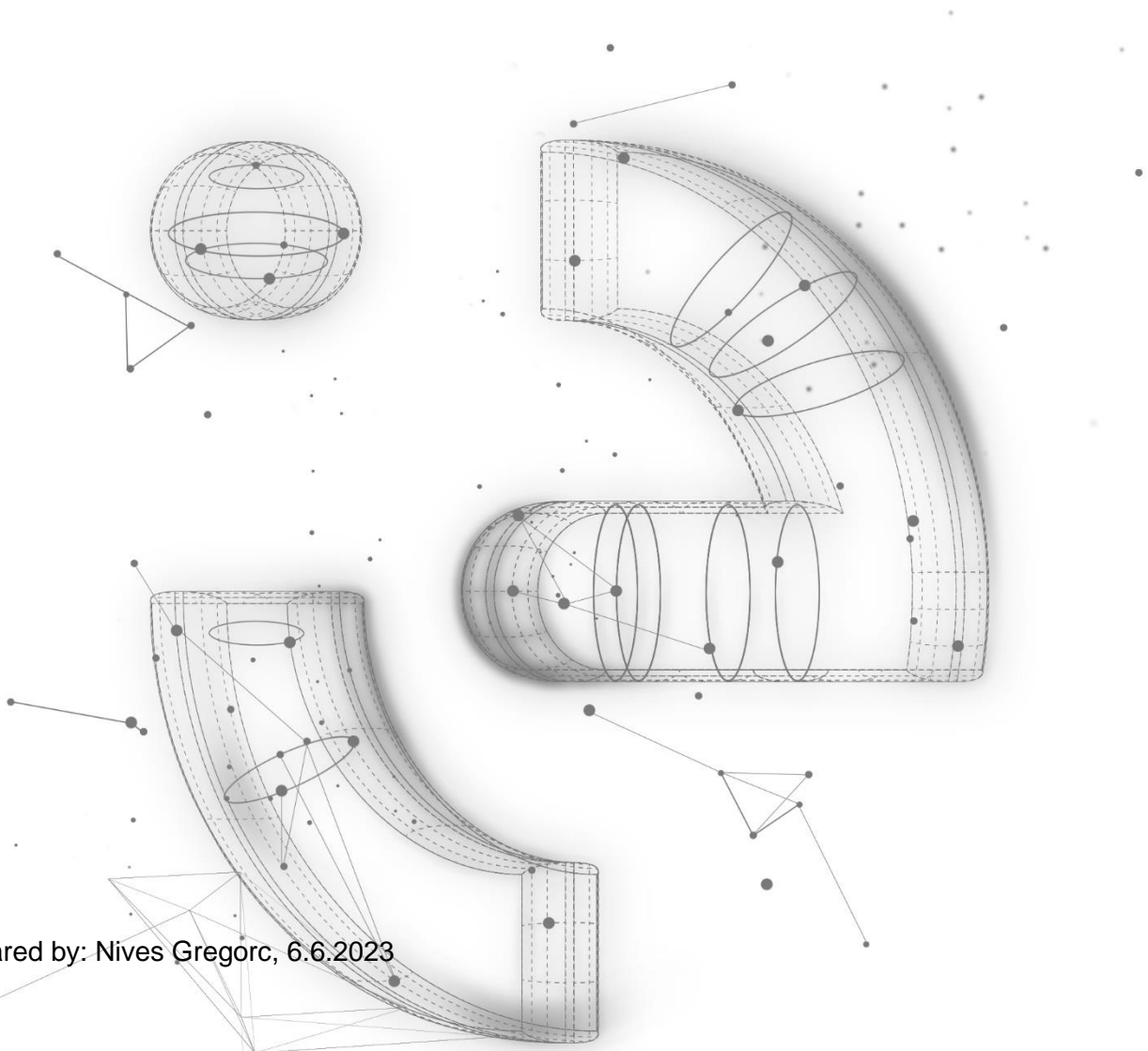



THE ANNUAL REPORT OF ISKRAEMECO, d.d. ENVIRONMENTAL & ENERGY MANAGEMENT SYSTEM FOR 2022



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iskraemeco
BY ELSEWEDY ELECTRIC

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Attachment: Environmental and energy plan 2022-2024, version2

1. INTRODUCTION

Sustainable development is embedded in Iskraemeco, d.d. strategy. We are committed to protecting the environment by preventing or mitigating adverse environmental impacts and improving energy performance to create added value for us, our customers, and other stakeholders.

Environmental and energy management systems at Iskraemeco are established, implemented, maintained, and improved following the international standards ISO 14001 and ISO 50001. The conformity to those standards is confirmed with certificates issued by SIQ (Slovenski institut za kakovost in meroslovje / Slovenian Institute of Quality and Metrology).

Environmental and energy management systems are part of Iskraemeco integrated management system as a response to rising environmental and energy awareness, transparency, accountability, and the increasingly stringent environmental and energy legislation.

The environmental and energy management system is a systematic, data-driven, and facts-based approach to business that covers all aspects of environmental and energy management - the use of raw materials, energy, and other resources, management of technological and manufacturing processes, as well as requirements for products, aimed to eliminate or at least reduce its environmental impacts and energy consumption during the whole product life cycle. As the characteristics of the management systems are continuity and control, the company can determine the opportunities and risks and therefore contribute to the environmental and energy pillar of sustainability.

2. THE SCOPE OF THE ANNUAL REPORT

The annual report includes the status of actions from previous management reviews, changes in external and internal issues that are relevant to the environmental and energy management systems, changes in the needs and expectations of interested parties (including compliance obligations), changes in significant environmental and energy aspects, changes in risks and opportunities, the extent to which objectives have been achieved/status of the action plans, information on performance (nonconformities, corrective actions, monitoring and measurements results, fulfillment/evaluation of compliance obligations, results of the external and internal audits), adequacy of resources, relevant communication with the external interested parties including complaints and opportunities for continual improvement.

3. STATUS OF ACTIONS FROM PREVIOUS MANAGEMENT REVIEW

At the management review for 2021, performed in August 2022 (see Infor 1SYS00036), there were ten actions regarding environmental and energy management systems with the due date in 2022 defined:

- Continue with the execution of defined tasks,
- Continue with the started activities (EPD for MT880 was prepared),
- Raise awareness of employees for separate collection of waste,
- Check possibilities for changing service providers for waste treatment,
- Prepare new application for wastewater discharge permit based on 2022 results,
- Review environment and energy policy and issue new CSR policy (Corporate social responsibility),
- Prepare a plan of opportunities for continual improvements - Investments plan for solar panels, own compressor station, renewal of trafo stations,
- Check possibilities for air conditioning of buildings not based on water cooling.

The most of actions started in 2022 and will be continued in 2023. Quantities of cooling wastewaters after building renovations and production consolidation were not smaller as was expected, therefore no activities were performed to change wastewater permission.

4. EXTERNAL AND INTERNAL ISSUES

The context of the organization, external and internal issues, and the scope of the integrated management system are determined and documented in Q.000.00 Integrated management manual. More details are described in OP.E.24.01 Organizational regulation. Regardless of the planned new business divisions and new environmental legislation, there were no circumstances that would require changes in the external and internal issues, context of the organization, and the scope of the integrated management system.

5. INTERESTED PARTIES

Interested parties and their needs and expectations are determined and documented in the Integrated management manual. They are divided into customers (grids, big industry, channel partners), suppliers (material and service provider, development partners), employees (regular, agency, students), society (local, state, NGO, Media), environment, Iskraemeco Management, owners (shareholders) and regulatory bodies (local, national, EU). Depending on their role they expect compliance with their requirements, environmentally friendly and energy-efficient products, compliance with legislation, minimal environmental impacts, use of best techniques, and regular payment, ... Customer requirements, which are part of contracts, are also our compliance obligations.

Expectations of customers are more and more demanding: verified Environmental product declaration (EPD) based on LCA, use of renewable energy (information on the composition of primary sources for electricity production in the overall structure of supplied electricity), circularity (recyclability), material data,...

In 2022, there were changes in Slovenian and EU legislation. New Environmental Law and Decree on waste was adopted, Decree on waste packaging and wastewater were changed. CSRD Directive was prepared. More energy-related legislation was issued. Register of environmental and energy legislation is available to all employees on the intranet <https://iskraemeco1.sharepoint.com/sites/Iskranet/SitePages/Ostalo/TrajnostniRazvoj.aspx>.

6. ENVIRONMENTAL AND ENERGY POLICY

The environmental and energy policy is available on the internet <https://iskraemeco.com/wp-content/uploads/2023/10/The-environmental-and-energy-policy.pdf>. For employees is available also on the intranet IskraNet. In 2022 the policy was revised and updated.

7. SIGNIFICANT ENVIRONMENTAL & ENERGY ASPECTS

Iskraemeco (including products) environmental and energy aspects are consumption of raw materials, natural sources and energy, waste generation, water, air and noise emissions, and light pollution. They are documented in OP.E. 24.01.

8. RISKS AND OPPORTUNITIES

The main environmental and energy recognized risks are climate changes that could cause scarcity of water or increased flooding, endangerment of the environment due to consumption of materials used for products, consumption of water, electricity, gas, and generation of waste, and the rising price for components, energy resources and lack of components due to scarcity of critical and conflict materials and restriction of the use of certain materials, substances. To mitigate the risks, we monitor the consumption of resources, we regularly maintain equipment, and we have more approved suppliers/manufacturers.

