

Iskra ESG commitment

#### Commitment to trust and sustainability

With over 78 years of history, Iskra has built a reputation as a trusted partner, delivering top-quality components, devices, and innovative solutions across more than 100 global markets.

We are committed to staying at the forefront of innovation by improving existing applications and introducing new technologies. Our focus on quality and precision continues to earn the trust and respect of our clients.

Our commitment to environmental responsibility drives continuous improvement, investment, and innovation. We focus on long-term strategies to positively impact the environment while supporting the Global Sustainable Development Goals for a better, sustainable future.

We have stated our alignment with the following SDGs (Sustainable Development Goals)





"As a sustainability advocate, I am excited to share our visionary approach to Environmental, Social, and Governance (ESG) practices. At Iskra, we believe that sustainability is not just a checkbox but a guiding principle that drives our decision-making and shapes our business strategy.

I am deeply committed to embedding sustainable practices into every aspect of our operations. From implementing energyefficient technologies and reducing our carbon footprint to promoting diversity and inclusion, we strive to create positive and lasting impacts on the environment, our employees, and the communities we serve."

> Klemen Šešok Chief Executive Officer



### Our Mission & Purpose



At Iskra, we drive innovation and sustainability in everything we do. By developing smart solutions in energy efficiency and green mobility, we are shaping a future that is both secure and sustainable.

"Our mission is to support mankind on its path to a better, more efficient and sustainable use of energy. We do this by creating innovative products and systems that boost efficiency and measurement of energy usage and support transition to green mobility."

#### Our purpose:

#### • Sustainable Solutions

We are committed to creating sustainable solutions in public infrastructure, energy efficiency, and electrical installations, ensuring a lasting positive impact on both people and the planet.

#### • Job Creation & Growth

We invest in our employees, creating new opportunities and ensuring satisfaction through ongoing development.

#### Social Responsibility

We actively engage in projects that promote social responsibility, contributing to the well-being of the communities we serve.

We aim to become a leading force in the global electrical and electronics industry, while proudly representing Slovenia as a technologically advanced and creatively oriented green country.



Ranked **Iskra** among the top 3 companies with the highest level of development in the field of **ESG** in Slovenia in 2024.



Finance KEARNEY Časnik Finance in Kearney podeljujeta PRIZNANJE finalistu izbora **ESG-PRVAK** podjetju ISKRA Monika Klinar, direktorica dr. Mitja Pirc, nišnih projektov Časnika Finance direktor Kearneyja Manika Kliman Liubliana, 16. aprila 2024 2024 PRVAK



2024T0P3

Iskra is a proud investor in ALFI Green Energy Fund. With the latest project Krivača wind power plant, 75,000 households will be supplied with the green energy.



Our R&D departments are intensively engaged in the development of products with a sustainable purpose, such as Smart energy meters and Smart gateways.

We strive to provide equal opportunities for all people, regardless of gender, nationality, race, disability, age or other personal characteristics.





Based on the actual data, at Iskra are currently employed 49.55% of men and 50.45% of women. Also, 15.83% are foreigners, including people from Balkan countries, Iran, Somalia, etc.



### 830 t CO2

over 10% decrease in emissions in 2023

## Water purification

acquisition of ELMAP waste water filtration company



2.6+ MW

portfolio of own commercial scale solar PV systems



All-hybrid

car fleet to be converted by 2030

At Iskra, we prioritize environmental stewardship, working tirelessly to protect our planet and reduce our carbon footprint. Through **Iskra Effective Net Zero 2030 Vision** we've implemented strategic initiatives to manage and safeguard the environment for future generations.

We have established a comprehensive set of actions aimed at promoting the responsible management of environmental resources.

