



**OEZ s.r.o.**

# **Environmental Statement**

for 2022



### The Environmental Statement presented is based on:

- ▶ Regulation (EC) No. 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community Eco-management and Audit Scheme (EMAS), in the consolidated version.
- ▶ COMMISSION DECISION (EU) 2019/63 of 19 December 2018 on the sectoral reference document on best environmental management practices, sector environmental performance indicators and benchmarks of excellence for the electrical and electronic equipment manufacturing sector under Regulation (EC) No 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community Eco-Management and Audit Scheme (EMAS).

### It contains:

- ▶ A description of our Company and our activities in the Company facilities in Letohrad and Bruntál
- ▶ A description of the Quality Policy, Environmental Policy, Policy of Occupational Health and Safety and Energy Management Policy in OEZ s.r.o. and of the Environmental and Safety Management of the organisation
- ▶ A description and assessment of all significant direct and indirect environmental aspects causing substantial impacts on the environment on the part of the Company
- ▶ A description of our objectives
- ▶ Figures concerning emissions of harmful substances, amount of waste, consumption of raw materials, energy, and water
- ▶ Information concerning the Key Performance Indicators and other impacts of the Company on the environment
- ▶ Reference to applicable legal requirements relating to the environment
- ▶ Other factors influencing the environmental profile of the Company
- ▶ The Declaration of Validity - Name of the accredited environmental verifier
- ▶ The balance scheme of the basic inputs and outputs
- ▶ The deadline for submission of the next Statement

OEZ s.r.o. has a certified Environmental Management System in place with a view to limiting the impact of their activities on the environment. It publishes and annually updates the data in its Environmental Statement. Its Environmental Statement is verified by an accredited environmental verifier. OEZ s.r.o. is registered in the EMAS Register and, on the basis of these circumstances, is entitled to use the EMAS logo. The implemented system of QMS, EMS, EnMS, OHS and EMAS covers the entire Company facility in Letohrad and the operations in Bruntál. All of the Company's processes, services, technologies, machinery and equipment are included in the system. No parts of processes or production are excluded.

The Company Management have decided to convey information to the public concerning environmental aspects through the EMAS Environmental Statement. The Environmental Statement of OEZ s.r.o. is annually verified by an accredited environmental verifier, namely by Elektrotechnický Zkušební Ústav, s.p. (the Electro-technical Testing Institute, state-owned enterprise), Accr. No. CZ-V-5003. The date of the latest validation is 28. 4. 2022.

This Environmental Statement is prepared for the interested public, with the aim of informing all interested parties, briefly and in a comprehensible way, about the changes and significant activities that have taken place at OEZ s.r.o. since the publication of the 2021 Statement, as well as the fulfilment of the Quality Policy, Environmental Policy, Policy of Occupational Health and Safety, and Energy Management Policy in OEZ s.r.o. and the objectives to which the Company has committed itself.

If you have any comments or questions, please do not hesitate to contact us at any time. We would be pleased if the public and all of our partners could perceive this Statement as a further step towards the strengthening of our mutual trust and cooperation.