There were no newly recognized risks and opportunities in 2022.

9. ACHIEVEMENT OF ENVIRONMENTAL & ENERGY OBJECTIVES

The Environmental and Energy Plan for 2022 was formulated based on the environmental & energy legislation, company strategy and policy, the significant impacts, corrective actions from audits, assessments, reviews, risks, opportunities, and the proposed improvements for environmental protection, energy performance, and sustainability.

We have five main goals: manufacture environmentally friendly products, improve energy efficiency, reduce waste quantities, comply with legislation, raise awareness, and defined KPIs.

9.1. Environmentally friendly products

We believe it all starts with the design, where we need to work according to customer requirements, metering standards, and other legislation, but also according to planet availabilities. We are working towards enforcing “one planet architecture” design rules, where for example, learning about potential meter design improvements from the companies involved in meter recycling is just one of the steps Iskraemeco has taken in the last few years.

To achieve smart meters that are not only ‘smart’, but also ‘fair’ and sustainable, we have adopted principles such as accountable raw materials, responsible and transparent supply chain practices, energy efficiency, circular economy, as well as co-creation, and responsibility to stakeholder demands. With material and component analysis being done, we achieved a 95% level of transparency for the AM550 meter.

We wish to constantly improve our social and environmental impact; therefore, we strive to apply circularity principles and sustainability in our everyday work and decisions. Iskraemeco surveyed suppliers regarding the use of recycled materials, intending to enlarge recycled metals in meters. It is very difficult to get this information from suppliers, they are not interested in researching possibilities of the use of recycled material. Our aim was mainly on steel and copper. Based on the received information, for now, we can claim that less than 1% of meter metal components are made from recycled materials. For more information, we aimed to work with copper producers and try to bring recycled material to the meter copper components. We worked with our direct suppliers as well as directly with copper producers, also trying to learn from the NGOs (Closing the Loop). The biggest recycler of electronic waste in the EU is Umicore; they also sell recycled materials, including copper. The biggest company in the field of recycling copper in the EU is Aurubis, their aim and strategy are recycled copper. We were in contact with both, Umicore and Aurubis, and got the same answer from both, with the existing technology it is not possible to produce recycled copper of the quality demanded by the metering specifications.

Directive (EU) 2015/863 (sometimes named ROHS3 Directive) amending Annex II to Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (ROHS2 Directive) restricted 10 substances: lead (Pb), mercury (Hg), cadmium (Cd),

hexavalent chromium (Cr⁶⁺), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs including Deca-BDE), bis(2-Ethylhexyl) phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), diisobutyl phthalate (DIBP).

All components and solders in our products are ROHS3 compliant. Compliance is checked by manufacturer's declaration/statements, product data sheets, reports, packaging labels, and internet data (with the help of a licensed tool), Under the ROHS3 directive, there are some exceptions (for example lead). In our products, therefore some electronic components contain lead. It is in high melting temperature type solders (ROHS exemption 7(a) inc. some SCH-diodes; TVS, rectifier, reed sensor, EMI, some choke) and glass or ceramics (ROHS exemption 7(c)-I, inc. resistor; TVS2, rectifier, reed sensor, Q, module CDMA, module GSM). In addition, some mechanical parts contain lead in copper-zinc-lead alloys. Up to 4% lead by weight in the copper alloy is allowed (ROHS exemption 6(c) inc. filter pl).

REACH Regulation is a regulation adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals while enhancing the competitiveness of the EU chemicals industry. The identification of a substance as a Substance of very high concern (SVHC) and its inclusion in the candidate list can trigger certain legal obligations for the importers, producers, and suppliers of an article that contains such a substance. Iskraemeco checked compliance with the help of a licensed tool, manufacturer declaration/statement, and product data sheets ... Based on available information, all material/components are compliant with the REACH Regulation requirements. Some components contain more than 0,1wt% of lead in the product, therefore this should be reported, the rest do not contain substances listed in the SVHC list defined in REACH regulation in the concentration above 0,1wt%. Some components contain lead monoxide (PbO = lead oxide) or diboron trioxide (B₂O₃), which are on the list, in a concentration less than 0,1wt%, which is acceptable.

EU Regulation on Conflict minerals prescribed supply chain due diligence obligations for Union importers of tin, tantalum, tungsten, gold, and their ores, and originating from conflict-affected and high-risk areas. Based on the analyzed components meters contain all four conflict minerals: tin (Sn), gold (Au), tungsten (W), and tantalum (Ta).

EU Commission considers 30 raw materials critical. The list is available on http://ec.europa.eu/growth/sectors/raw-materials/specific-interest/critical_en. Based on analyzed components meters contain at least 20 following EU critical raw materials: antimony (Sb), boron (B), cobalt (Co), gallium (Ga), indium (In), lithium (Li), magnesium (Mg), phosphor (P), palladium (Pd), ruthenium (Ru), neodymium (Nd), germanium (Ge), platinum (Pt), praseodymium (Pr), siliceous (Si), Titanium (Ti), bismuth (Bi), beryllium (Be), vanadium(V), tungsten (W).

Each installed meter uses energy for its operation throughout all the 20 years of its life cycle. The power consumption of the meter represents costs for the grid operator. From both, an environmental and economic point of view, the energy consumption of the meter has been minimized. From this perspective, lower energy consumption reflects lower fixed costs of grid operator operations. If we calculate that for the 20 years of the life cycle of the meter, lower energy consumption can lead to substantial financial savings.

We selected an external partner for conducting the LCA study and verification of EPD for MT880 for Chile and started collecting input data.

9.2. Improved energy efficiency of the company

In 2022 lights replacement were preformed, preparation for projects: setting own compressor and heating station, solar plant started.

9.3. Reduce waste quantities

The goals for waste were not achieved. We removed plastic stream from municipal waste. But activities with suppliers regarding packaging were not preformed. There were problems in supply chain of electronic components and head of supply chain department was also changed and other tasks had priorities.

9.4. Legislation compliance

See chapter 12. Compliance obligations.

9.5. Rinsing awareness of employees

Every quarter article about the environment, energy, or sustainability was published on Intranet and IskraEngage.

9.6. Environmental and energy KPIs / Specific targets

For the calculation of specific values, we used the data below.

Products manufactured: 1.845.715 (-11% regarding 2021)

Revenue: 155.984.238 € (+43% regarding 2021)

Working hours: 1.302.250 (+8% regarding 2021)

Employees (average): 663+139 =802 (+1% regarding 2021)

Area: 34.670 m³ (no changes), 4% of them in lease (HN Consulting, GLCharge, Data2020), but don't consider for calculations

Explanation: In 2021 we manufactured more simple meters that take less time to make, and we also sell them at a lower price, while in 2022 we produced more complex counters that are more expensive.

Realization of 2022 plans

The specific value (consumption/production)	The year	Plan 2022	Realization 2022	Plan achieved	Index R/P
Electricity (kWh/1000 products)	1.900	1.800 LED lightning	1.900	No, More automatization in production	5,5
Electricity (MWh/1 Mio revenue)	36	34 LED lightning	22	yes	0,6
Electricity (kWh/m ²)	114	108 LED lightning	101	yes	0,9
Heat (Gas) (MWh/1000 products)	1,4	1,3 thermal insulation	1,2	yes	0,9
Heating (MWh/1 Mio revenue)	26	23 thermal insulation	14	yes	0,6
Heat (MWh/m ²)	81	73 thermal insulation	62	yes	0,8
Compressed air (m ³ /1000 products)	1.420	1.600 More automatization	2.080	no More automatization in production	1,1
Industrial water-cooling (m ³ /1 Mio revenue)	1.200	1.200 No investments	1.000	yes	0,8
Industrial water - laser (m ³ /1000 products)	5	5 No changes	5	yes	1,0
Industrial water - laser print (m ³ /1 Mio revenue)	90	90 No changes	60	yes	0,7
Packaging waste (kg/1000 products)	39	37 Supply chain	70	No No activities	1,9
Packaging waste (kg/1 Mio revenue)	740	703 Supply chain	827	no	1,2
Electronic waste (kg/1000 products)	3	2 Less scrap	3,1	no	1,3
Electronic waste (kg/1 Mio revenue)	50	46 Less scrap	37	yes	0,8
Municipal waste (kg/worker)	132	40 ¹⁾	94	No, Goal should be achieved in next 3 years	2,4
Drinking water (m ³ /worker)	20	15 ²⁾	14	yes	0,9

Table 1: realization vs plan

¹⁾ 38 kg municipal waste /person was landfilled in Gorenjska Region; source SURS 2021

²⁾ 15 m³ water/person per year - the statistical average use of water for handwashing is 4,5 l and for a toilet flushing cistern 9 l; source MOP

Explanations of the realization are in Chapter 11.

10. ENVIRONMENTAL & ENERGY PERFORMANCE - NONCONFORMITIES AND CORRECTIVE ACTIONS

During integrated internal audits (Core processes), in which environmental and energy systems were included no nonconformities were identified. Additional audit for energy system was performed in august. Three nonconformities were identified. Also, activities defined in sustainability handbook were checked at sustainability audits.

In addition, 5S + 1 audits were implemented. During these audits, we checked (regarding environment and energy) whether rules for separate waste collection and efficient energy consumption are followed. No non-conformities were detected.

