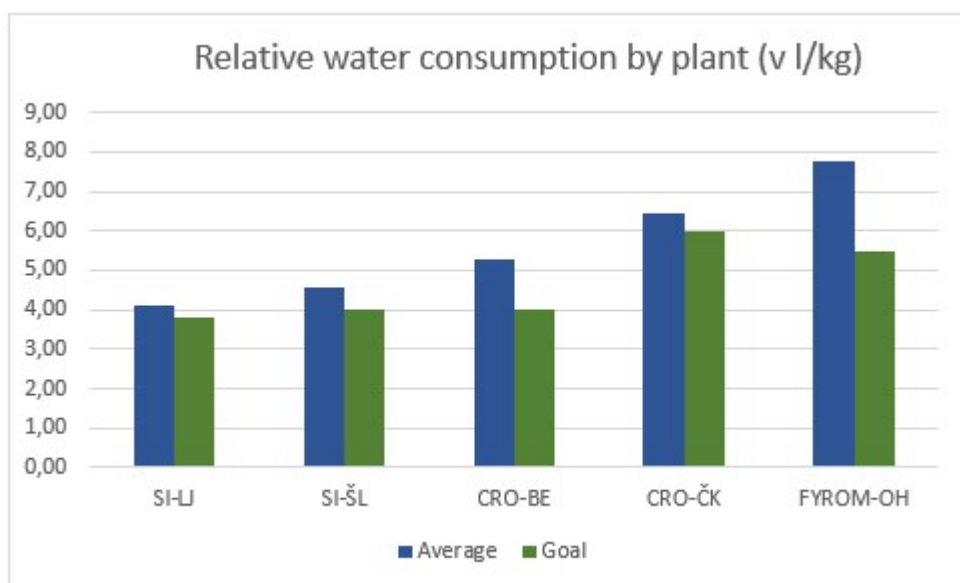
⁵⁶ GRI 3-3

⁵⁷ GRI 2-27

The table below shows natural resource management on a monthly basis ⁵⁸in 2022 in all the locations of the company. Consumption of natural resources is a recognised material topic. By reducing the consumption of these resources, we contribute to more rational use and to the achievement of sustainability goal 7 (affordable and clean energy), sustainability goal 12 (responsible consumption and production) and sustainability goal 13 (climate measures).⁵⁹

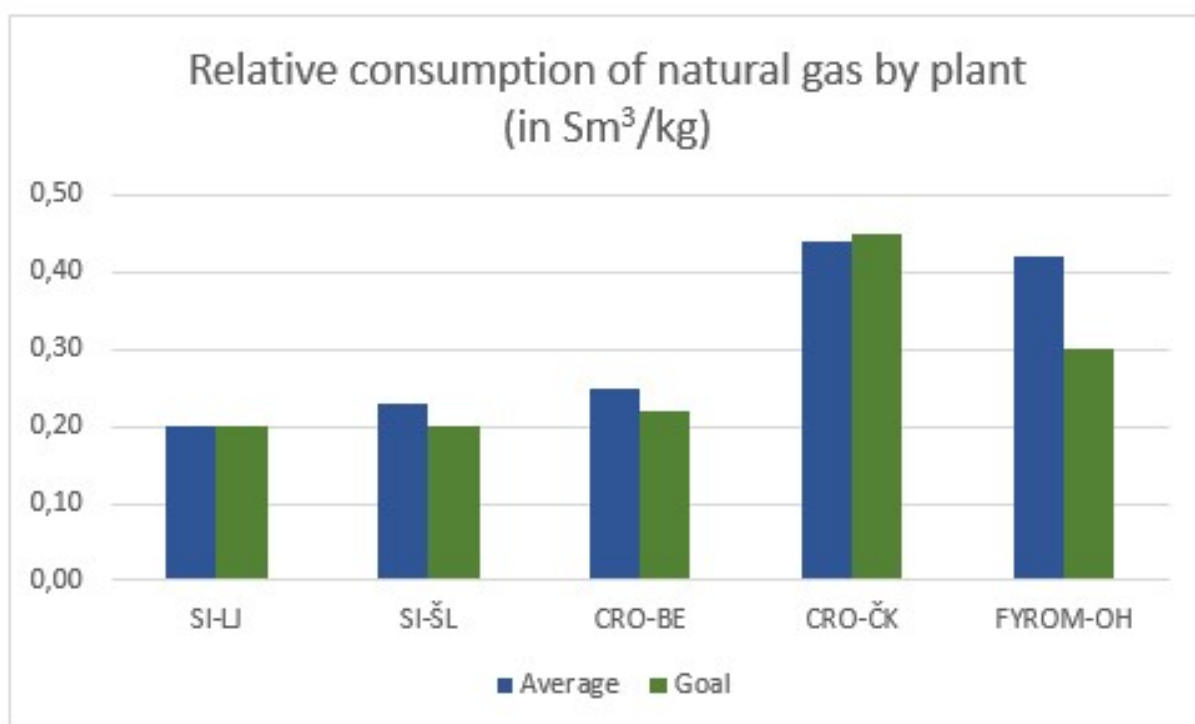
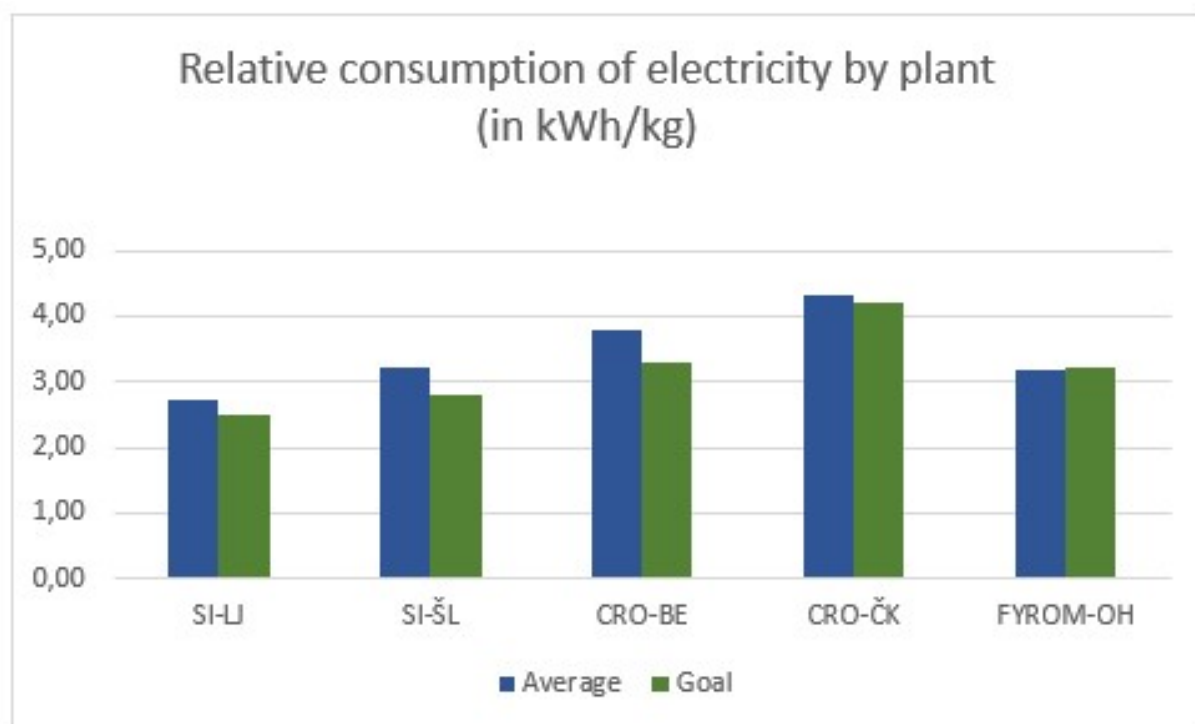
For a clearer presentation, there are charts below the table that show the average relative consumption by type of energy product, separated by plant, in comparison with the set goals.

The graphs below show the total energy product consumption for plants in Slovenia. The trend of water, electricity, and natural gas consumption per ton (t) of castings sold in the period from 2020 to 2022 can be seen. The trend suggests the use of more rational procedures in processes.



⁵⁸ GRI 302, 303-5

⁵⁹ GRI 3-3



Modern technology is essential for sustainable environmental management. The company strives to eliminate or alleviate negative impacts on the environment and to achieve economically efficient ways of natural resource management.

The company monitors the monthly consumption indicator for electricity, natural gas, and water consumption, which allows it to control rational use of energy sources.

In production, we also use auxiliaries such as emulsions and coatings, which also have an impact on the environment. Consumption is monitored on a monthly basis and the company aims to decrease rational use to the optimal level. Consumption of auxiliaries is also recognised as a material topic. With the rational use of such agents, we contribute to the

realisation of sustainability goal 12 (responsible consumption and production) and sustainability goal 13 (climate measures).⁶⁰

	Coatings	Total	Total alloy (kg)	Consumption per mass of castings sold (kg/T)
2020	coatings TL machines (kg)	208,968	32,417,243	6.45
2021	coatings TL machines (kg)	212,567	36,669,333	5.80
2022	coatings TL machines (kg)	209,625	39,491,281	5.31

In light of the company's activity, the use of coatings for die casting also has a significant impact, so the use of auxiliaries is recognised as a material topic. The company monitors the consumption of coatings for die casting by location. The use of coatings for die casting is declining⁶¹.

The main sources of greenhouse gas emissions are energy and heating.