**Ing. Jaroslava Havlova**

Head of the Environment and Health & Safety Department

OEZ s.r.o., Šedivská 339, 561 51 Letohrad, tel.: 465,672,131





<b>WORD OF INTRODUCTION</b> .....	<b>6</b>
<b>ABOUT THE COMPANY</b> .....	<b>8</b>
Characteristics .....	8
Company location .....	9
Important milestones in the modern history of our company.....	10
<b>EMS AND OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT</b> .....	<b>11</b>
Basic structure and composition of the EHS and EnMS staff .....	11
<b>COMMUNICATION</b> .....	<b>12</b>
Human Resources Policy – education.....	13
<b>THE QUALITY POLICY, ENVIRONMENTAL POLICY, OCCUPATIONAL HEALTH &amp; SAFETY POLICY, AND ENERGY MANAGEMENT POLICY AT OEZ s.r.o.</b> .....	<b>14</b>
<b>IMPLEMENTATION OF THE INTEGRATED MANAGEMENT SYSTEM AND EVALUATION OF THE FULFILMENT OF THE MOST IMPORTANT OBJECTIVES AND OF THE EMS, OHS AND EnMS PROGRAMMES</b> .....	<b>16</b>
The most important EMS and OHS objectives achieved in 2020-2022.....	16
The most important EMS and OHS objectives planned for 2022-2024.....	16
<b>EVERY MODERN PRODUCT ARISES IN ENVIRONMENT-FRIENDLY CONDITIONS</b> .....	<b>17</b>
<b>KEY PERFORMANCE INDICATORS</b> .....	<b>19</b>
Energy performance - energy resources .....	19
Material performance .....	20
Water – water protection performance .....	22
Waste – waste management performance .....	24
Atmosphere – atmosphere protection performance .....	25
<b>OTHER EVALUATION FACTORS</b> .....	<b>29</b>
Soil and ground water protection .....	29
Injury frequency rate evaluation .....	31
LTIFR -Lost Time Injury Frequency Rate .....	31
<b>INSPECTIONS AND AUDITS IN THE AREA OF THE ENVIRONMENT AND OHS</b> .....	<b>32</b>
<b>EVALUATION OF THE COMPANY'S IMPACT ON THE ENVIRONMENT</b> .....	<b>34</b>
<b>BALANCE SCHEME OF THE BASIC INPUTS AND OUTPUTS FOR 2022</b> .....	<b>35</b>
<b>DECLARATION ON ENVIRONMENTAL VERIFIER'S ACTIVITIES</b> .....	<b>36</b>

# OEZ s.r.o. Environmental Statement for 2022



*From the CEO – Roman Schiffer, the company's CEO, looks back on the past business year 2022 and evaluates the past business year.*

*In the past financial year, we had to deal with the impact of the coronavirus pandemic, which caused instability and unpredictable situation for our suppliers, unavailability and increase in prices of some input materials, energy and transport. The situation has been aggravated by the war in Ukraine, which has exacerbated all these problems. Thanks to this, the delivery time of our products to customers has been significantly extended. On the other hand, the demand for our products remained high and we expect*

*this trend to continue with the upcoming changes in the energy sector and hand in hand with the transition to green energy. In addition to these factors, the situation is also complicated by a lack of employees. That is why we employ agency workers who partially compensate for this problem. The resulting figures of the business year are also affected by the embargo on supplies to the Russian market. Despite all the obstacles, we managed to increase the volume in all product groups and the economic results were very good.*

*In the 2022 business year, we managed to implement several projects. We have completed the reconstruction of production halls and expedition, which was part of an extensive Lean Manufacturing project. We have unified the processes in the field of assembly and material flow of the production of ACB air circuit breakers and MCCB compact circuit breakers and created a joint supply and dispatch. These changes will help us shorten delivery times, including greater flexibility and flexibility towards our customers. As part of the optimization of plants and centralization of similar production, know-how and equipment into one location, production (pressing) was relocated to Letohrad from the Siemens branch in Vrchlabí and from Trutnov. Now we have the task of stabilizing the production of 3WA air circuit breakers on the new production line.*

*We have extended the contract with Dachser for the storage service and expanded our storage space with an external warehouse in Týniště nad Orlicí. This warehouse can hold material from warehouses in Vysoké Mýto, Kladno, Černožice and Vrchlabí, where we used to store.*

*With effect from 1 April, Alliance CZ was created. The creation of Alliance CZ established a close cooperation between OEZ and NST Trutnov. The Alliance brings both plants more powers, faster decision-making and joint projects in the departments of digitization, controlling, logistics, production, as well as technology, etc.*

*The past year was exceptional for the OEZ brand and business in terms of volume growth. However, due to these problems, we often found ourselves in a situation where we were not able to respond flexibly and satisfy customer requirements, which may temporarily disrupt business relations with them. We believe that we will soon overcome this situation and our customers will remain loyal to us.*

*Based on the decision of Siemens' management, catering services, i.e. the operation of the canteen and canteen in OEZ s.r.o., will be provided by an external company from January 2023. I believe that the new company will manage to satisfy our employees and that every boarder will choose their own.*