- We will convert entirely to renewable energy by 2030, to use or run all our buildings on a CO<sub>2</sub> neutral basis, and will switch entirely to electric vehicles fleet
- ▶ Reduce the volume and severity of air pollutants to absolute minimum (zero)
- We will decrease the usage of the clean water and minimize industry water discharge into environment through investments in new technologies for water recycling and wastewater treatment
- ▶ We will **decrease non-recycled material outputs** in production and distribution of our products.
- We also plan to cut overall emissions throughout our value chain at least by 20 percent until 2030
- Our R&D department will continue to develop products and solutions that facilitate smart and efficient energy consumption creating sustainable value for our customers





Save money on energy bills
Reduce your carbon footprint
Control energy consumption

#### Water treatment and industrial automation

In February 2024 Iskra became the majority owner of the Croatian company **Elmap d.o.o.** established in 1992.

Elmap is one of the leading companies in the region offering complex solutions for demanding projects in the field od **wastewater treatment**, **water supply and sewage and remote control systems**.





Karlovac - Croatia: WWTP

- ► Wastewater treatment plants
- Water supply and sewage
- Energy Management Systems (EMS)
- Renewable energy integration
- Industrial automation
- Remote control systems

#### Renewable energy investments

Iskra is a proud investor in the **ALFI Green Energy Fund**, a specialized investment fund that focuses on onshore wind and photovoltaic plants in Southeast Europe (Slovenia, Croatia, and Serbia).

By leveraging our industrial expertise and financial acumen, we aim to drive the transition to more sustainable, reliable, and affordable energy systems across these untapped markets. Sustainability remains central to our vision and the value we create for stakeholders.

#### **\** ALFI Renewables



Krivača – Serbia: Wind Power Plant

- ▶ Fully operational from 01.01.2024
- Consists of 22 wind turbines
- Capacity of 105,6 MW
- Production of 310 GWh per year
- Sufficient for 75,000 households
- 120k tons of CO<sub>2</sub>/year reduction

#### Photovoltaic activities in Slovenia and Croatia

We have undertaken several actions to achieve our sustainability goals, including investments in renewable energy, e-mobility, and new technologies.

With new investments in solar power systems in Slovenia, including ongoing activities of 1 MW on Goodyear facilities, and additional PV investments at Kranj location. Iskra's portfolio will total 2.6 MW of Solar PV systems, generating over 3 GWh/year.



To further our commitment to sustainability, we have initiated significant photovoltaic projects at our Iskra Shipyard in Šibenik and ELKA facilities in Zagreb.

#### Šibenik – Iskra Shipyard

- ▶ 750 kW solar power plant under construction
- Capable of supplying 80-90% of the shipyard's energy needs
- Aims to achieve "zero energy shipyard" status, meaning the shipyard will generate as much energy as it consumes

#### Zagreb – ELKA Facilities

- Ongoing roof replacement project covering 30,000 m<sup>2</sup>
- ▶ 3.2 MW solar power plant will be installed on the new roofs



Kranj: Iskra BU MIS Solar power plant

We were proud to be the first to connect a battery storage system in the Slovenian energy distribution network.

With the installation of **Tesla energy storage batteries**, we have managed to reduce our electricity bills and positively impact the environment, as **we regulate positive and negative peaks** in the distribution network, preventing uneconomical energy use and unnecessary shutdowns of power plants.

At our business unit in Kranj we have a 2.8 MW Tesla Battery Storage Systems with a total capacity of 6 GWh/year, and at our business unit in Semič 1.1 MW with a total capacity of 2.4 GWh/year.



Semič: Battery storage system

Kranj: Battery storage system

We are also actively investing in E-mobility with new electric cars and EV charging stations in all our location, as our goal is to have **all hybrid car fleet by 2030**.



One of our innovative sustainable solutions are hybrid vessels. In 2019, we started the production of **hybrid (battery) catamarans** in Šibenik, which are used for salmon fishing in Norwegian waters.



- Lower total volume of harmful emissions including CO<sub>2</sub>
- Less fuel consumption (up to 25%)
- Lower initial investment (up to 20%) and operating costs
- Increased safety at sea and navigational comfort

#### Our new Nickel-Chrome electroplating technology

We ensure that all our business units operate in accordance with all environmental protection standards and permits, regularly following global industry trends.