	Natural gas and electricity	Total m3	Total kWh	Consumption per mass of castings sold (kg/kg)	Carbon footprint CO2 / kg of alloy sold	Consumption per mass of castings sold (kg/T)
2021	Natural gas (Sm3)/kWh	27.427.800	97.023.717,00	36.669.132	2,65	0,53
	Electricity (kWh)		114.547.862	36.669.132	3,12	1,66
	Total					2,18
2022	Natural gas (Sm3)/kWh	30.220.343	107.834.476	39.490.420	2,73	0,55
	Electricity (kWh)		126.063.744	39.490.420	3,19	1,69
	Total					2,24

The organisation has no significant CO₂ emissions. Nevertheless, we monitor trends in the consumption of natural gas and electricity per kg of alloy sold. The data is also the basis for calculating the carbon footprint shown in the table below.⁶²

The company's goal for 2030 is to neutralise the carbon footprint by implementing the set policy.

The company also monitors other greenhouse gases. We regularly monitor the analyses of PFC⁶³ exhaust gases bound to refrigerants. We complete the CDP (Climate Change Questionnaire) annually, where the focus is on emissions from compensation for losses in the process. We use the (GRP⁶⁴ FG-01) method for this.

⁶⁰ GRI 3-3, 301-1

⁶¹ GRI 301-1

⁶² GRI 3-3, 302-3, 305

Calculation of carbon footprint

CO₂ (kg) from natural gas 1 Sm³ natural gas (standard cubic metre) * 10.68 = 1 kWh * 0.2 kg CO₂/kWh

CO₂ (kg) from electricity 1 kWh = 0.53 kg CO₂

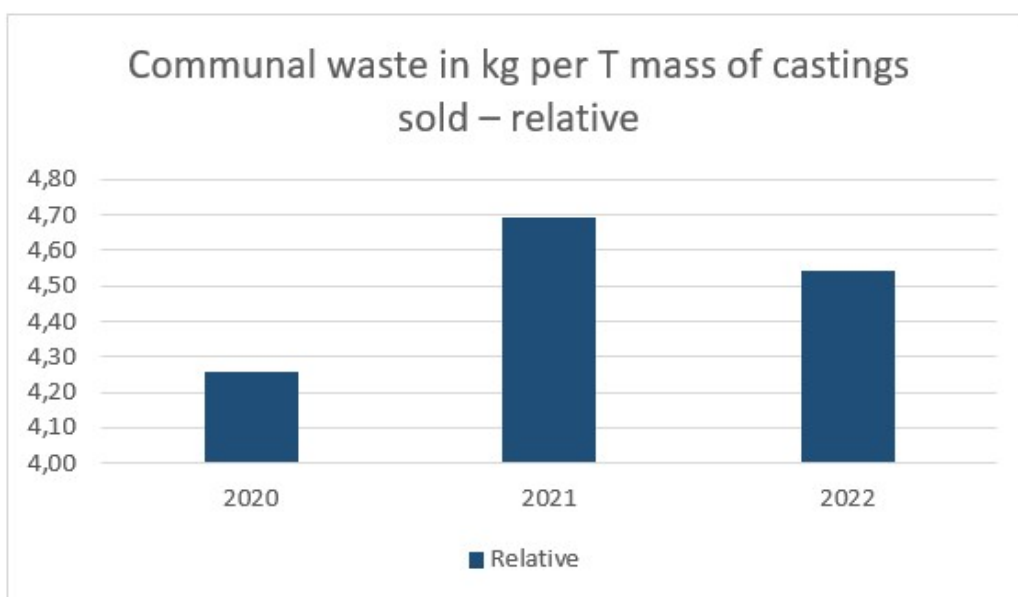
⁶³ Perfluorocarbon

⁶⁴ General Reporting Protocol

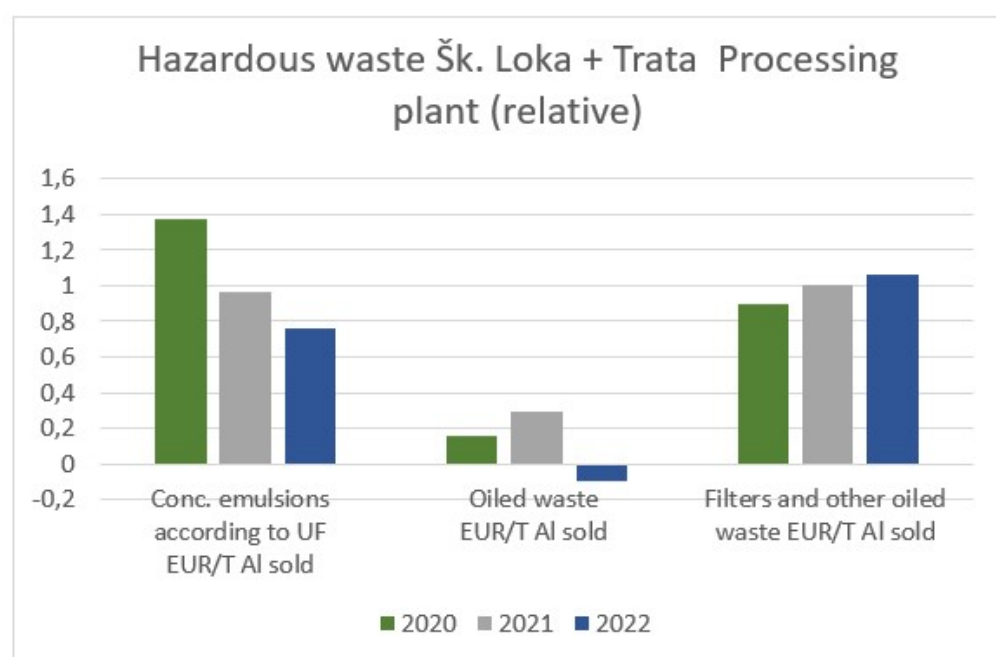
3.2.2. WASTE

Most of our waste at all the locations is non-hazardous waste. The share of non-hazardous waste in 2022 was 90.6%.

	Waste	Total	Total alloy	Relative
2020	communal waste (kg)	138.061	32.417.243	4,26
2021	communal waste (kg)	172.000	36.669.332	4,69
2022	communal waste (kg)	179.480	39.491.281	4,54



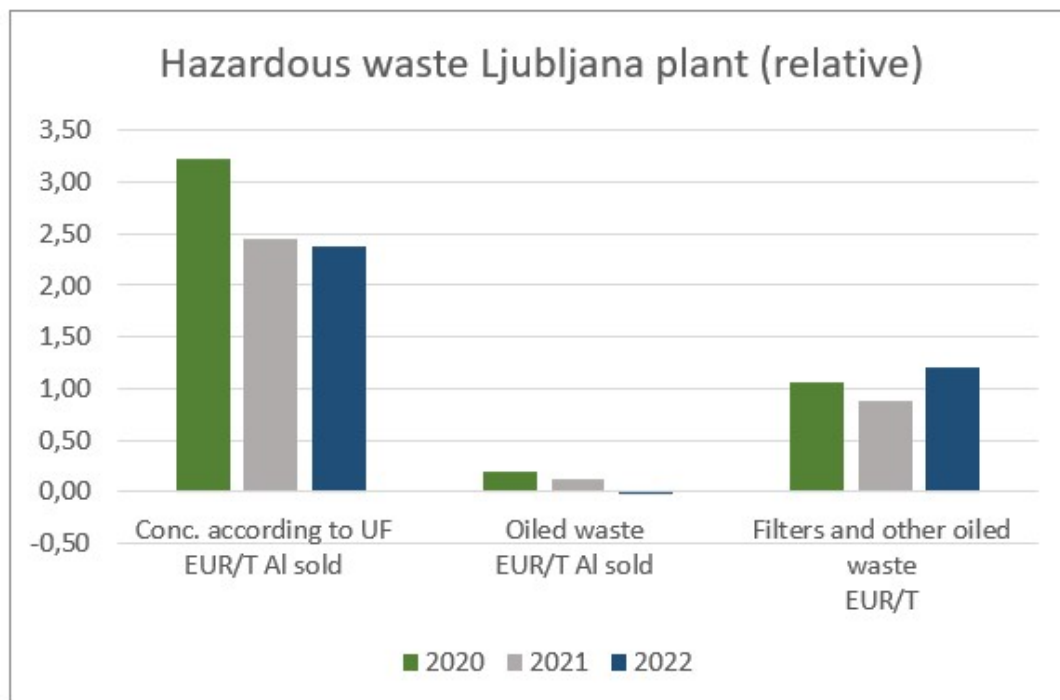
Hazardous waste includes ultra filtration concentrate, oiled waste, filters, and other oiled waste. The graphs below show the trend of hazardous waste. The total relative data for plants in Slovenia for the period from 2019 to 2022 are shown.



The trend of concentrate after ultra filtration starts to continuously decrease after 2020. The reason for this is the implementation of waste separation, part of the waste is re-processed at the evaporator.

The trend of oiled waste after 2020 has turned downwards due to the pandemic, and a decrease in the volume of business. The trend increased in 2021 due to the increase in the volume of production. In 2021, the trend turned again, due to the separation of oiled aluminium waste, as the authorised waste collector collects and rinses the waste and separates it from Al flakes from the foundry and oiled waste sludge. They buy the Al waste from us; therefore the costs of the waste show a negative trend.

Filter and other waste trends decreased in 2020. The reason is the harmonisation of the periodicity of changes by extraction devices, the trend has increased over the years in proportion to the increase in production.



All hazardous and non-hazardous waste generated during production processes is collected and separated and handed over to authorised waste collectors. Waste management procedures are defined in the Waste Management Plan which is prepared by individual locations. The amount of waste collected and delivered is reported annually to the competent ministry⁶⁵.

The two tables below show the trend in the amount of waste by Slovenian plants in the period between 2020 and 2022. The plants differ greatly in the amount of waste due to the use of different technological procedures and the size of the plant.