On the external audits made according to ISO 14001:2015 and ISO 50001:2018 and conducted by the SIQ auditors, 4 and 8 nonconformities were identified.

The audit, results, and actions are documented in Infor (1SYS00033, 1SYS00037, 1SYS00039, 1SYS00042).

11. ENVIRONMENTAL & ENERGY PERFORMANCE – MONITORING AND MEASUREMENT RESULTS

11.1. Energy: Electricity, heat, and compressed air

Our energy sources are electricity, heat, and compressed air. All three are being monthly monitored, the goal is to decrease consumption, consumption per product and/or per working hour. Clear positive trends could be seen for electricity and heat. The declining trend of compressed air consumption has started to reverse mainly due to increasing automation on our production lines.

The composition of sources for electricity production in 2022 was 53% fossil, 25% nuclear, and 22% renewable sources (water, biomass, sun, geothermal, and wind). Part of the electricity was supplied from cogeneration (March, April, and December).

Iskraemeco does not have its boiler room but is supplied with heat from Iskra ESV. The source for heat (for heating the building) is natural gas. The end of the heating season was in May and start in October.

Compressed air is also purchased from Iskra ESV. Compressed air pipes are monthly monitored/checked and reported leakages are repaired.

Type	Consumption	Consumption /1000 products	Consumption /Working hour	Consumption /1 Mio €
Electricity	3.493.813 kWh	1.893 kWh	2,7 kWh	22.398 kWh
Heat	2.166 MWh	1,17 MWh	1,7 kWh	13,9 MWh
Compressed air	3.833.640 m ³	2.077 m ³	2,9 m ³	24.577 m ³

The plan for 2022 was a 5% smaller consumption of electricity due to the planned installation of new LED lighting in object 46 and the plan was achieved. We used less electricity (12%) than in 2021. Specific consumption per 1000 products for electricity stayed at the same level and the specific consumption per working hour was lower by 23%. Electricity is not solely associated with lighting but also encompasses the manufacturing of our products. Consequently, the impact of the portfolio of manufactured meters and automatization on specific consumption for products was relatively bigger than the replacement of normal neon lamps with LED lights.

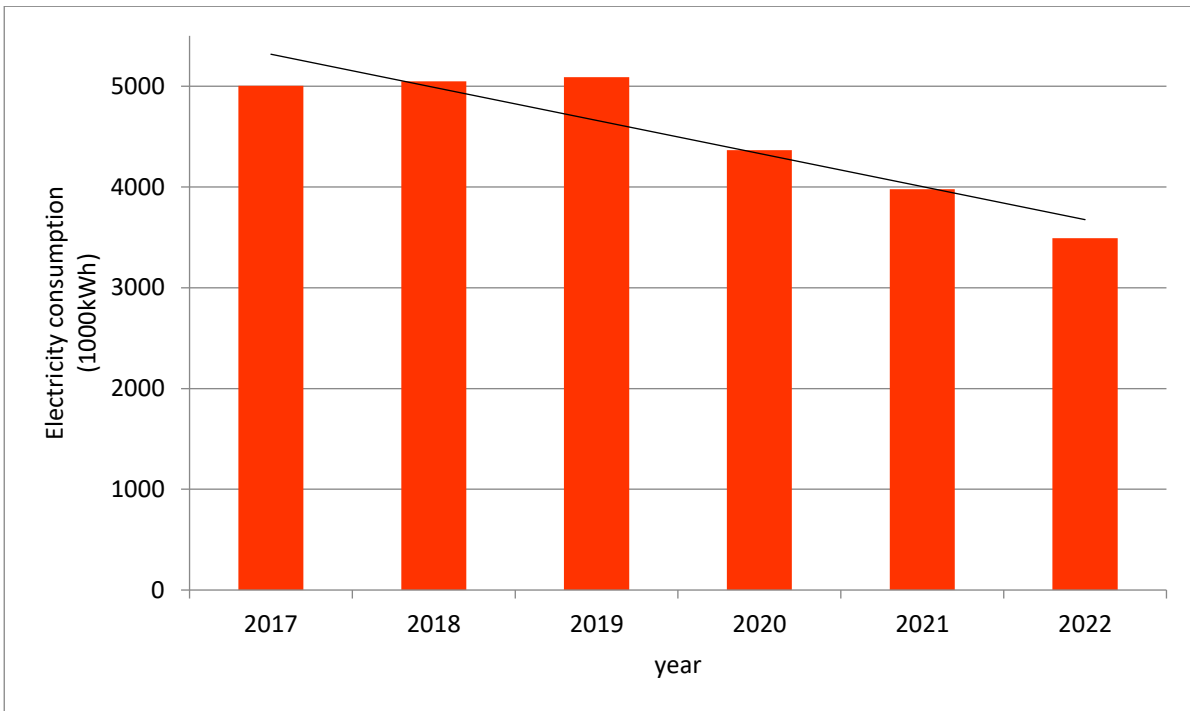


Chart 1: Consumption of electricity in the years from 2017 to 2022

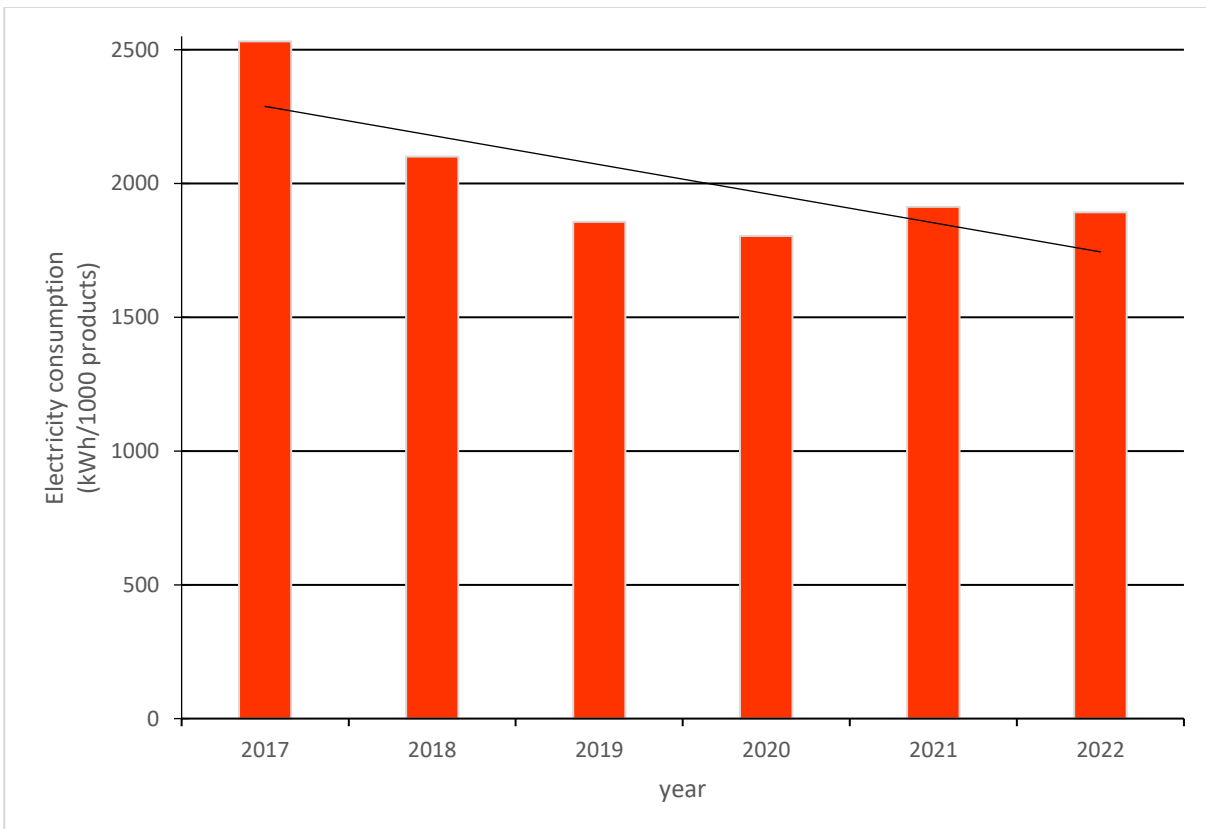


Chart 1a: Consumption of electricity per 1000 products from 2017 to 2022

The plan for 2022 was 10% smaller consumption of heat due to finished renovations of buildings in 2021. Plan was achieved - we used less heat (23%), consumption per area decreased by 12%.