At our electroplating facilities we have replaced our outdated Nickel-Chrome (Ni-Cr) electroplating line with a state-of-the-art system. The new technology uses trivalent chromium (Cr3+), which significantly reduces environmental pollutants and eliminates the use of hazardous hexavalent chromium (Cr6+). Cr3+ is much less soluble in water compared to Cr6+, allowing **easier and more efficient removal from wastewater**. Additionally, the concentration of chromium in the Cr3+ electrolyte is **fifty times lower** than in Cr6+ processes.



The line also includes **advanced water-saving systems**, such as cascade rinsing, closed circuits, and water recycling systems, enabling the reuse of rinse water in new processes. Overall, the technology **reduces water consumption by 30%** and supports our **"zero waste"** goal.





#### Other investments

We have build a completely new **energy efficient factory** of 15.000 m2 in Laktaši, Bosnia and Herzegovina.



- Measuring instruments
- Low voltage switchgear
- Capacitors

Increasing investments in new production lines and modern machines for more efficient use of energy, efficient use of different materials, both input and output.







Investments in **energy efficient** houses & sustainable communities.

Located in Rakovnik near Medvode, including 31 energy efficient houses.













## 35%

#### of microplastics in the oceans come from our washing machines

Shedding microfibers from synthetic clothing during washing is one of the main sources of primary microplastics in the oceans. These are now found everywhere, in the oceans and mountains and even in our food and drinking water.

Due to their small size, microfibers are highly mobile and easily ingested by organisms. With the ability to bind chemical pollutants, **studies show they cause poisoning, infertility, and genetic disruption.** 

# PLANETCARE

microfiber filters solve 98% of the problem

PlanetCare is a leader in sustainability, developing washing machine filters to catch harmful microplastics, before they flow into the water system and pollute the oceans.

Our vision is that in the future **all** washing machines will be equipped

**with efficient filters** that will automatically stop fibres. Joint efforts of **more than 7.000 PlanetCare users** have already attracted the attention of policymakers and have a direct impact on legislation changes.

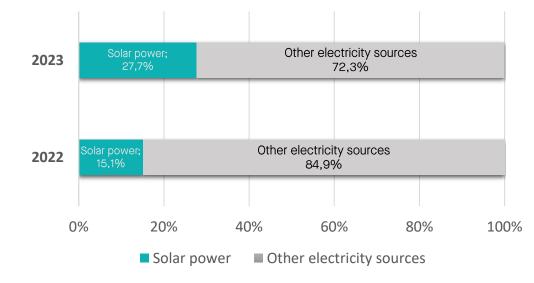


#### **Energy consumption**

Energy consumption has the greatest impact on the carbon footprint, which is why we are actively working to reduce energy consumption from non-renewable sources.

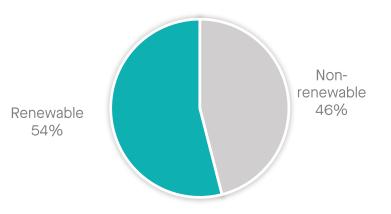
We collect monthly data collection on the consumption of electricity, heating, drinking water, processed water and fuels.

We encourage our employees to use energy responsibly.



#### Energy consumption [kWh]





	Share
Fossil fuels	55,83%
Coal and lignite	30,29%
Natural gas	22,02%
Oil derivatives	1,15%
Undefinable	2,37%
Nuclear fuel	26,23%
Renewable resources	17,94%
Water energy	10,57%
Wind energy	1,06%
Solar energy	4,75%
Geothermal energy	0,00%
Biomass	1,55%
Undefinable	0,00%
Total	100%

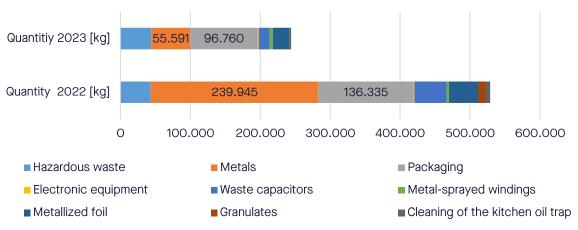
#### Air, water and soil pollution

Iskra complies with all regulations related to waste management, wastewater treatment and air emissions. We carry out different monitorings, including air monitorings from various discharge places, operational waste water monitoring, noise monitoring as well as monitoring of the sealing of cooling devices.