The Ljubljana plant stands out in terms of the amount of waste due to the use of different wastewater treatment technologies. As a result, the amount of waste is greater, but the rate of wastewater treatment is higher. The amount of waste is also affected by the average weight of the casting, which is one time higher in the Ljubljana plant than in the Škofja Loka plant.

⁶⁵ GRI 3-3, 306-3

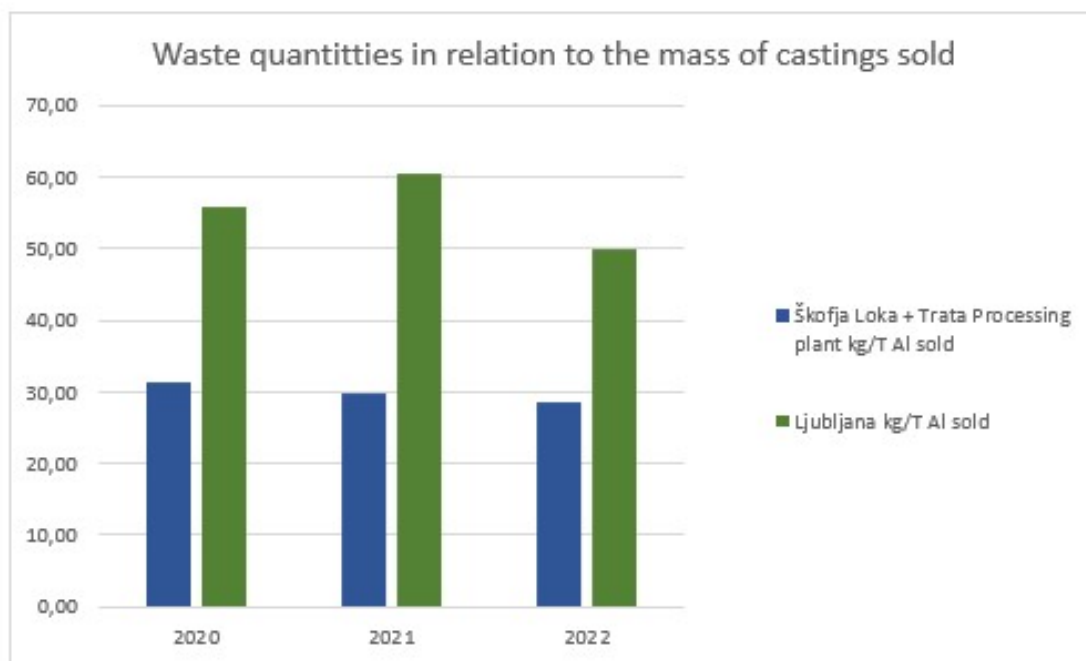
Review of waste quantity per year, all Slovenian plants

Plant	Škofja Loka	Ljubljana	Trata
	amount (kg)	amount (kg)	amount (kg)
2020	228,220	843,076	35,907
2021	234,398	1,039,965	39,316
2022	226,165	969,449	38,370

Relative quantities of waste based on the mass of castings sold, in the production of the Tool Shop – relative amounts of waste based on 1000 working hours.

	Škofja Loka + Trata Processing plant	Ljubljana	Trata Tool Shop	Al castings sold all SL plants	Working hour
	kg/T Al sold	kg/T Al sold	kg/1000 working hours	kg/T Al sold	h
2020	31,36	55,82	140,26	22.379.701	256
2021	29,72	60,55	147,36	25.061.968	266
2022	28,51	49,83	134,69	27.385.862	284

Waste at the locations of the Škofja Loka plant and Trata processing plant in Ljubljana where the foundries are located is significantly higher than at Trata where both a tool making facility and a plant for mechanical and manual processing of castings is located. The graph below shows the waste trend at both foundries.



In the production of the tool shop, we do not show the relative value of waste depending on the T aluminium sold but take into account the relative value of waste depending on 1000 working hours.



All aluminium scrap generated during the die casting process is reused as input raw material⁶⁶. Melting furnaces and blasting machines are sources of air pollution emissions. Measurements and operational controls are carried out to demonstrate that emissions into the air are below the permissible thresholds (dust, nitrogen oxides, sulphur oxides, etc.⁶⁷).

During production processes technological wastewater is generated and is treated at the on-site treatment plant operating at all the locations before being discharged into the public sewerage network. A closed loop approach is used. Operational monitoring of wastewater is carried out in accordance with legislation⁶⁸.

Industrial wastewater from casting processes is treated with internal waste water from the treatment plant at all locations. Treated water is discharged into the public sewage system. Operational control of industrial waste is carried out in accordance with legislation.

We demonstrate compliance with annual reports prepared by authorised operational monitoring providers⁶⁹.

We use two measurement approaches to analyse the carbon footprint: the market approach and the location approach.

CO₂ market assessment = actual CO₂ value of the electricity or natural gas distributor.

CO₂ location assessment = average value according to the operation site (the factor for Slovenia is 0.315).

⁶⁶ GRI 301-2

⁶⁷ GRI 305-7

⁶⁸ 2022 Annual Report on Emissions into the Air, Škofja Loka, Ljubljana, Trata, IVD Maribor

⁶⁹ Operational Wastewater Monitoring Report for LTH Castings d.o.o., 2022, Škofja Loka, Ljubljana and Trata plants, National Laboratory of Health, Environment and Food (NLZOH)

Izveštaj od fizičko hemiska analiza na otpadna voda od LTH Learnica DOOEL, Ohrid; Farmahem, Ilac, MRA

Ispitni izveštaj trenutnog uzoraka otpadne vode LTH Alucast d.o.o., Čakovec; Laboratorij Bioinstitut Čakovec prema normi (Otpadne vode) HRN ISO 5667-10:2000*

Ispuštanje i/ili prijenos otpadnih voda, Registar onečišćavanja okoliša; Obrazac PI-V; Podaci za 2022. godinu; Sustav javne odvodnje s centralnim uređajem za pročišćavanje otpadnih voda; Zadarska županija

3.3. SUSTAINABLE RELATIONSHIP WITH THE LOCAL COMMUNITY⁷⁰

Social responsibility is one of the key pillars of the responsible business operations of the LTH Group. All the notifications and requests by interested parties are registered and considered individually.⁷¹

The LTH Castings Group is aware of its responsibilities to its employees, business partners and to the local communities in which its facilities are located.

The company receives many requests for donations and sponsorships. Sponsorships are regulated by sponsorship agreements in which the obligations for fulfilling these are agreed on the part of the sponsor and the sponsee.

All requests are reviewed and examined by the management and resolved according to their importance. In the last two years, we have sponsored and made donations to:

SPONSORSHIPS

- ✓ Škofja Loka Basketball Club
- ✓ Ločan Football Club
- ✓ 4 Bridges Run

DONATIONS

- ✓ Anton Habjan: charity concert
- ✓ Borut Podgoršek S.P.: publishing a book
- ✓ Association of Friends of Youth, Škofja Loka: support of vacations and holiday activities
- ✓ Association of Retirees Škofja Loka: new cycling wear
- ✓ Sailing club Loka Timing: exhibition in Sokolski dom and participation in Adriatic regattas
- ✓ Poljanska dolina Student Club: 50th anniversary of the Club
- ✓ Lions Club Škofja Loka: charity concert
- ✓ LTH Trade Union: hike
- ✓ LTH Trade Union: hike
- ✓ Cvetko Golar Primary School: school fund
- ✓ Ivan Grohar Primary School Škofja Loka: school fund
- ✓ Alpine Association Škofja Loka – Lubnikarji Club
- ✓ Vocal group Mavrica
- ✓ Hrastov Dol VFD: firemen's ball
- ✓ Javorje VFD: financial help
- ✓ Žabnica VFD: tanker
- ✓ Alpine Association of Slovenia, Board and Planinec: programme for the disabled and people with special needs
- ✓ Swimming club Ratitovec Železniki: preservation, promotion of swimming
- ✓ Poljane VFD: purchasing and upgrading a vehicle
- ✓ Radio 1: 28-hour-long charity marathon
- ✓ Sora Development Agency: Historial
- ✓ Slovenia Red Cross, OZ Škofja Loka: help with donating gifts for children from socially weak families
- ✓ Škofja Loka Red Cross: vacation in Debeli rtič
- ✓ Škofja Loka Red Cross: help for Mario Tadič
- ✓ Arts & Crafts Centre DUO Škofja Loka: arts and crafts in Visoko

⁷⁰GRI 413-1, 3-3

⁷¹GRI 3-3, 2-29

- ✓ Scouts Association Kamnitnik: financial help
- ✓ LTH Aktiv Sports Association: gift and promotional material
- ✓ Stari vrh Tourism Association: charcoal burner day
- ✓ LOB Tennis Association: organisation of tennis tournament
- ✓ Škofja Loka Day Care Centre: Škofja Loka Day Care Centre fund
- ✓ The Slovenian catholic Girl Guides and Boy Scouts Association: project Kvajdej 2022
- ✓ Federation of Rotary Clubs of Slovenia: project of global stratification
- ✓ Selca Parish: oratory
- ✓ Preska Karitas: therapy for Brina
- ✓ Škofja Loka Karitas: help for the Pranič family

We carefully choose with whom to cooperate in the local community. We support sports and the development of the entire region and take care of the socially disadvantaged.

In supporting sports, we could highlight our long-term cooperation with the Škofja Loka Basketball Club. We have a sponsorship agreement with the club. We have also been sponsoring the 4 Bridges Run, which is an important sports event for the local community, as well as the Ločan Football Club for many years.