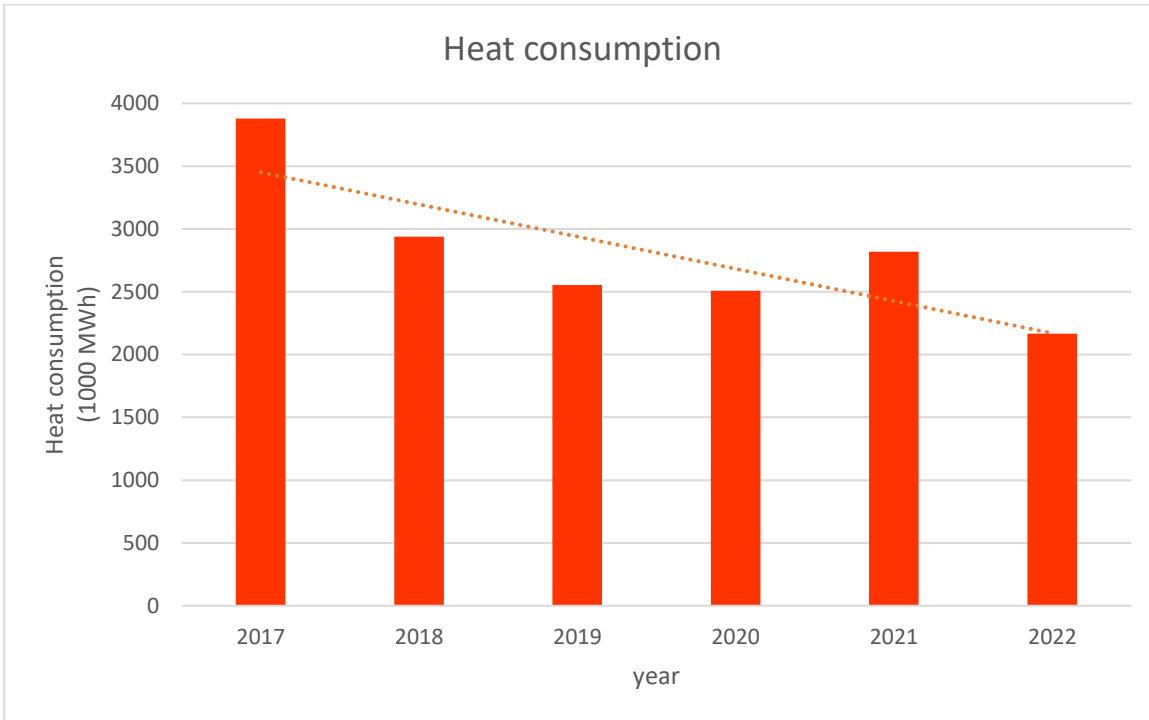


Chart 2: Consumption of heat from 2017 to 2022

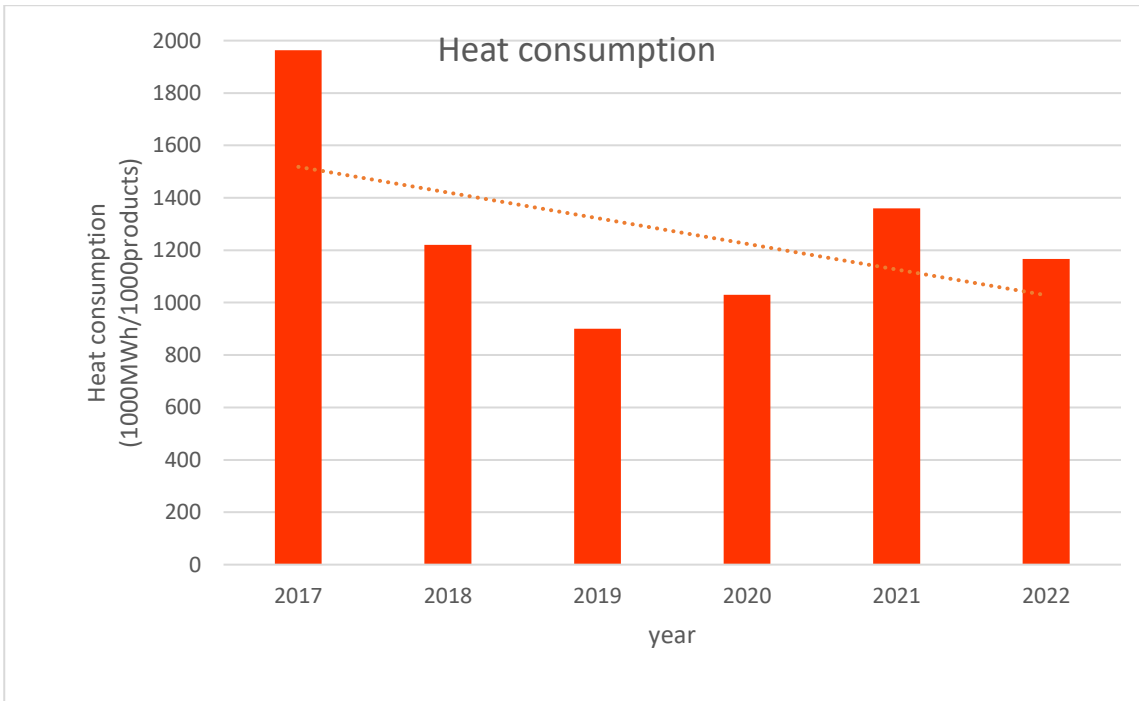


Chart 2a: Consumption of heat per 1000 products from 2017 to 2022

The plan for 2022 was 10% rise in compressed air consumption due to automatization of production lines. In 2022 we did not reach planned goal because much more was used. Consumption was 30% higher than in 2021. The specific consumption per 1000 products and per working hour, according to the year 2021, was higher by 46% and by 16%. The consumption of compressed air is directly linked to the meter production and rises primarily driven by the heightened automation in our production processes and the different diversification of our product portfolio, which includes the production of more complex meters in 2022. On the other hand, 9% decrease in consumption per 1 million euros of revenue was observed.

Plan to establish our own compressor station is still reasonable, even though it may lead to higher electricity consumption. Because we could closely and regularly monitor consumption, and the new station would be compatible with advanced technologies.

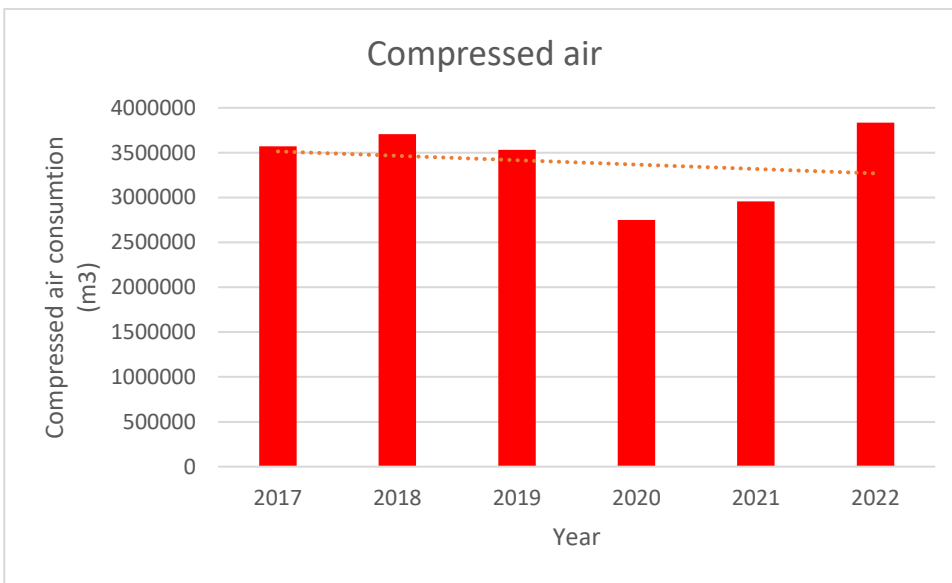


Chart 3: Consumption of compressed air in the years from 2017 to 2022

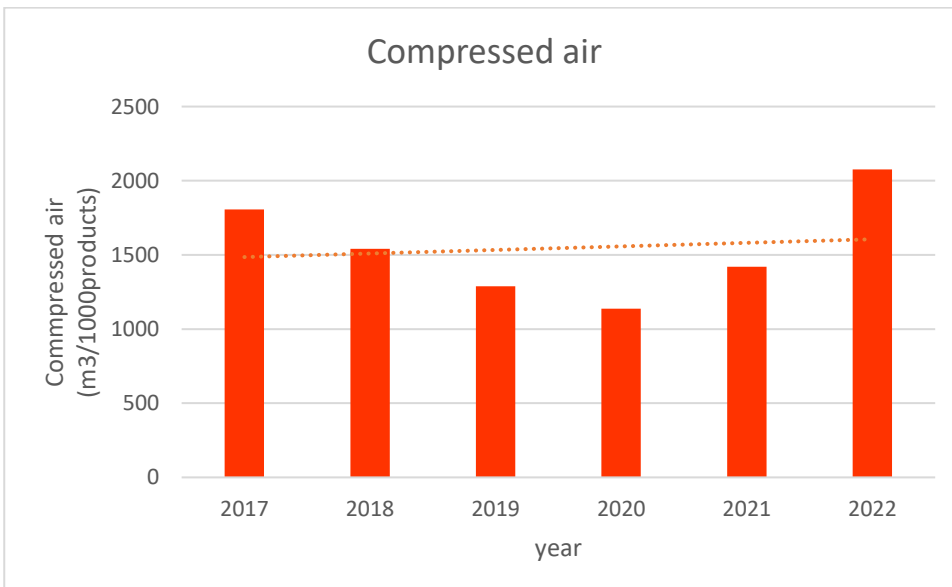


Chart 3a: Consumption of compressed air per 1000 products from 2017 to 2022

11.2. Carbon footprint

11.2.1. Calculation method agreed with SMM (customer)

Since 2013, we were calculating CO₂ footprint according to methodology defined together with our customer SMM (based on the Carbon Trust methodology). In the calculation are included scope 1 (gas (regardless that actually heat for heating the building is purchased) and the fuel used for company cars), and scope 2 (consumption of electricity).