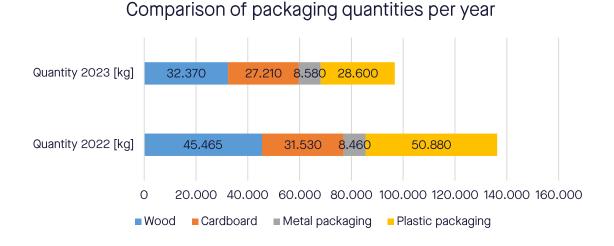
#### Circular economy, recycling and reusing of waste materials

- Non-ferrous metals such as brass, steel, zinc powder are sold
- Waste plastic is recycled back into the process
- ▶ Waste materials such as foils, plastics, cardboard and wood is recycled
- Hazardous waste is correctly stored





#### Comparison of waste material quantities per year



#### Wastewater treatment

We conduct regular analysis of the wastewater sludge and monitor the water, ensuring that the measurements consistently fall within the legally permissible limits.

At capacitors business unit, all industrial wastewater is firstly treated through our own wastewater treatment plant, after that both industrial and sanitary water are directed to the public wastewater treatment plant in Semič.

We also have our own wastewater treatment plant in Glinek, which ensures that the permissible limits of substance content in wastewater are kept as low as possible.

We have invested in **advanced watersaving systems**, such as cascade rinsing, closed circuits, and water recycling systems, which are enabling the reuse of rinse water in new processes.



#### **Conflict minerals statement**

We are fully committed to responsible mineral sourcing and have implemented a comprehensive Conflict Minerals Statement. This outlines our efforts to prevent the use of minerals sourced from conflict-affected regions.

We verify the origin of the minerals used in our products. Only suppliers that possess the necessary RoHS, REACH documentation, and conflict minerals declarations are part of our supply chain.



All our products comply with the European Regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), as well as the European Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS).

#### Investing in sustainable recycling

We have invested in the single-shaft ECO SMART shredder, designed for efficient shredding of various waste materials, including wood, plastic, paper and electric cables.

We will focus on recycling **12 tons of wood each month**. The shredded material will be **reused in our production processes at different locations**, reducing waste and enhancing resource efficiency.

- Reducing material waste
- Reusing resources within our production processes
- ► Contributing to a circular economy





## **OUR PRIORITIES**

# 01

Fostering a culture of continuous improvement and growth

## 03

Providing employees with an engaging, fulfilling and beneficial work experience

05

Fostering an inclusive work culture with open communication and diversity



# 02

Empowering and involving our employees at all levels

## 04

Employee Assistance programs supporting the mental and emotional well-being

## 06

Measures, preventing discrimination: Mobbing internal regulation, hiring global nationality employees, international teams, equal opportunities

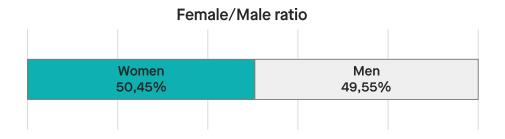
## Employees are at the center of our strategy



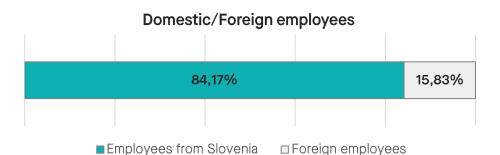
### Bel: Diversity, Equity, Inclusion

We are committed to fostering a diverse and inclusive workplace where all employees are valued, respected and have equal opportunities.