**Other projects await us in the coming period.**

*In particular, it will be important to stabilize the production of 3WA air circuit breakers on the new line, increase the production volume and shorten the delivery time to*

*customers. Another challenge is to stabilise the supply chain and maintain a customer-friendly approach. Sustainability is a big topic for the upcoming period. This area is covered by the concept of DEGREE (Decarbonization, Ethics, Governance, Resource Efficiency, Equity, Employability), which consists of the areas of decarbonization, ethics, governance, resource efficiency, equity and employability. Our task is to create a plan of activities that will fill the individual areas.*

*Finally, I would like to thank all employees once again for their work and loyalty.*

*In Letohrad on 1 March 2023*



**Ing. Roman Schiffer**

Chief Executive Officer of OEZ s.r.o.

## ABOUT THE COMPANY

### CHARACTERISTICS

The OEZ s.r.o. company (hereinafter referred to as "OEZ") has been operating on the electrical engineering market for almost eighty years. In 2021, we celebrated our 80th birthday. In 1994, the Company became the property of six Czechs and over time it has completely innovated and expanded its production programme. The Company has thus gradually become one of the market leaders in the Central European region. All activities are fully focused on satisfying the requirements and needs of our customers.

OEZ in Letohrad covers an area of 97,900 m<sup>2</sup> and 61,400 m<sup>2</sup> of this area is formed of a built-up area. With its 1,806 employees, it significantly influences the employment rate in the Ústí nad Orlicí and Bruntál regions.

#### Characteristics of our firm

Over a period of eight decades, OEZ has grown from a producer of circuit breakers and fuses into a comprehensive supplier of products and services in the field of electrical circuit protection systems and low-voltage equipment.

OEZ has its own production and development capacities and cooperates closely with research institutions and the university sector. Its engineering know-how has already been developed and inherited over many generations.

Significant development of the Company began in private Czech hands. In 2007, OEZ became part of Siemens Group.

The added value of the Company for 2022, which is given by the difference between outputs on the one hand and inputs on the other hand, is EUR 75,532,148.59. This numerical value is furthermore taken into account as the parameter of the PH key performance indicators (see page 19).

The **product range** at OEZ s.r.o. is aimed at the development, production and sale of moulded case circuit breakers (MCCBs), residual current devices, contactors and other instruments for house distribution systems (such as modular devices (MDs)), the production of air circuit breakers (ACBs), fuses, tools, single-purpose machinery and equipment, and other production OEZ products are used in the energy sector, industry, infrastructure, and housing development.

The Environmental Statement and the scope of registration in the EMAS programme apply to the entire Company in Letohrad, as well as to the Bruntál operations. All Company processes, services, technologies, machinery and equipment are included in the Statement. No parts of processes or production are excluded, except for the customer relationship management process for goods manufactured under the Siemens brand and is intended exclusively for Siemens customers. In these cases, the process is managed by Siemens companies in the region.

The production of electrical and electronic equipment is classified according to the statistical classification of economic activities established by Regulation (EC) No. 1893/2006 of the European Parliament and of the Council

under NACE code 27 - Manufacture of electrical equipment. OEZ s.r.o., with its registered office in Letohrad, was established in a single act on 9. 7. 1993.

Commercial Name of the Company: **OEZ s.r.o.**  
 Company Address: **Šedivská 339, 561 51 Letohrad**  
 Organisation Identification Number: **49 81 01 46**  
 Organisation Tax Identification Number: **CZ49810146**

The associates in OEZ s.r.o. are Siemens International Holding B. V. Haag, Princes Beatrixlaan 800, Kingdom of the Netherlands with an ownership interest of 96.25 %, and Siemens, s.r.o., Organisation Identification Number: 002 68 577 Prague, Siemensova 1, Post Code 15500 with an ownership interest of 3.75 %.

Entry into the Commercial Register was performed at the District Court in Hradec Králové on 9 July 1993, in Section C, Insert number 4649.

OEZ has implemented an integrated management system in the areas of QMS, EMS, EnMS and OHS. The CQS certification company awarded OEZ a "Diamond Certificate", which proves the successful implementation of these systems.

Sales of products in the Czech Republic and abroad are significantly supported by certificates from independent accredited laboratories.