We were always purchasing heat, but in the contract heat was wrong presented as gas (scope 1 instead scope 2). We won't change the methodology for calculation until the end of contact period (2025) as comparison is then not possible.

With lean production, and investment in energy more efficient production lines we have managed to decrease the annual CO₂ footprint product from 2013 to 2022. If we compare 2016 to 2022, we have decreased the CO₂ footprint per product by 30%. In the last year, the carbon footprint per product has decreased by 4%, and the total CO₂ footprint by 14%.

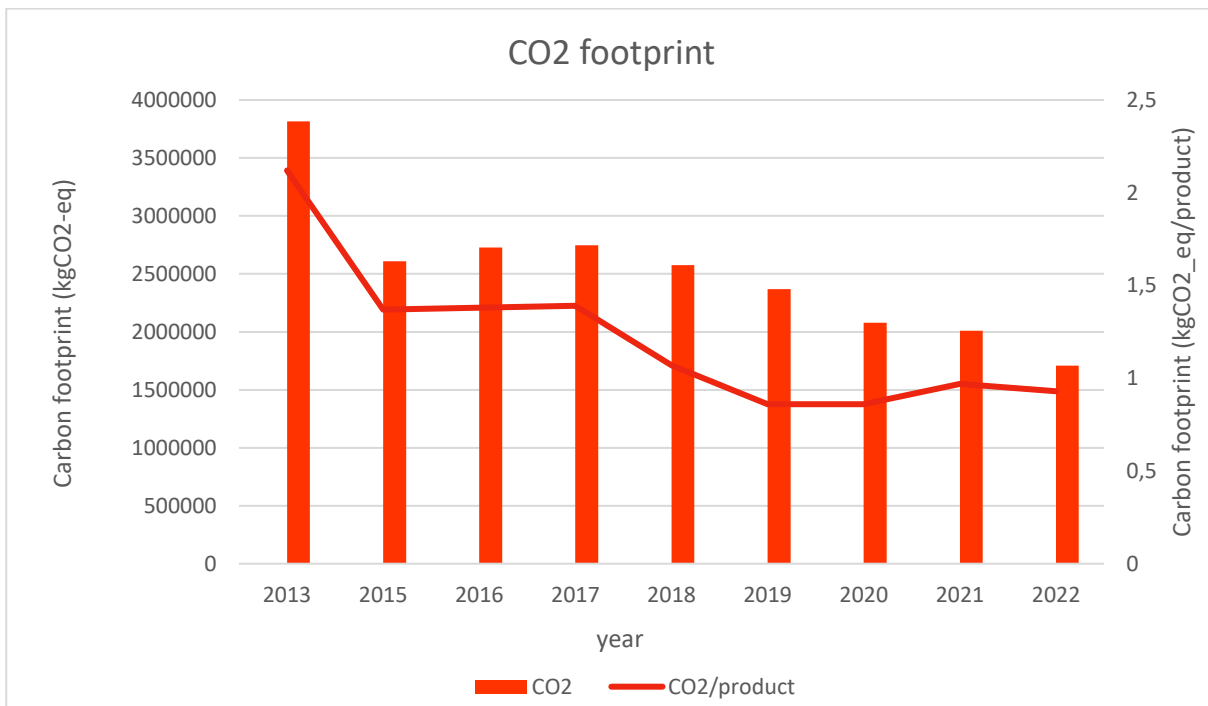


Chart 4: Carbon footprint from 2013 to 2022 - SMM

11.2.2. Elsewedy electric company's Carbon footprint assessment

For Elsewedy electric company's Carbon footprint assessment 2021, the calculation methodology based on the guidelines of the Greenhouse Gas Protocol was used. In line with the approach of the Greenhouse Gas Protocol, the emissions identified within the system boundary and the different levels are assigned to three different scopes as follows:

Scope 1 (direct emissions): emissions include the direct greenhouse gas emissions of a corporate. These emissions arise from sources that are owned or controlled by the corporate or employees. (Gas, company-owned cars). For 2022 methodology they will enable use of heat instead of gas (scope 2 instead scope 1).

Scope 2 (indirect emissions): emissions include indirect greenhouse gas emissions caused by the corporate. These are emissions from the generation of purchased electricity consumed by the corporate. (Electricity).

Scope 3: emissions include other indirect greenhouse gas emissions of the corporate. These emissions are a consequence of the activities of the corporate but (mostly) occur at sources owned or controlled by another entity. (Business travel flights, paper consumption, waste management, wastewater treatment & transport).

Emissions factors based on DEFRA (Department for environment, Food and Rural Affairs UK 2021), IPCC (Intergovernmental panel on Climate change) and country specific emission factors.

As regards to the country specific grid electricity emission factor, the emission factor is derived on the Egyptia Electric Utility and Consumer Protection Regulatory Agency published reports of monthly data of the grid electricity, where the emission factor is based on Egypt's actual fuel mix and power generation.

Scope/year	Emissions in tCO ₂ e			
	2018	2019	2020	2021
Scope 1	694	589	573	627
Scope 2	1.949	1.964	1.052	867
Total 1+2	2.643	2.553	1.625	1.494
Scope 3	230	258	522	274

*Data for 2022 will be available at the end of 2023

The carbon footprint methodology and results are detailed described in document Carbon footprint report 2021, Elsewedy Electric [elsewedy-electric-cfp21.pdf](#).

12.2.3. Iskraemeco calculation, GHG

Scope		Emission factor	year				
			2018	2019	2020	2021	2022*
Scope 1	Company owned car fuel - diesel (l)	kg CO ₂ eq/l	2,697	2,697	2,697	2,697	2,697
Scope 2	Electricity (kWhe)	kg CO ₂ eq/kWh	0,356	0,352	0,328	0,314	0,314
Scope 2	Heat (MWht)	t CO ₂ eq/(MWht)	0,366	0,33	0,325	0,337	0,337

Scope/year	Emissions in tCO ₂ eq				
	2018	2019	2020	2021	2022*
Scope 1	49,2	40,0	19,4	20,4	28,6
Scope 2	1.798	1.791	1.432	1.250	1.097
Scope 2	1.076	843	815	950	726
Total 1+2	2.923	2.674	2.266	2.220	1.851

*calculations made with factors for 2021

Electricity – cogeneration is not considered separately (less than 5% of all electricity)

Area in the lease is not considered separately (less than 5%)

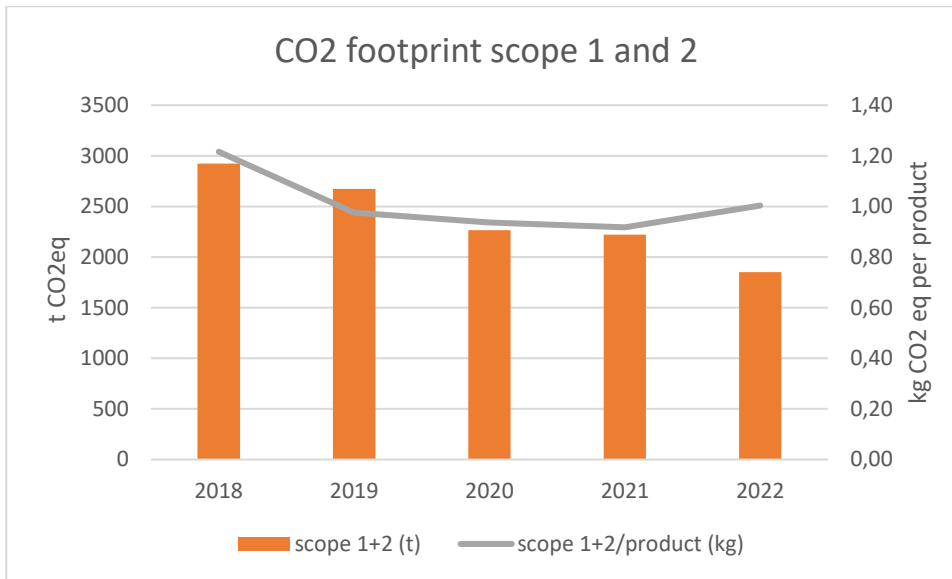


Chart 4a: Carbon footprint from 2018 to 2022 - Iskraemeco

11.3. Water

Iskraemeco has two sources of water. Drinking water from the public water supply is used mainly for sanitary purposes, drinking, and hydrant networks. Process (industrial) water, which is used for cooling (buildings and machines - laser printing), cleaning of plastic boxes, and humidity control, is purchased from our supplier Iskra ESV, which has its well of groundwater. Consumption is being monthly monitored.

The cooling of building started in May and ended in September.

Type of water	Consumption (m ³)	Consumption (m ³ /1000 products)	Consumption (m ³ /working hour)	Consumption (m ³ /1 Mio € rev)
Industrial water	151.211	82	0,1	969
- cooling	141.581	77	0,1	908
- laser printing	9.287	5	0,01	60

Detailed industrial water consumption is in Annex 1.

For 2022 no major improvements were planned, therefore the planned quantities for consumption remained the same as for 2021. But in 2022, the industrial water consumption was higher than in 2021 by 8% (cooling), and lower by 5% (laser printing). An increase in cooling water consumption was associated with hotter outdoor temperatures. Hotter weather causes equipment to generate more heat, necessitating increased cooling efforts to maintain proper work conditions for employees and equipment operating temperatures. Optimization and restoration of the cooling system were performed, but automatization of climate 11 was not implemented (no resources).