It is important to us that the workplace is a place where there are no gender differences and equal opportunities are provided to all.



We are also hiring people from foreign countries not only from Balkan region but also people from Iran, India, Somalia, ...



#### Diversity in hiring and promotions

We have implemented policies and practices to promote diversity in our recruitment and promotion processes. We actively seek diverse candidates, ensure unbiased selection criteria, and provide equal opportunities for career growth and advancement.

#### **Gender equality**

We strive for gender equality at all levels and work towards eliminating gender-based biases and disparities.

Key account manager (m/f)
 International sales manager (m/f)
 Technical specialist (m/f)
 Production line manager (m/f)
 HR specialist (m/f)



#### Age diversity

We value the contribution of employees from **all age groups** and aim to create a **multi-generational workforce**.



## **Iskra**° IP⊗

We are proud to have another subsidiary within our company called **Iskra IP invalidsko podjetje d.o.o.**, where we prioritize the employment of highly qualified individuals, the majority of whom have disabilities.

At Iskra IP, we recognize the immense talent and unique perspectives that individuals with disabilities bring to the workforce.



By embracing diversity, we not only empower individuals with disabilities but also enrich our organization with a diverse range of skills, experiences, and perspectives. **lskra** 

#### **Inclusive Work Culture**

We foster an inclusive work culture by promoting open communication, respecting different perspectives, and celebrating diversity.

We offer flexible work arrangements, such as **remote work options** and **flexible working hours**.

These arrangements allow employees to better manage their personal commitments and achieve a **healthy work-life balance**.

We are committed to supporting our employees in their growth, fostering a positive work environment, and building strong relationships within our organization.

#### **Code of ethics**

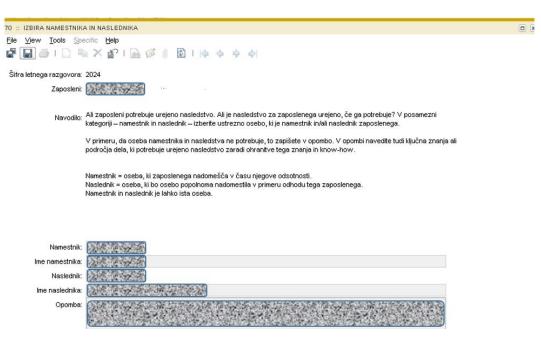
Each employee has a defined **commitment to comply with the code of ethics** in their employment contract.

Certain elements of the code of ethics are already defined in the employment contract itself, certain elements are published on notice boards and on the company's website.

#### Succession planning

In cooperation with the director of each business unit, we identify and define key positions and find suitable people for that position - **talents with high potential**. After detailed analysis, we decide on the most suitable candidate.

In our ERP system, we also have a successor defined for **each person in a key position.** The issue of succession is always raised at the annual interview, which is processed in detail every time, and its status is monitored at each half-yearly interview.



**lskra**<sup>°</sup>

#### **Career development**

We encourage employees to enhance their skills and knowledge to support their career advancement.







A School with a View

Iskra is proud partner of IEDC Bled School of Management.

- Onboarding program
- IEDC Executive MBA & GMP
- Young Leaders Academy
- Attending events and conferences
- Professional educations
- Participation in round tables
- Top employee
- 123 Innovate

#### Educations in the field of ESG

At Iskra, we are committed to fostering a culture of sustainability throughout our organization. To achieve this, we have developed a comprehensive range of training programs aimed at equipping our employees with the knowledge and skills necessary to contribute to our sustainability goals.

Our employees are also part of numerous trainings in the filed of ESG, depending on the area of expertise, such as:

- Proper usage and storage of energy
- Proper handling of different materials
- Proper waste management
- Proper packaging of products

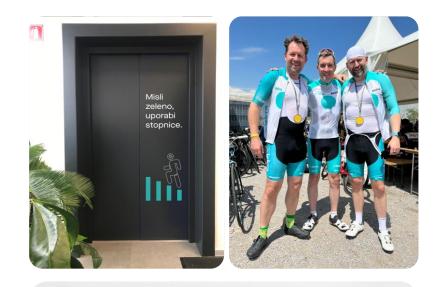
We have set up collection points for waste batteries, phones and chargers at all our locations.