Cooperation with the local community also includes cooperation with school centres, faculties, the municipalities of Ljubljana and Škofja Loka or with the Central Slovenia Region.

We are a company with the most candidates involved in the apprenticeship programme. This means that as much as 50% of the educational programme is carried out in our company, where the candidate is acquainted with the company and settles into the working environment. The apprenticeship programme is conducted in such a way that a certain mentor takes care of the candidate throughout the entire programme and prepares him/her to perform independent work. In this way, the apprentice acquires the knowledge and competencies that are actually needed in the work processes and begins to shape his/her career very early on with the support of the company and the adaptation of school education. Upon completion of the programme, the candidate is qualified to independently perform the job in which he/she is employed.

We conduct personal interviews with potential apprentices and, on the basis of information obtained from a pre-structured questionnaire, select candidates for whom we undertake to carry out a professional programme. Upon completion of the programme, the candidate will be competent to independently perform the profession in our company.

The proximity of the Škofja Loka School Centre and the Kranj School Centre enables smooth cooperation and adaptation of the learning requirements to the needs of the company's work process which can change quickly.

As the largest scholarship awarder, we ensure the required and desired staff for our company for the future, thus relieving the burden on any state scholarship funds and unemployment institutes with respect to apprenticeship and scholarship programmes.

The stakeholders of local communities monitor and support the company which can be seen from the articles presented below.⁷²

⁷²GRI 2-29

3.4. SUSTAINABLE RELATIONS WITH EMPLOYEES

The average number of employed persons in 2022 was 3,300 (based on the work hours calculation), which is 195 more than in 2021. At the end of the year, 3,300 people were employed by the company.⁷³

Given its business activity, the company requires narrowly specialised staff. The company maintains regular connections with school centres, has good cooperation with them and creates examples of good practice.

In the 2021/22 school year, we gave scholarships to 82 students and to 104 students in the 2022/23 school year. The students complete their internship in the company. After they complete their education, they are given the job for which they have trained in the course of their schooling. Students and secondary-school students thus already familiarise themselves with relevant work-related issues, the latest approaches and the use of the state-of-the-art technology. They upgrade their theoretical knowledge with the latest theories and practical examples. The work experience obtained in the course of their studies spares the future employees from long and stressful job coaching.⁷⁴

Age group	LTH Castings - SI						LTH Metalni lijev - CRO					
	Males	Males i	Female	Female	r total	%	Males	Males i	Female	Female	r total	%
18-19 years	79	3,87	3	0,15	82	4,02	3	0,56	0	0,00	3	0,56
20-24 years	139	6,81	30	1,47	169	8,28	52	9,70	20	3,73	72	13,43
25-29 years	188	9,21	48	2,35	236	11,56	65	12,13	23	4,29	88	16,42
30-34 years	226	11,07	60	2,94	286	14,01	37	6,90	14	2,61	51	9,51
35-39 years	192	9,40	76	3,72	268	13,12	42	7,84	15	2,80	57	10,63
40-44 years	220	10,77	74	3,62	294	14,40	48	8,96	28	5,22	76	14,18
45-49 years	198	9,70	50	2,45	248	12,14	38	7,09	34	6,34	72	13,43
50-54 years	179	8,77	63	3,09	242	11,85	27	5,04	23	4,29	50	9,33
55-59 years	127	6,22	45	2,20	172	8,42	29	5,41	19	3,54	48	8,96
60-64 years	37	1,81	5	0,24	42	2,06	14	2,61	5	0,93	19	3,54
65 years or old	3	0,15	0	0,00	3	0,15	0	0,00	0	0,00	0	0,00
Total	1588	77,77	454	22,23	2042	100,00	355	66,23	181	33,77	536	100,00
Average age	38,57		40,81		39,04		36,68		39,61		37,58	

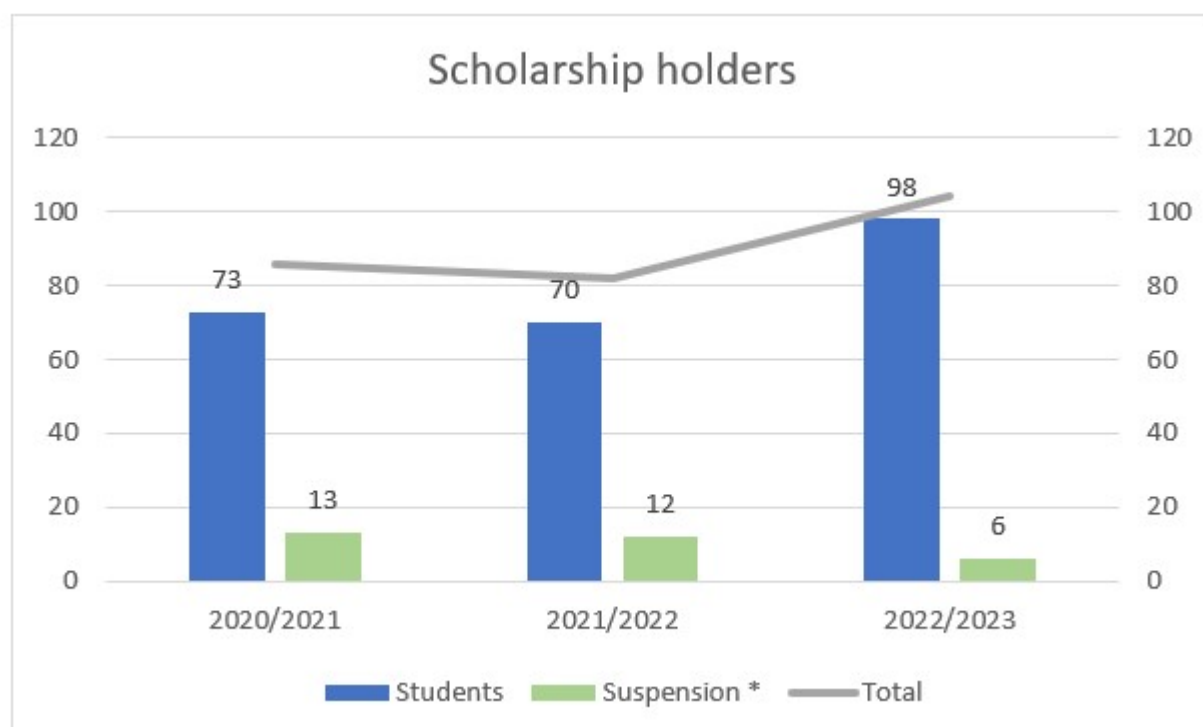
Age group	LTH Alucast - CRO						LTH Learnica - MCD					
	Males	Males i	Female	Female	r total	%	Males	Males i	Female	Female	r total	%
18-19 years	3	0,93	0	0,00	3	0,93	4	0,73	3	0,55	7	1,28
20-24 years	34	10,59	15	4,67	49	15,26	25	4,58	8	1,47	33	6,04
25-29 years	33	10,28	14	4,36	47	14,64	30	5,49	7	1,28	37	6,78
30-34 years	24	7,48	11	3,43	35	10,90	40	7,33	10	1,83	50	9,16
35-39 years	19	5,92	17	5,30	36	11,21	63	11,54	26	4,76	89	16,30
40-44 years	15	4,67	28	8,72	43	13,40	49	8,97	30	5,49	79	14,47
45-49 years	22	6,85	26	8,10	48	14,95	75	13,74	30	5,49	105	19,23
50-54 years	17	5,30	24	7,48	41	12,77	53	9,71	29	5,31	82	15,02
55-59 years	4	1,25	9	2,80	13	4,05	36	6,59	10	1,83	46	8,42
60-64 years	4	1,25	2	0,62	6	1,87	13	2,38	5	0,92	18	3,30
65 years or old	0	0,00	0	0,00	0	0,00	0	0,00	0	0,00	0	0,00
Total	175	54,52	146	45,48	321	100,00	388	71,06	158	28,94	546	100,00
Average age	34,54		38,82		36,02		40,3		42,6		40,9	

⁷³ GRI 2-7, 2-8, 401-1

⁷⁴ GRI 3-3

Scholarship holders Academic year			
	Students	Suspension	Total
2020/2021	73	13	86
2021/2022	70	12	82
2022/2023	98	6	104

* full-time scholarship holders are considered and those whose right to a scholarship has been suspended (due to continuing education at a higher level, repeating a year or enrolling in education for adults after full-time student status has expired)



3.4.1. EMPLOYMENT POLICY⁷⁵

Employment⁷⁶ and staff selection depend on the requirements of anticipated company growth. In the beginning of the year, the HR department prepares an employment plan in accordance with the requirements of the management.

The heads of individual departments specify their requirements for a specific work placement (job description, defining competencies, personal characteristics of the candidate). The HR department prepares an advert (internal, external, bulletin boards, newspaper, web portal, local papers). Job applications are collected through the website, which is transparently implemented in the Gecko HRM human resources information system. This is followed by the review and selection of applications. The selected applications which meet all the criteria are submitted to department heads who make the decision about inviting the candidates to a personal interview.

Personal interviews are constructive; the first part consists of a pre-prepared general questionnaire, while the second part is specific, agreed on in advance and systematically conducted with regard to the job in question. A department head and an HR officer are both present at the personal interview, as well as the mentor in most cases. There are two rounds

⁷⁵GRI 3-3

⁷⁶GRI 401-1,3-3

of interviews at most. After the interview, the department head and the other participants agree on the selected candidate.