Specific cooling water consumption/1000 products was higher by 22% and per working hour stayed on the same level, consumption m³/1 Mio € revenue was 24% smaller. Specific laser printing water consumption/1000 products and per working hour stay on the same level.

Type of water	Consumption (m ³)	Consumption (m ³ /employee)
Drinking water	11.270	14

We used 29% less drinking water in 2022 regarding 2021. The consumption of drinking water per employee also drops and is on average Slovenian level (data of MOP: The statistical average use of water for handwashing is 4,5 l and for a toilet flushing cistern 9 l – 15 m³ water/person per year).

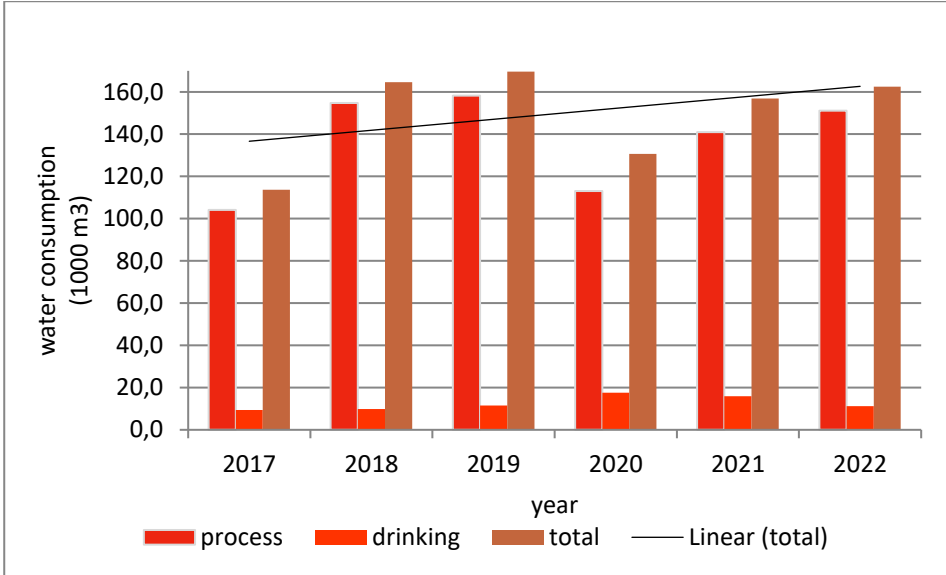


Chart 5: Water consumption in the years from 2017 to 2022

11.4. Waste

We generated 338,4 tons of waste. 22% of them was municipal waste, 66% waste for recycling, 5% hazardous waste and 7% construction waste. 44% more waste regarding 2021 was generated in general and goals were not achieved. A list of all waste is in annex 2.

11.4.1. Municipal waste: non-hazardous waste from the business and non-hazardous waste, which are not secondary waste – waste for landfill

Type of waste	Quantity (kg)	Quantity (kg/employee)
Municipal waste	75.725	94

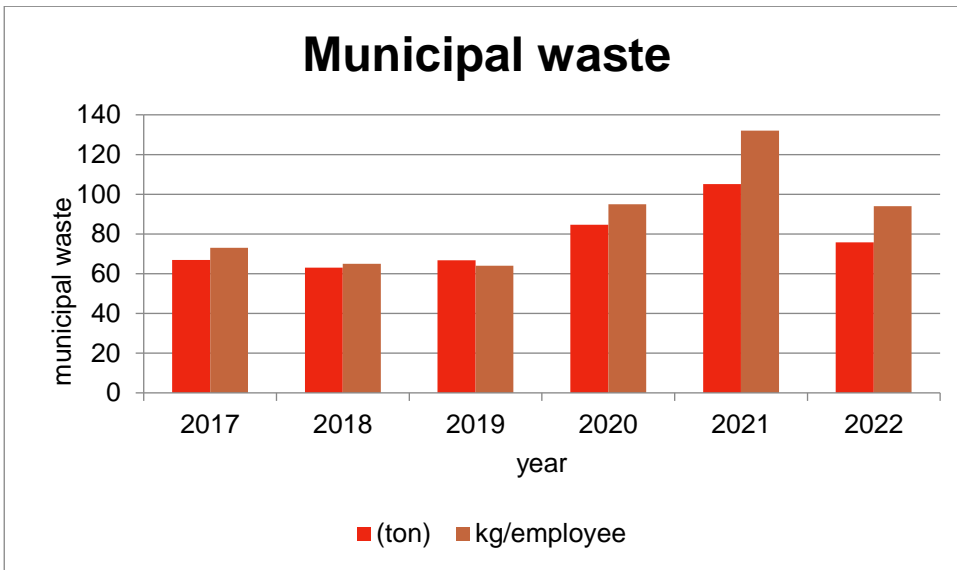


Chart 6: Municipal waste from 2017 to 2022

In 2022, the quantity of generated municipal waste was lower than in 2021 by 28%, and per worker by 29%. We segregated municipal waste more rigorously at the source and removed mixed plastic from the stream of municipal waste. As a result, the quantity of mixed plastic has increased by a factor of 47.

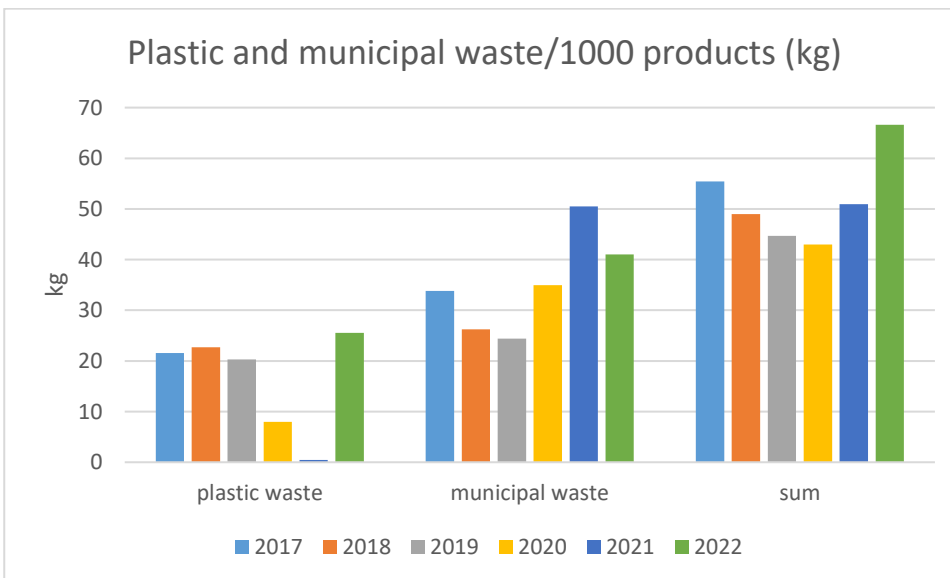


Chart 6a: Plastic and municipal waste from 2017 to 2022

11.4.2. Secondary waste – waste for recycling

Type of secondary waste:

- Cardboard, plastic, wood, glass, metal, and mixed packaging
- Metals
- Plastic

Type of waste	Quantity (kg)	Production (kg /1000 products)	Production (kg/1 Mio€)
Packaging – wood	53.880	29,2	345,4
Waste plastic	47.166	25,6	302,4
Packaging - paper, cardboard	38.562	20,9	247,2
Packaging - plastic	36.260	19,7	232,5
Iron	29.881	16,2	191,6
Wood	13.040	7,1	83,6
Colour metal	3.708	2,0	23,8
Glass	1.020	0,6	6,5
Packaging – glass	220	0,1	1,4
Total	223.737	121	1.434,4