We educate employees on the importance of water conservation and efficient water usage.





#### Encouraging employees to be physically active



Kolesarski izzivi

13.4. Istria Gran Fondo 2024

8.9. L'ÉTAPE SLOVENIA 2024 13.10. Istrski kolesarski marati

27.4. Brkinska klasika

#### SKUPAJ DO CILJA!

Pridružite se nam na poti do aktivnega življenjskega sloga, kjer bomo skupaj gradili vzdržljivost in okrepili timski duh. Postanite del naše ekipe #Iskrateam in skupaj dosegajmo cilje!



#### Tekaški izzivi

	Umag	24.3.	22. mali kraški maraton	Sežana
	Ilirska Bistrica	7.4.	4. Stadionski tek na	Kranj
Stražišče	Stražišče	14.4.	10km, 5 km in 600 m Istraki maraton	Portoro2
	Pesnica	5.5.	Wings for Life World Run	Ljubljana in Zagorje ob Sav
	Ljubljana	11.5.	Tek trojk	Ljubljana
1	Maribor	18.5.	Maraton treh src	Radenci
		24.5.	Nočni barjanski tek	Pijava Gorica
n	Kranj Ankaran	2.6.	Supermaraton I feel Slovenia12RUN	Kranj
		15.6.	Tek štírih mostov	Škofja Loka
		30.6.	Tek v okviru Soča Outdoor Festivala	Tolmin
		20.10.	Liublianski maraton	Linhling

#### Other benefits for our employees

To boost morale and employee satisfaction, we have ongoing activities and initiatives in place at Iskra.

We recognize the importance of physical well-being, and we provide opportunities for exercise and access to massage services to promote a healthy lifestyle.



Special discounts in several fitness centers



Special discounts on massages



Special discounts on catering services



Accommodation and use of capacities in the **Olimia thermal baths** 

#### The institute SUPER GLAVCE Non-profit, non-governmental organization



2022 – donation of 3.000 EUR 2023 – donation of 3.000 EUR 2024 – donation of 3.000 EUR

Donations went to the primary school Majde Vrhovnik in Ljubljana.

They have started to work with and integrated the educational robot kits into their activities.

#### Technical high school Kranj

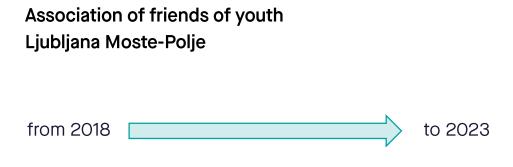
ISKRA is sponsoring **Kranj technical high school** with highly technological measuring instruments, worth more than 1.500 EUR each, for practical studies.











#### ISKRA donated 301.000,00 EUR

to help children and young people achieve their educational and professional goals and to help disadvantaged and socially vulnerable families to a better future.



#### Tree ambassadors

Our new project from January 2024 on.

After 15 years of employment, each employee plants his or her own fruit tree on Iskra premises and serves as its tree ambassador.



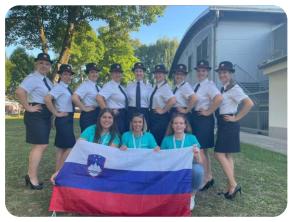
**lskra** 

### Giving back to society

#### Supporting firefighter community Semič

Iskra has donated resources for the Firefighter community in Semič to be able to attend the Slovenian firefighter Olympics in Celje.





#### Supporting young artists in Ljubljana

Where?

Tržaška cesta 2

Subsidizing office spaces to artists for painting studios.

Striving artists are also encouraged to exchange their works for utility costs and rent.









www.iskra.eu