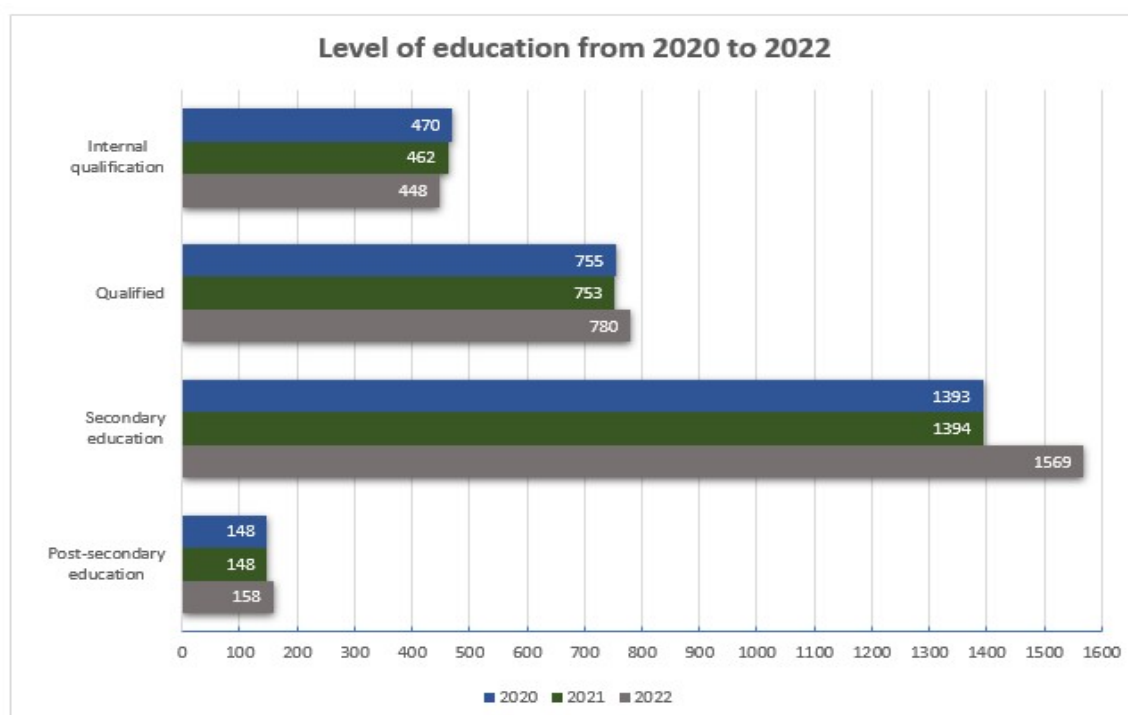
The HR department notifies the candidates about whether or not they were selected. The selected candidate must then undergo the administrative part of the process, medical check-up, training, and the test of his/her knowledge on occupational health and safety, and training for new employees.

3.4.2. EMPLOYEE STRUCTURE

The educational structure of the employees is shown in the table below. In 2022, there were no significant changes to the educational structure. The number of employees with at least a higher level of education increased in 2022 by 10 employees compared to 2021. The share of employees with at least high school education continues to grow. It amounted to 46.9% at the end of 2022. The Group allocates 0.2% of annual sales revenue for education.

Year Education	2020	2021	2022
Internal qualification	470	462	448
Qualified	755	753	780
Secondary education	1393	1394	1569
Post-secondary education	148	148	158
University education	344	356	387
Total number of employees	3.110	3.113	3.342

Table 3 Education of employees in the LTH Group



Graph 1 Levels of education in the LTH Group from 2020 to 2022

Achieving the goals of the integrated management system depends on the education and training of the employees. Continuous and systematic emphasis on education, training and awareness represent a key motto in the company culture.

The extent of education and training in place is such as to ensure that the employees are trained to safely perform the tasks of their respective work placements, that they are sufficiently trained to implement and understand the requirements, procedures and other documents of the systems of quality, safety, health and environmental management, that they are aware of their responsibility in the framework of the integrated management system and are capable of performing their jobs.

Communication with employees⁷⁷ is vital within the LTH Group. We use various communication channels, but among the most used are personal conversations, the system of innovation and continuous improvement, the 5S and TPM system, the internal newspaper LTH Reporter, LTH Academy, LTH Aktualno (a newsletter with which we inform employees about current topics via Info mail), bulletin boards, online communication, tele and video conference using the MS Teams application, important content is generated by the IT department in monthly screen savers, which according to the standard on information security, the Tisax standard, are part of a clean table and a clean desktop.



Figure 25: An example of a screen saver on all computer screens,

Given the nature of its work and diversification of information, which is essential for the employees, the company adheres to the notification deadlines set out in the law (Employment Relationships Act-1) and bylaws (Employment contract) regulations.

Some information is provided prior to the change, and some as soon as possible after the change has been implemented.

An example of an important change:

- *Distribution of annual working time*

⁷⁷GRI 3-3, 402

The information on the annual working time for the coming year is provided to the employee in writing sent to his or her home address by the 18th of December of the current year for the coming year.

- *Transfer of the employee to a different location of the company.*

The employment contract specifies that the company shall notify the employee on the change of his or her working location 8 days before the beginning of his or her work at the new location.

The LTH Academy is an employee training programme. Its aim is to upgrade and develop the employees' understanding of individual business functions and processes of the LTH Castings Group and ensure transfer and exchange of knowledge and experience among the facilities. Training is conducted in English.

On 31/12/2022 the company employment situation with regard to the type of employment⁷⁸ was as follows:

	LTH Castings	LTH Metalni lijev	LTH Alucast	LTH Learnica	Total
Permanent employment	1620	446	217	343	2495
Fixed-term employment	190	86	104	195	575
Non-renewal of employment contract	7	2	34	18	61

Table 4 Employees by type of employment

In 2022 there were no agency workers in the Group⁷⁹.

During the year, we accepted 218 students into the working process⁸⁰. Most of them worked during the school holidays.

All of the employees in all fields and levels are included in education and training. Last year, the company allocated approximately 21,500 hours for employee education and training, which is 6.5 hours of education and training per employee on average.⁸¹

	LTH Castings			LTH Metalni lijev			LTH Alucast			LTH Learnica		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Internal training (h)	2649	4150	3281	710	1210	2765	1033	1495	1252	826	1245	1090
External training (h)	3815	7836	9912	595	1201	715	562	1357	162	839	2435	2241
Total training in (h)	6464	11986	13193	1305	2411	3480	1595	2852	1414	1665	3680	3331

Figure 2 Education in the LTH Group

We provide employees with both internal and external education with which we develop special expertise related to the business operations of the Group, as well as professional and personal competencies. Employees can attend various in-house professional, educational, and training courses, foreign language courses, computer courses and various workshops for the development of personal competencies and the strengthening of their own health.⁸²

Staff fluctuation⁸³ is an important indicator of the situation in the company. A systematic approach and modern conditions in the manner of doing business require great willingness to listen to the needs of the employees, search for joint action and establish conditions in which the employees represent the main competitive advantage of the company.

Fluktuacija	2020	2021	2022
LTH Castings	14,9	6,9	8,9
LTH Metalni lijev	26,11	16,26	14,96
LTH Alucast	50,12	34,15	30,66
LTH Learnica	20	12,65	13,96

Table 5 Fluctuation

The table above shows a high percentage of employee turnover in all the Group's plants in 2020. We attribute this mainly to the pandemic and to strict measures. The situation calms down in 2021, which we attribute to the good reputation of the company and the economic

⁷⁸GRI 2-7, 2-8

⁷⁹GRI 2-8

⁸⁰GRI 2-8

⁸¹GRI 404

⁸²GRI 3-3

⁸³GRI 401-1

condition of the company. In 2022, however, the percentages slightly rise again, which we attribute to the turbulent changes in the market, i.e., the demand for greater flexibility of the Group's employees. Retirements also account for some of the turnover.

One of the sustainability goals is to establish better working conditions for the employees and lower their fluctuation at all locations.

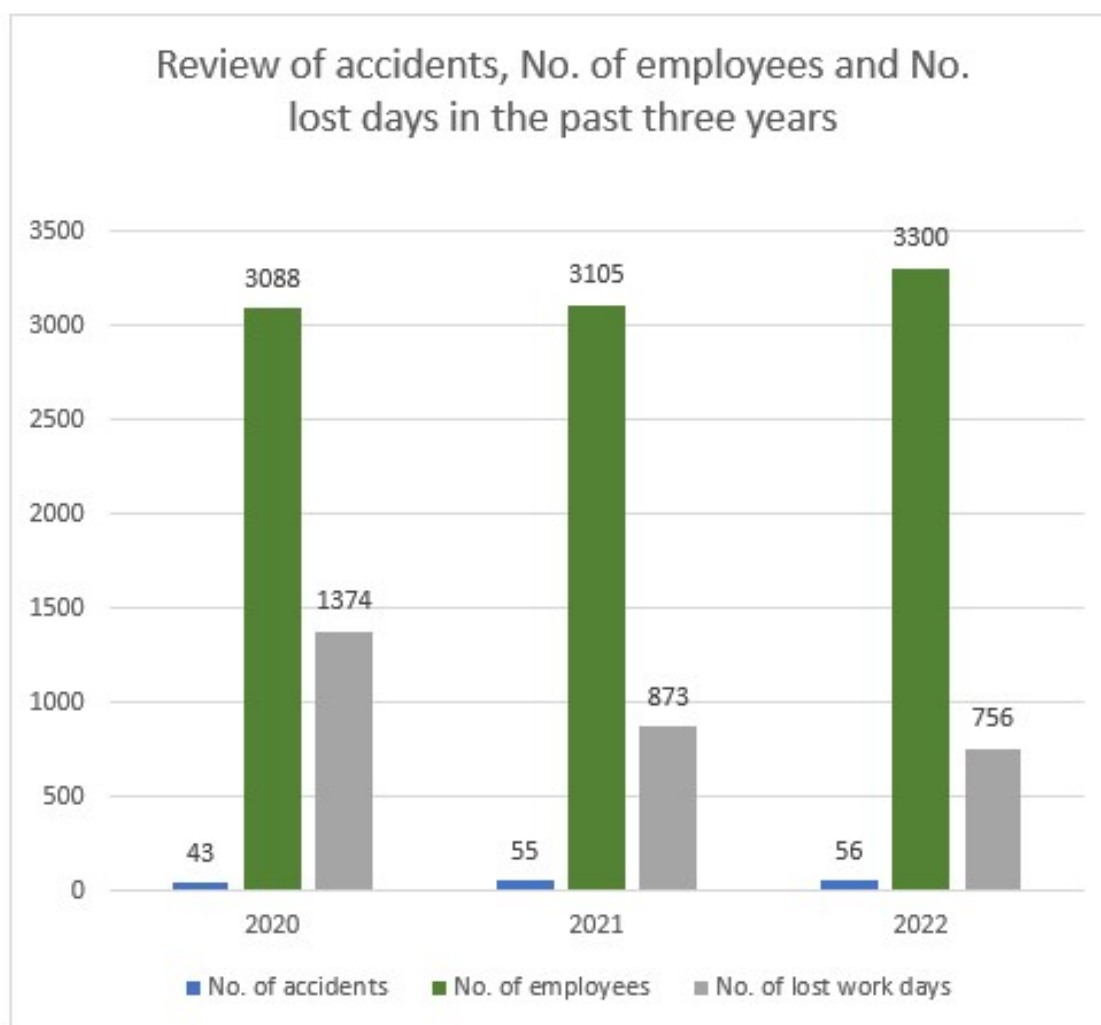
The percentage of employee turnover encompasses all employee departures: mutually consensual termination of employment, conclusion of fixed-term employment that was not renewed either by the decision of the employer or the employee, termination of employment by the employer.