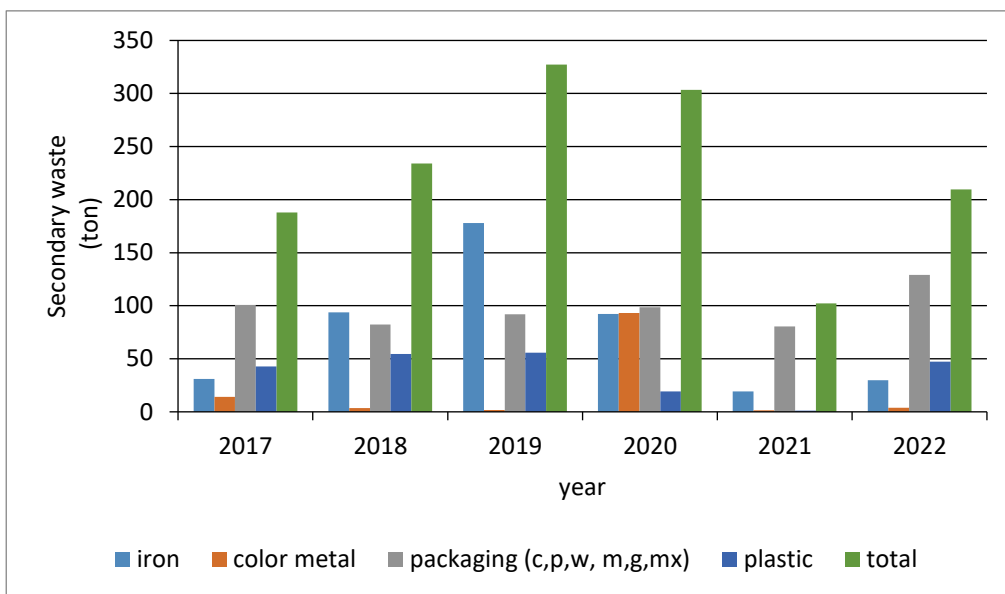


Chart 7: Secondary waste from 2017 to 2022

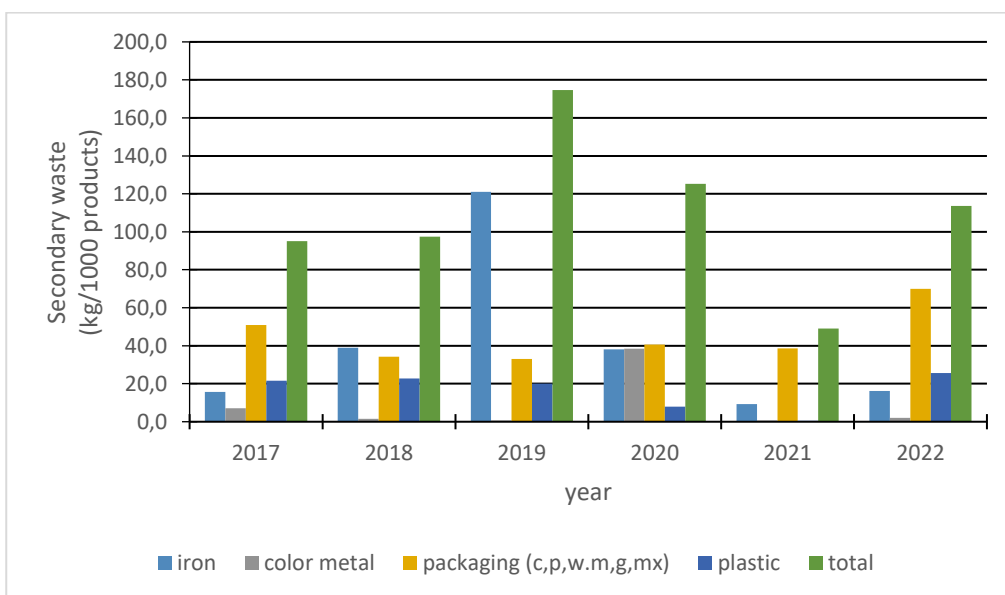


Chart 7a: Secondary waste in 1000 products from 2017 to 2022

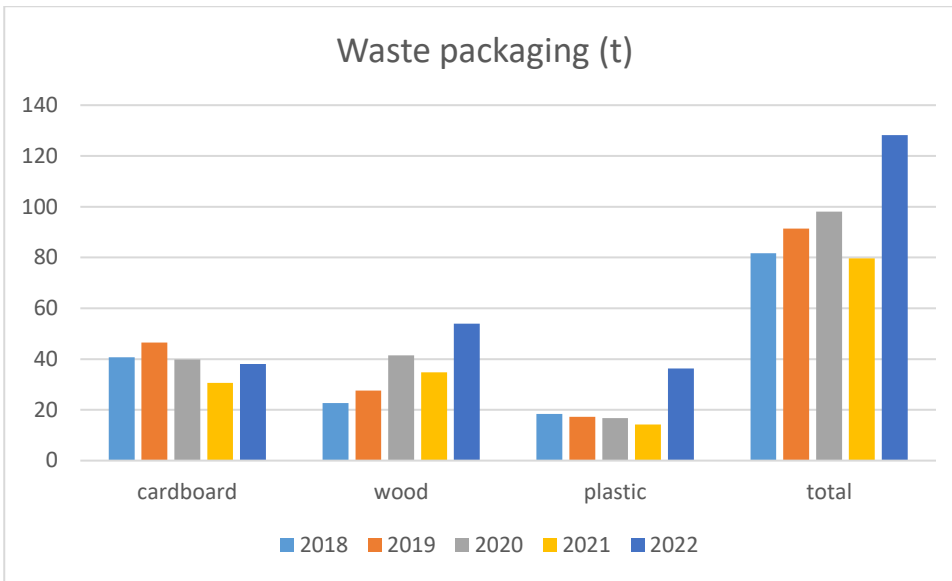


Chart 7b: Packaging waste from 2018 to 2022

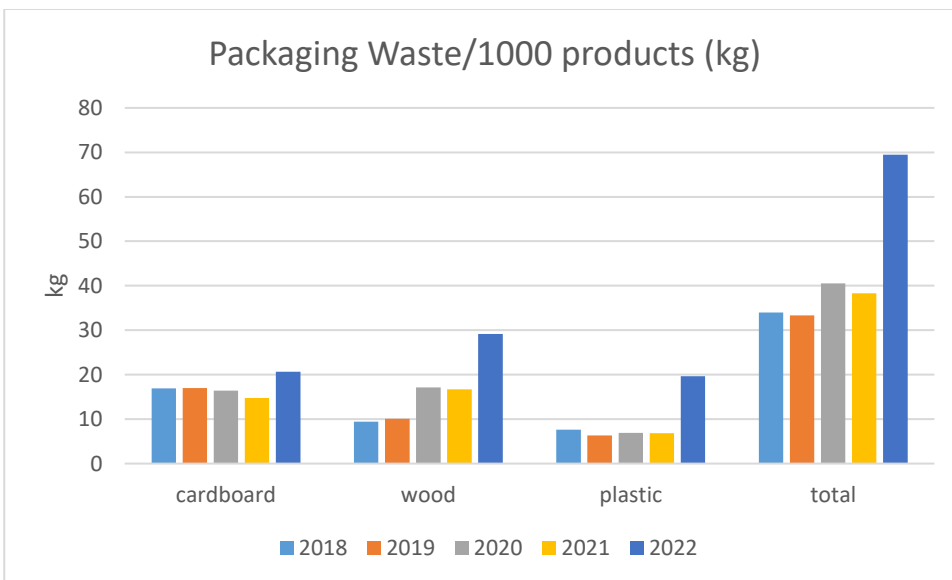


Chart 7c: Packaging waste from 2018 to 2022/1000 products

11.4.3. Hazardous waste and waste for special treatment

Type of hazardous waste:

- Electronic equipment (hazardous + non-hazardous)
- Water + oil + sludge
- Emulsions
- Oily rags and paper
- Packaging contaminated with dangerous substances
- Batteries
- Solvents, flammable liquids, chemicals
- Colours/ Paints

In 2022 13% less hazardous waste was generated (fewer waste chemicals, but more EE).

Type of waste	Quantity (kg)	Production (kg /1000 products)	Production (kg/1 Mio€)
Electronic equipment (hazardous + non-hazardous)	5.737	3,1	36,8
Oil, oil sludges	9.100	4,9	58,3
Batteries	56	0,0	0,4
Packaging contaminated with dangerous substances	405	0,2	2,6
Solvents, flammable liquids, chemicals	317	0,2	2,0
Oily rags and paper	370	0,2	2,4
Fluorescent tubes	15	0,0	0,1
Total	16.000	9	103

12. ENVIRONMENTAL & ENERGY PERFORMANCE - COMPLIANCE OBLIGATIONS

We had an environmental inspector visit regarding handling waste, and we were in compliance with the legislation.

12.1. Reporting to stakeholders according to Legal requirements and other requirements (for the year 2021)

The Ministry of the environment and spatial planning – Slovenian environmental agency (MOP-ARSO) was presented with the following documents within the prescribed deadlines (March 2022):

- The annual report on the wastewater discharge operational monitoring together with data for the environmental tax calculation and
- The annual report on the generated waste.

The calculations of the environmental tax for discharged wastewater and the packaging and waste packaging were electronically submitted via the e-Carina portal to the Customs Office using the E-TROD web application.

The calculations for wastewater were sent all together (for January, April, July, and October 2022) and the tax was paid to the Kranj Municipality quarterly. The data for packaging were sent quarterly. The tax paid quarterly is the revenue of the budget of the Republic of Slovenia.

The Statistical Office was presented:

- The annual report of consumed water and generated wastewater quantities.

Documents according to their requirements were presented to other stakeholders:

- Fair Meter Report was sent to SMM according to customer contact annex L,
- Data for Elsewedy Carbon Footprint Assessment and Elsewedy sustainability report were prepared,
- Data for the SKB and NLB ESG questionnaire was prepared in October and December,
- Iskraemeco Sustainability report for the UNGC was prepared in June,
- Data for waste packaging calculation was sent to Surovina and FURS every quarter,
- The annual report on the wastewater discharge operational monitoring together with data for the environmental tax of burden on the water was sent also to Komunala Kranj and the environmental inspector,
- Data on waste was prepared for GZS (chamber of commerce) project [CIRCI](#) – Krožna industrija – uvajanje krožnega gospodarstva v industrijske procese.

12.2. Compliance according to the environmental aspects in 2022

Environmental legislation requirements in 2022 were met.

In 2022, there were no accidents with hazardous chemicals or other exceptional circumstances, which could endanger the environment.

Environmental aspect		compliance regarding legislation	comment
1. Wastewater emission	discharge 2: industrial wastewater (cleaning boxes)	yes	
	discharge 3: municipal wastewater	yes	
	flow measurements	no	
2. Air emission	volatile substances	yes	
	Non-mobile sources	yes	
	mobile sources	yes	
	air conditioner	yes	Check list of AC and update
3. Waste	municipal	yes	
	non-hazardous - secondary waste	yes	
	non-hazardous - other	yes	
	hazardous	yes	
	ionization sources	yes	
4. Chemicals		yes	
5. Packaging		yes	
6. Noise emission		yes	
7. Light pollution		no	
8. Electromagnetic fields		yes	
9. Soil pollution		yes	
10. Energy report		yes	

12.2.1. Wastewater emissions

In Iskraemeco the following types of wastewaters were generated:

- the municipal (sanitary) –11.270 m³,
- the cooling (for cooling the machinery – e.g., laser printers, the equipment, and the working places) –150.868 m³ and
- the industrial wastewaters (the washing/cleaning machine using detergents) -180 m³.

The treated wastewater is then mixed with the other wastewaters, passed along the mixed sewer system, and emitted through the shaft MM11 to the central wastewater treatment plant Kranj. Most of the cooling wastewaters are emitted through the shaft MM1 in the Sava River. Through the shafts also the wastewaters of the other companies, which are in the same location as Iskraemeco, are emitted.

Monitoring

In 2022, monitoring of wastewater effluent (one measurement) was carried out at discharge 2 - the oil trap from plastic boxes washing machine, and four measurements were performed on cooling water.

The wastewaters sampling and analyses were carried out following the Decree on the emission of substances and heat in the discharge of wastewater into waters and public sewage systems and wastewater permit by Sij Acroni, which is authorized by MOP-ARSO.

12.2.2. Air emissions

The company is not liable for the emissions into the air monitoring.

Air conditions were regularly checked regarding tightness. List of air conditions should be updated.

12.2.3. Waste

The non-hazardous wastes (the municipal waste and the non-hazardous waste which result from business operations, and which cannot be used as secondary raw materials) were disposed to the landfill.

The non-hazardous wastes which can be used as a secondary raw material were taken to be recycled by companies holding permits by the MOP (e.g., Surovina).

The hazardous wastes were given to the collectors holding permits by the MOP (e.g., Ekol, Ekologija, Kemis, Saubermacher), as prescribed in the Decree on waste management.

The collections were confirmed with the completed acquisition record sheets (the evidence paper), which must be kept for at least 10 years. The evidence papers are maintained electronically.

For packaging waste management, Iskraemeco has a contract with an authorized company, Surovina, as prescribed in the Decree on the management of packaging and packaging waste.

12.2.4. Packaging of Iskraemeco products

The packaging does not contain prohibited substances according to the Decree on the management of packaging and packaging waste. Our suppliers of Cardboard packaging are FSC (Forest Stewardship Council) certified. FSC is an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests.

For the packaging of its products sold in Slovenia, Iskraemeco has a contract with an authorized company, Surovina.

12.2.5. Chemicals

All chemicals we use are REACH compliant. We do not use chemicals that are classified as toxic (hazard class). Other hazardous chemicals (Hazardous to the aquatic environment, Flammable aerosols and aerosols, Skin corrosion/irritation, Eye damage/irritation, Respiratory/skin sensitization, ...) are treated with special attention. Before any chemical is ordered it should be approved by the health and safety and environment representative. Chemicals for production use are stored in special cabinets. Larger quantities are stored in the warehouse for chemicals. As downstream users, we have MSDS for used chemicals, and short instructions for safe work for employees are prepared based on MSDS. The quantity of used chemicals is reducing.

12.2.6 Noise emissions

Regular measurements should be performed in 2023.

12.2.7. Light pollution

Six lamps on parking place, which were not compliant with legislation were switch off.

12.2.8. Other areas

In the area of electromagnetic fields, the company does not come under the prescribed legislation.

The company did not have any input of dangerous substances and plant nutrients into the soil.

Biodiversity was not taken in the scope.

13. ENVIRONMENTAL & ENERGY PERFORMANCE – AUDIT RESULTS (SEE CHAPTER 10)

The external audits conducted by the auditor SIQ were carried out on 1.3.2022 and 13.9.2022. The assessment was made according to ISO 14001 and ISO 50001.

Seven internal audits of the integrated management system were conducted. The internal audits of environmental and energy systems were included in these audits. Also, 5S + 1 audits were performed. During these audits, we checked (regarding environment and energy) whether rules for separate waste collection and efficient energy consumption are followed. No nonconformities were detected. Also special internal audit for energy management system was preformed and activities from sustainability handbook were checked.

The audit, results, and actions are documented in Infor (1SYS00033, 1SYS00037, 1SYS00039, 1SYS00042).

14. COMMUNICATIONS FROM INTERESTED PARTIES

There were no complaints regarding environmental management in 2022 from interested parties.

15. EMERGENCY PREPAREDNESS AND RESPONSE

There were no emergencies identified in 2022.

16. OPPORTUNITIES FOR CONTINUAL IMPROVEMENTS

A) External verification of ESG.

B) Follow CSRD Directive (entered into force January 2023) and EFRAG reporting standards updates.

C) Circular economy – work on waste streams. GZS project [CIRCI](#) – Krožna industrija – uvajanje krožnega gospodarstva v industrijske procese.

17. ENVIRONMENTAL COSTS

	Costs (€) 2022
Environmental tax for discharged wastewater	670
Environmental tax for the packaging and waste packaging	290
Packaging - Surovina	10.800
Municipal waste treatment	20.200
Hazardous waste treatment	2.720
Wastewater monitoring	1.800
Noise monitoring	0
Together	36.480

Annex 1 - Industrial water consumption

Location of the water meter	Quantity 2022 (m ³)
Hodnik 08-11, DN 20 - Klima naprava	96.171
Obj. 46/K, DN 150 - Klima naprava	45.410
Obj. 11/P, Laser 1, 1/2", DN 15	8.386
Objekt 20; Laserji	901
Obj. 46/P, Bakelit (stroj za pranje zabojev, 1/2") DN 15	180
Obj. 46/P, Bakelit (ob mehčalcu vode, 2") DN 50	163

Annex 2 - Wastes

Waste generated at Iskraemeco

European Waste code (EWC)	waste	Quantity (kg) 2022
20 03 01	mixed municipal waste	75.725
15 01 03	wooden packaging	53.880
12 01 05	waste plastic mixed	41.900
15 01 01	paper and cardboard packaging	38.102
15 01 02	plastic packaging	36.260
12 01 02	ferrous metal dust and particles	29.881
17 09 04	waste from construction	22.970
17 02 01	wood	13.040
13 05 07*	oily water from oil/water separators	8.600
07 02 13	plastics	5.266
12 01 04	non-ferrous metal dust and particles	3.708
16 02 14	discarded equipment other than those mentioned in 16 02 09 to 16 02 13	3.599
16 02 16	components removed from discarded equipment other than those mentioned in 16 02 15	1.432
17 02 02	glass	1.020
13 05 02*	sludges from oil/water separators	500
20 01 01	paper and cardboard packaging	460
17 04 11	cables other than those mentioned in 17 04 10	410
15 01 10*	packaging containing residues of or contaminated by dangerous substances	405
15 02 02*	absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by dangerous substances	370
14 06 03*	other solvents and solvent mixtures	317
20 01 36	discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	296
15 01 07	glass packaging	220
20 01 33*	batteries and accumulators included in 16 06 01, 16 06 02 or 16 06 03 and unsorted batteries and accumulators containing these batteries	56
20 01 21*	fluorescent tubes and other mercury-containing waste	15

Annex 3 – Chemicals

Item	Description	Quantity2022
880000109000	PLIN DUŠIK-UTEKOČINJEN	1.051.612kg
260615010000	SPAJKA L-Sn100 LF	2.500
260615012000	SPAJKA L-Sn100Ce LF	1.640
260615001000	SPAJKA L-SAC LF*TIP 4	1.120
260615014000	SPAJKA L-Sn100Ce LF*6	1.025
260615030000	SPAJKA L-Sn100 LF*3	0
260615031000	SPAJKA L-Sn100 LF*6	275
260615040000	SPAJKA L-Sn100 LF2220*0,5	0
260615051000	SPAJKA L-SAC LF*0,5	0
260615013000	SPAJKA L-Sn100Ce LF*3	0
830001570000	LEPILO PRAH ZA ETIKETE*HTK 40S	20
260615041000	SPAJKA L-Sn100 LF2220*1	15
260300059000	SPAJKA LO102PF-SW26/3*0,5	20
870010771000	OLJE TUNFLUID HT 2200	10
840000078000	RAZREDČILO*ADDITIVE B	0
830000120000	TEKOČINA SPAJKALNA NR205*PEN	0
830000128000	TEKOČINA SPAJKALNA P770	7.120l
830000067000	ČISTILO MULTIEX N7-TS	1.050
810000086000	ALKOHOL IZOPROPILNI TH	330
830000177000	ČISTILO ZA ESD POVRŠINE	80
830000180000	ČISTILO*WipeEx SA120	0
830000124000	ČISTILO UNIVERZALNO*CF1	26
830001595000	LEPILO SILIKON TSE399C	7.440
830000586000	METAFLUX METAFLOX*SPREJ	6.800piece
830000584000	METAFLUX GLEITMETAL*SPREJ	6.000
830000065000	ČISTILO ZA FLUKS*FLU400DB	8
830000620000	LEPILO CIANOKOL P82	1.720
724080015000	LEPILO CIANOKOL G61	0
820000783000	OLJE WD-40*SPREJ	2
820000179000	RAZMASTILO LEXITE EXTRA*SPREJ	0