The Group has set up the system of occupational health and safety at all of its locations, in compliance with the requirements of the ISO 45001 standard.⁸⁴

In 2022, occupational accidents ending in sick leave occurred in the Group⁸⁵.

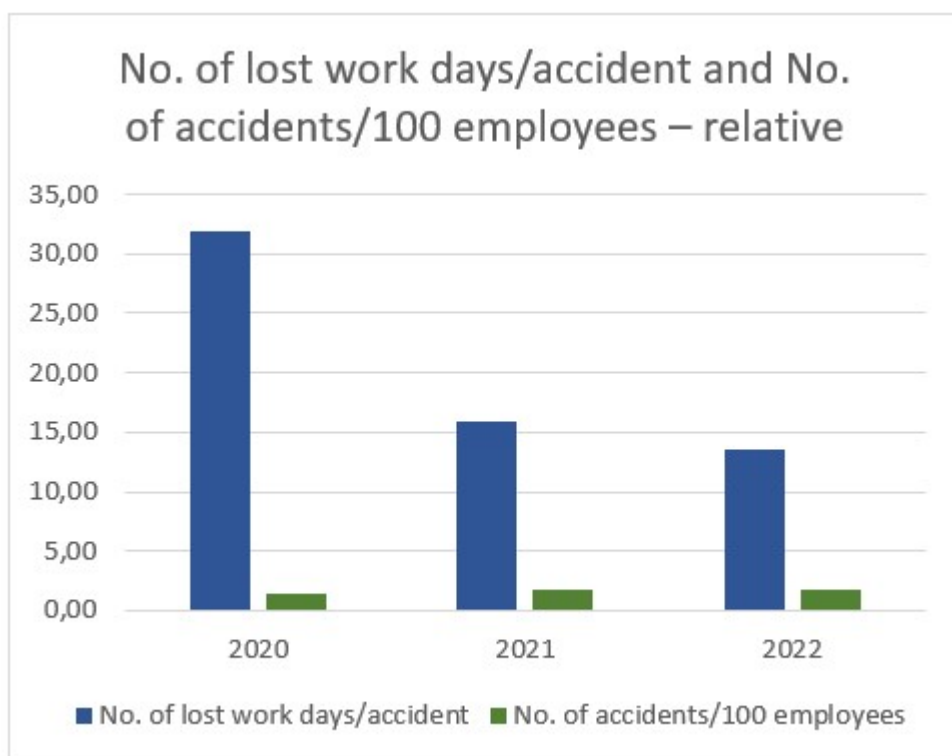
Year	No. of accidents	No. of employees	No. of lost work days	No. of lost work days/accident	No. of accidents/100 employees
2020	43	3088	1374	31.95	1.3925
2021	55	3105	873	15.87	1.7713
2022	56	3300	756	13.50	1.6970

Table 8: Accidents



⁸⁴GRI 3-3

⁸⁵GRI 403-2



The type of injuries varied from cuts, to blows, burns, falls... The registry is not available in the form in which it could be considered information of a public nature.

The managerial reviews regularly monitor the management plan of the system of occupational health and safety, which complies with the ISO control appraisals, as these activities allow the company to regularly eliminate any shortcomings⁸⁶.

The sustainable development of the Group can be seen primarily in our relation to employees. The employees are provided internal and external training, both in certain expert areas and on general content.

The employees are provided content aimed at lowering the risk of preventable diseases.

The employees are rewarded if they do not use sick leave. Each year, all of the employees are invited to a festive social event. Each year, we treat our employees' children to a theatre performance and a visit by Father Frost who brings them gifts.

In addition to regular lectures on occupational health and safety, we give our employees the opportunity to attend sports activities in their free time for a reduced price. We also sponsor the LTH Castings basketball team. The company sponsors individual events and makes donations at charity events.

In the company there is a subsidiary of the Trade Union of the Metal and Electric Industry of Slovenia (SKEI). SKEI⁸⁷ is an independent representative interest organisation of voluntarily associated employees – members, which represents the economic, business, professional, cultural, and other interests of its membership at all levels of the trade union.

In accordance with its programme and due to joint interests, SKEI forms part of the umbrella organisation of the Association of Free Trade Unions of Slovenia (ZSSS), www.zsss.si and cooperates with other trade unions.

⁸⁶GRI 3-3, 403-9

⁸⁷GRI 3-3, 407

Each employee of LTH Castings has the option of joining the trade union and using its services. The company does not keep any record of trade union membership.

The Code of Conduct prohibits discrimination and forced labour. Moreover, in the Code the company undertakes to not employ workers below the lowest permissible age in accordance with the International Labour Organisation convention, UN conventions and national legislation⁸⁸.

The company has no record of any discrimination cases at work.⁸⁹

3.4.3. INTERNSHIP AND DECENT WORK⁹⁰

Sustainable development also takes place in the local environment where we work to reduce unemployment, as employees mainly come from the local environment.

Employees are given a chance for a better standard of living and secure working environment.

All of the work placements within the company are regulated by the Systematisation and Organisation of Employees Act in LTH Castings d.o.o.

Job systematisation is implemented in such a way as to ensure full employment of employees and make sure that the total number of jobs is suitable for the extent of tasks, the type and manner of task performance.

Jobs are designed in such a way as to allow for:

- organisation of the work process, effective organisation of work in the present time and when changes are introduced, flexible division of work within individual organisational units, regulation of work processes, determination of appropriate standards and procedures for the selection of workers and their education and development, normal professional growth and advancement in one workplace and from one workplace to another, control in the work process according to the principle of comprehensive quality control and the transfer of knowledge and experience to co-workers.

To ensure the optimal organisation of the work process, the Work Systematisation and Organisation Act of the Group envisions special consideration of managerial and key work posts. Key employees occupy the most challenging jobs within the Group, which require at least the sixth level of education and no fewer than five years of work experience.

All of the employees have contributed to the competitiveness of our products and services. This can also be seen from the innovations proposed by company employees. A justifiable technological innovation is studied, realised, and remunerated. This encourages the generation of new ideas at each work post.

The table below shows data on innovations provided by employees. The innovation trend is growing, which indicates the affiliation and positive attitude of employees.

These innovations usually take the form of more rational use of material and time or a simplified procedure, which also indirectly impacts lower consumption of material, energy, etc.

Employee innovation is encouraged and rewarded.

⁸⁸GRI 3-3, 408, 409

⁸⁹GRI 3-3, 406

⁹⁰GRI 3-3

Innovations	2020	2021	2022
LTH Castings	333	659	792
LTH Metalni Ijev	12	17	58
LTH Alucast	4	14	18
LTH Learnica	1	12	15

Each job description clearly specifies the competencies expected from an employee. Competencies are characteristics and capabilities which allow an individual to successfully and efficiently carry out his or her work with regard to the job requirements. They consist of a combination of skills, expertise, experience, and attitude which contributes to good work performance.

Annual interviews of key employees, performed with the assistance of the GECKO HRM portal, are regular and thorough. Annual interviews have a stimulative effect on employees, as their main task is to review the goals set during the previous annual interview and their realisation, as well as to set new goals.

In 2022, the company held 196 annual interviews: 123 in Slovenia, 46 in Croatia and 27 in North Macedonia.

Annual interviews	2020	2021	2022
LTH Castings	136	168	123
LTH Metalni Ijev	20	15	17
LTH Alucast	9	8	29
LTH Learnica	15	36	27

3.4.4. HUMAN RIGHTS⁹¹

The employees of the Group have all the rights and are bound by all the obligations under the applicable legislation (Employment Relationships Act and other laws and by-laws, regulations, the company's internal documents and the employment contract). The employees are also protected by the internal document Rules on ensuring worker protection against sexual and other harassment, mobbing, and other forms of discrimination.

With regard to the issue of human rights, the company did not undergo a thorough review.

⁹¹GRI 3-3

3.5. RESPONSIBILITY TO BUYERS⁹²

Our products are our responsibility to our buyers and our employees. Indirectly, the responsibility also lies with the company suppliers, who are obligated to provide raw material ordered in accordance with our written and non-written standards. These standards make up the comprehensive image of the company in the eyes of our buyers.

The company focuses on the areas which ensure the competitive advantage of our products and services, namely:

- technological innovation,
- thought-out and modern design.

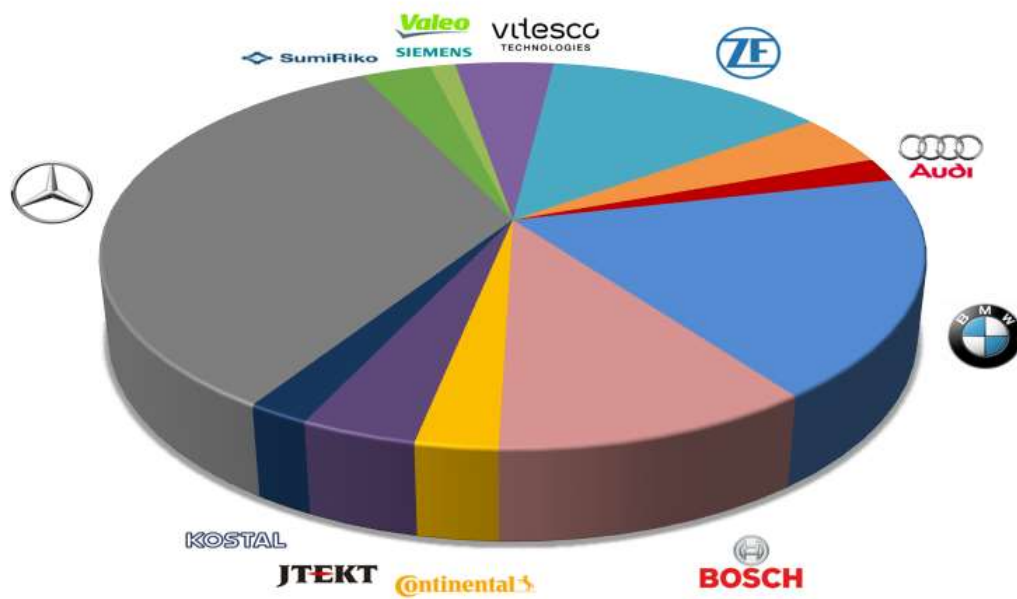
The company follows the guidelines set out by the global automotive market. This is why close cooperation with our buyers (Anvis, Audi, BMW, Bosch, Continental, Daimler, JTEKT, TBVC, TRW, Wabco...) is required. The engineers in the development department cooperate with the developers of our buyers at the stage of the prototype design. As 100% of the company's products are parts for the automotive industry, with the majority of them being products which are vital parts of vehicle engines, the company is aware of its indirect responsibility to the end vehicle buyers.

The table below shows annual income per buyer.⁹³

Sales in 2022 in million €	Share of sales per buyer
6.30	1.99%
58.61	18.48%
33.46	10.55%
8.66	2.73%
12.21	3.85%
6.59	2.08%
107.12	33.78%
10.24	3.23%
3.76	1.19%
14.59	4.60%
41.81	13.18%
13.81	4.35%
317.15	100.00%

⁹²GRI 3-3

⁹³GRI 2-6



Graph 2 Sales per buyer 2019

The responsibility of the LTH Castings Group is acknowledged by our buyers through awards, which we have received for:

- being the best supplier, strategic business partner,
- the highest possible quality of our products,
- distinguished quality, technology, low costs, and fast delivery.

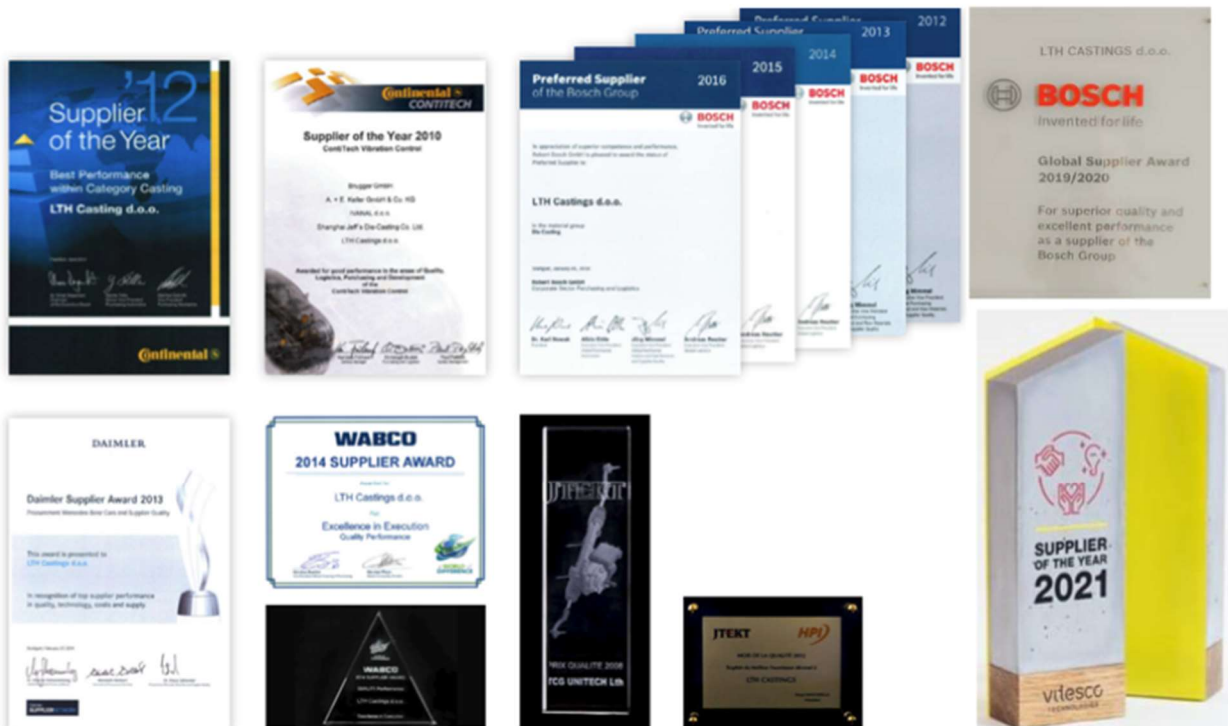


Figure 26 Awards received

The business operations of the Group have been gradually and continuously developing, growing, and improving, thus steadily paving the way for the Group with its business partners, banks and its employees.

Being part of the automotive industry, we monitor the market with a watchful eye. During this time, the automotive industry has already entered e-mobility which means major changes in production processes for all production plants indirectly connected to vehicle manufacturers. The transition to e-mobility is a difficult leap because all the established and well-tested practices and paths are being replaced.

In the strategy towards the buyer, we are already looking for new counterparts among the existing partners and for new business partners, as well as discovering new components and their requirements. The competition in the market is strong so we must be the best and strive to achieve our mission of “casting the future”.

New buyers and new partnerships are acquired using various communication tools. One important is the participation at the Euroguss foundry fair in Nuremberg and at the WFO Technical Forum.



Figure 27: Exhibition space of LTH Castings Group at the Euroguss fair

The acquisition of a new buyer was already the result of recommendation by the existing buyer. Potential buyers also find us themselves and establish contact with us through the website.

By keeping up to date with developments in our industry we can also identify our potential new buyers.

The opportunities offered to us are carefully examined and evaluated on the basis of possible cooperation. If there is mutual interest, the standard procedure of acquiring new cooperation, coordinating the mutually agreed contract and getting to know the buyer starts. In principle, new buyers come to the company and see our production and machinery.

The head of the OEM⁹⁴ and TIER⁹⁵ 1 and 2 sales offices and their team examine the possible cooperations.

In cooperation with the project manager a pre-calculation is prepared which takes into account the use of the desired or required materials, procedures, deviations and calculation of the approximate casting price. If we are nominated for a piece by the buyer we open a new business partner code in the information system. The project manager opens the business linked to the business partner and determines the preparations and the required

⁹⁴OEM – buyers classified as vehicle manufacturers

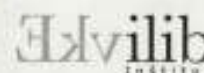
⁹⁵TIER 1 and 2 – buyers classified as vehicle manufacturers' suppliers

processing on the piece. It starts with the production of a mould – a prototype tool (the type of tool depends on the piece). The prototype tool is for a small number of pieces (e.g., 2,000 pieces). After confirmation of the prototype the manufacture of tools and all necessary devices and the preparations for serial production begin. After all the tools and all the devices are made and the preparations necessary for the piece are completed, we cast the sample pieces, and after confirming that they meet all the standards required by the buyer we start casting the batch. From here, we ensure timely deliveries and appropriate quality of buyers according to the standards required.

Communication between the buyer and our company is of crucial importance and therefore conducted at a very high level.

Every buyer has a key administrator within the company who takes care of current operations and regularly solves any problems that arise in the course of business. The key administrator monitors, negotiates and coordinates buyer requirements, monitors technology trends in the industry, organises and coordinates cooperation with buyers, supervises logistics activities to the buyer, ensures the operationalisation of strategic sales, checks and initials contracts, prepares offers based on received pre-calculations in accordance with internal regulations and monitors their realisation, monitors receivables and payables to buyers, communicates with and visits buyers, compiles and checks price lists, and cooperates and resolves buyer complaints.

Assurance statement for Sustainability report



To the management and stakeholders of LTH Castings group - Ekvilib Institute has been engaged by LTH Castings d.o.o., Vincarje 2, 4220 Škofja Loka, to provide third party assurance regarding the content of Sustainability Report 2022 for LTH Castings Group.

Scope of assurance - The assurance was performed in accordance with GRI Sustainability Reporting Standards 2021. The report is published in PDF form on the Company's website. The assurance took place in November and December 2023. The Sustainability Report refers to the LTH Castings Group within the scope and limits defined in the GRI Content Index. Although the report is joint for all companies, some disclosures relate only to the parent LTH Castings Slovenia. In our assurance we considered only the data within the report.

Level of assurance and limitations - The assurance process is a comprehensive review of the report regarding compliance with GRI standards and verification of selected data via a standing report, other proposed reference documents and through stakeholder interviews. With the help of stakeholder interviews, relevance of the material topics presented in the report was checked. In this way, the principle of materiality and stakeholder involvement was verified. However, the assurance does not cover financial data and information that are supported by existing documents and audits, such as third-party independent audits by auditors and certified standardization bodies and data from the previous sustainability report and financial report. The interviews and verification of certain documents was conducted at the company's headquarters. The rest of the documents were submitted to Ekvilib Institute via online communication.

Responsibility - The leadership of the LTH Castings Group is responsible for the information presented in the report, for collecting, sorting, verifying data and reporting. Ekvilib Institute and its representatives did not participate in the processing and display of data in the report. Representatives of Ekvilib Institute are responsible for independent verification of compliance of the report with the GRI standards and the actual situation and for preparing an opinion on sustainability report.

Independence of the Assurance Provider - Ekvilib Institute is a private non-profit organization, working in the field of social responsibility and sustainable development. Based on values, commitments, and code of ethics, Ekvilib is aware of their responsibilities and is committed to independence, professionalism, objectivity, confidentiality, and integrity. Independence is shown through its successful financial operations and financial and non-financial statements; available on their webpage.

Findings - Ekvilib Institute has verified organization's compliance with the requirements of the reporting standards and principles. Based on the principles of materiality, stakeholder involvement and integrity, the company has identified 31 key impacts on economy, environment, society, and human rights. They have reported on 15 of the 30 general disclosures, 17 material topics and 14 specific disclosures in the field of economic (GRI 200), environment (GRI 300) and society (GRI 400). Based on the assessment process, we found that the facts and data stated in the Sustainability Report are credible and reflect the actual state of the LTH Castings' management and sustainability systems. Considering the above identified limitations and the verification methodology, we find that the LTH Castings independent Sustainability Report for 2022 meets the requirements for reporting with reference to the GRI Sustainability Reporting Standards 2021.

Recommendations - During the verification, we identified opportunities for improving the report and reporting processes. Our findings are presented in a more detailed assessment report.

Ljubljana, 8th December 2023

Aleš Kranjc Kušlan
Director of Ekvilib Institute

Gal Kranjc Kušlan
Project Officer

Ekvilib
Institut
Šišenska 89, 1000 Ljubljana

GRI

Indicators

Index according to GRI GS reporting standards (In accordance with the GRI Global Standards) 2021.

The LTH Castings Group wrote the report in accordance with GRI standards for the period from January 1 2022 to December 31 2022.

GRI Standard	Description	Page	Chapter	Notes
GRI 2 General Disclosures				
1. The organisation and its reporting practices				
2-1	Organisational details	5, 7, 8, 9	2.1. Presentation of organisation	The 2-year period of reporting was interrupted in 2021 due to objective reasons.
2-2	Included legal persons	5, 16	2.1. Presentation of organisation	
2-3	Reporting period, frequency and contact point	16	2.4. Report profile	
			2.4. Report profile	
2-4	Restatements of information	16	2.4. Report profile	
2-5	External assurance	13, 14, 59	2.3. Reporting frameworks	
2. Activities and workers				
2-6	Activities, value chain and other business relationships	9, 14, 55	2.1.1. Description of the business model 2.1.2. Policy and due diligence 2.1.3. Basic information on the group's business operations 2.1.4. Supply chain 2.1.5. Cooperation with other organisations 2.1.6. External revision of group policies and statements	
2-7	Employees	45, 50	3.5. Responsibility to buyers 3.4. Sustainable relations with employees	

Sustainability report 2022

2-8	Workers who are not employed	45, 50	3.4. Sustainable relations with employees	Students, interns, secondary-school students, apprentices We do not include agency workers in the working process.
3. Management				
2-9	Management structure and composition	24	2.7. Management	
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	3, 4	1.1. Statement from the managing director	
2-23	Policy commitments	23	2.6. External proposals, principles, and initiatives	
2-27	Compliance with laws and regulations	35		
2-28	Membership associations	13	2.1.5. Cooperation with other organisations	
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	16, 20, 21, 43, 44	2.4.1. Connecting the strategic objectives of the LTH Group with the global objectives of sustainable development 2.5. The company and its stakeholders 2.5.1.1. Communication tools, methods, and frequency of stakeholder engagement	
2-30	Collective bargaining agreements	19	3.3. Sustainable relationship with the local community 2.5.1.1. Communication tools, methods, and frequency of stakeholder engagement	The collective agreement for the metal material industry and foundries of Slovenia is published in the Official Gazette of the RS and is accessible online. The collective agreement is available on the company's intranet page and is accessible to all employees. For revision purposes, we can send it to you in PDF format by email.

GRI 3 Material topics

1. Disclosure on material topics

Sustainability report 2022

3-1	Process to determine material topics	14, 15	2.2. Sustainability report writing methodology 2.4. Report profile
3-2	List of material topics	15, 22	2.4. Report profile 2.5.1.2. Methodology and presentation of the material topics of sustainable development
GRI 201 Economic Performance			
3-3	Management of material topics	26, 28	3. Special standard disclosures
201-1	Direct economic value generated and distributed	26	3.1. Economic aspect of sustainable development
201-2	Financial implications and other risks and opportunities due to climate change	27	3.1. Economic aspects of sustainable development
GRI 205 Anti-corruption			
3-3	Management of material topics	29, 30	3.1.4. Corruption prevention
205	Corruption prevention	29	3.1.4. Corruption prevention
GRI 301 Materials			
3-3	Management of material topics	28, 38	3.1.5. System of continuous improvements in the LTH Castings Group
301	Materials	30, 38	3.1.5. System of continuous improvements in the LTH Castings Group
301-1	Materials used by weight and volume	11, 12, 13, 36	2.1.4. Supply chain
301-2	Use of recycled material	31, 42	3.2. Sustainable relationship with the environment
GRI 302 Energy			
3-3	Management of material topics	32, 35, 38	3.2. Sustainable relationship with the environment
302	Energy	32, 35, 36	3.2. Sustainable relationship with the environment
302-3	Energy intensity	36	3.2. Sustainable relationship with the environment

Sustainability report 2022

GRI 303 Water and Effluents

3-3	Management of material topics	32, 36	3.2. Sustainable relationship with the environment
303	Water	32	3.2. Sustainable relationship with the environment
303-5	Water consumption	36	3.2. Sustainable relationship with the environment

GRI 305 Emissions

3-3	Management of material topics	32, 36	3.2. Sustainable relationship with the environment
305	Emissions	32, 36	3.2. Sustainable relationship with the environment
305-7	Nitrogen oxides, sulphur oxides and other significant emissions into air	32, 42	3.2. Sustainable relationship with the environment

GRI 306 Effluents and Waste

3-3	Management of material topics	40	3.2. Sustainable relationship with the environment
306-3	Significant spills	12, 40	2.1.4. Supply chain 3.1.5. Continuous improvement system

GRI 308 Supplier Environmental Assessment

3-3	Management of material topics	28	3.1.3. Purchase practice
308	Supplier environmental assessment	28	3.1.3. Purchase practice

GRI 401 Employment

3-3	Management of material topics	45, 46, 50	3.4. Sustainable relations with employees 3.4.1. Employment policy
401-1	New employee hires and employee turnover	45, 46, 50	3.4. Sustainable relations with employees 3.4.1. Employment policy 3.4.2. Employee Structure

GRI 402 Labour / Management Relations

3-3	Management of material topics	48	3.4.2. Employee Structure
402	Labour/Management Relations	48	3.4.2. Employee Structure

GRI 403 Occupational Health and Safety

Sustainability report 2022

3-3	Management of material topics	14, 29, 50, 51, 52	2.1.6. External revision of group policies and statements
403-1	Occupational health and safety management system	14	2.8. Ethics and integrity
403-2	Hazard identification, risk assessment, and incident investigation	50	3.4.2. Employee Structure
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	25	2.1.6. External revision of group policies and statements
403-9	Work-related injuries	51, 52	3.4.2. Employee Structure
GRI 404 Training and Education			
3-3	Management of material topics	50	3.4.2. Employee Structure
404	Training and education	50	3.4.2. Employee Structure
GRI 406 Non-discrimination			
3-3		53	3.4.3. Internship and decent work
406		53	3.4.3. Internship and decent work
GRI 407 Freedom of association and collective bargaining			
3-3	Management of material topics	52	3.4.2. Employee Structure
407	Freedom of association and collective bargaining	52	3.4.2. Employee Structure
GRI 408 Child Labour			
3-3	Management of material topics	52	3.4.2. Employee Structure
408	Child labour	52	3.4.2. Employee Structure
GRI 409 Forced or Compulsory Labour			
3-3	Management of material topics	52, 54	3.4.2. Employee Structure
409	Forced or compulsory labour	52	3.4.2. Employee Structure
GRI 413 Local communities			

3-3		43	3.3. Sustainable relationship with the local community
413-1	Local communities	43	3.3. Sustainable relationship with the local community