## COMPANY LOCATION

Letohrad, a small town called Kyšperk until 1950, is located in the picturesque foothills of the Orlické Mountains by the Tichá Orlice river. Letohrad is situated in a splendid valley surrounded by beautiful nature in a hilly landscape below the Orlické Mountains. This lovely submontane region, where nobody would expect major calamities, once received a mighty blow. It was struck by the contamination of ground water, a large reservoir of drinking water for the whole region, by chemicals that were used in the textile industry and electrical engineering. The primary provider of electrical engineering in the region was OEZ. The OEZ of that time, still a state-owned enterprise, used degreasing agents based on volatile chlorinated hydrocarbons in its manufacturing process. Ground water contamination by chlorinated hydrocarbons was detected in 1992. Since that time, several surveying and remediation works have been carried out on

the factory premises and beyond, and at present they are finished in the Letohrad plant. In the former landfill areas in Písečná and Dolní Třešňovec, the rehabilitation works are still ongoing.

The main plant premises at Letohrad are located on the northern outskirts of the town, in an extremely important area in terms of water management, but outside of the protected zones of ground water sources. They are located in an industrial zone with rather varied usage: industrial, sporting, and agricultural.

In addition to the main plant in Letohrad, part of our production activities is also located in Bruntál. There we produce in rented premises of Osram.



Source: Mapy.cz

## IMPORTANT MILESTONES IN THE MODERN HISTORY OF OUR COMPANY

- 1994** – Establishment of OEZ Letohrad s.r.o. by privatisation of the state-owned manufacturing part of OEZ Letohrad s.p.
- 1995** – Establishment of OEZ SLOVAKIA, spol. s.r.o., a subsidiary of OEZ Letohrad for the exclusive sale of products on the Slovak market  
– Obtaining the ISO 9001 Quality Management Certificate
- 1998** – Implementation and certification of the Environmental Management System according to the ČSN EN ISO 14001 standards
- 2001** – Recertification of the Environmental Management System; certification of the Quality Management System according to the ČSN EN ISO 9001: 2000 standard; implementation and certification of the OHS Management System
- 2004** – system recertification, registration of the Company in the national EMAS programme
- 2007** – OEZ becomes a member of SIEMENS Group
- 2011** – Celebration events for the seventieth anniversary of OEZ; part of the circuit breaker production  
– complete assembly of MCB subassemblies  
– moved to Králíky; renovation of production halls (removing the stacker and barrier between the 7th and 8th halls); moving the warehouse to a provider outside OEZ.
- 2013** – Moving the complete production of miniature circuit breakers (MCBs) to Králíky, the purchase of new hydraulic presses, completion of the construction of the testing laboratory, commencement of the SPS project in the tool shop, obtaining Workplace Health Promotion level 3.
- 2017** – construction of a new warehouse. We have significantly modernised our primary production.
- 2018** – Implementation of the EEP2 project – the central gas boiler house intended for heating and steam supply for technological purposes was shut down. The replacement is a new hot water boiler house for the plating shop and auxiliary plants, and container steam generators for plating shop technologies. The other buildings are heated locally by heating plants built in previous years.
- 2019** – Renovation of the R building, which has ensured new premises for QMS and EHS. Established cooperation with SUEZ to provide a comprehensive waste management process. Complete renovation of the air conditioning system in the administration building.
- 2020** – Transfer of production from the Králíky site to Sibiu in Romania, to India, Opočno and Letohrad, renovation of Hall 1 and the Minia Hall for the transfer of production from Králíky, continuation of the Lean Manufacturing project. Since March, the global pandemic Covid-19 crisis and the restrictions and necessary measures associated therewith.
- 2021** – Continuation of the Lean Manufacturing project – connection of production halls 1-8. Cancellation of the stacker in the dispatching department, start of the Hill project, and moving the technologies from the Vrchlabí site to OEZ s.r.o.
- 2022** – Construction of a photovoltaic power plant on the roof of the warehouse, construction of charging stations for electric vehicles, construction of new premises for waste management, completion of the Lean Manufacturing project



## EMS, EnMS AND OHS MANAGEMENT

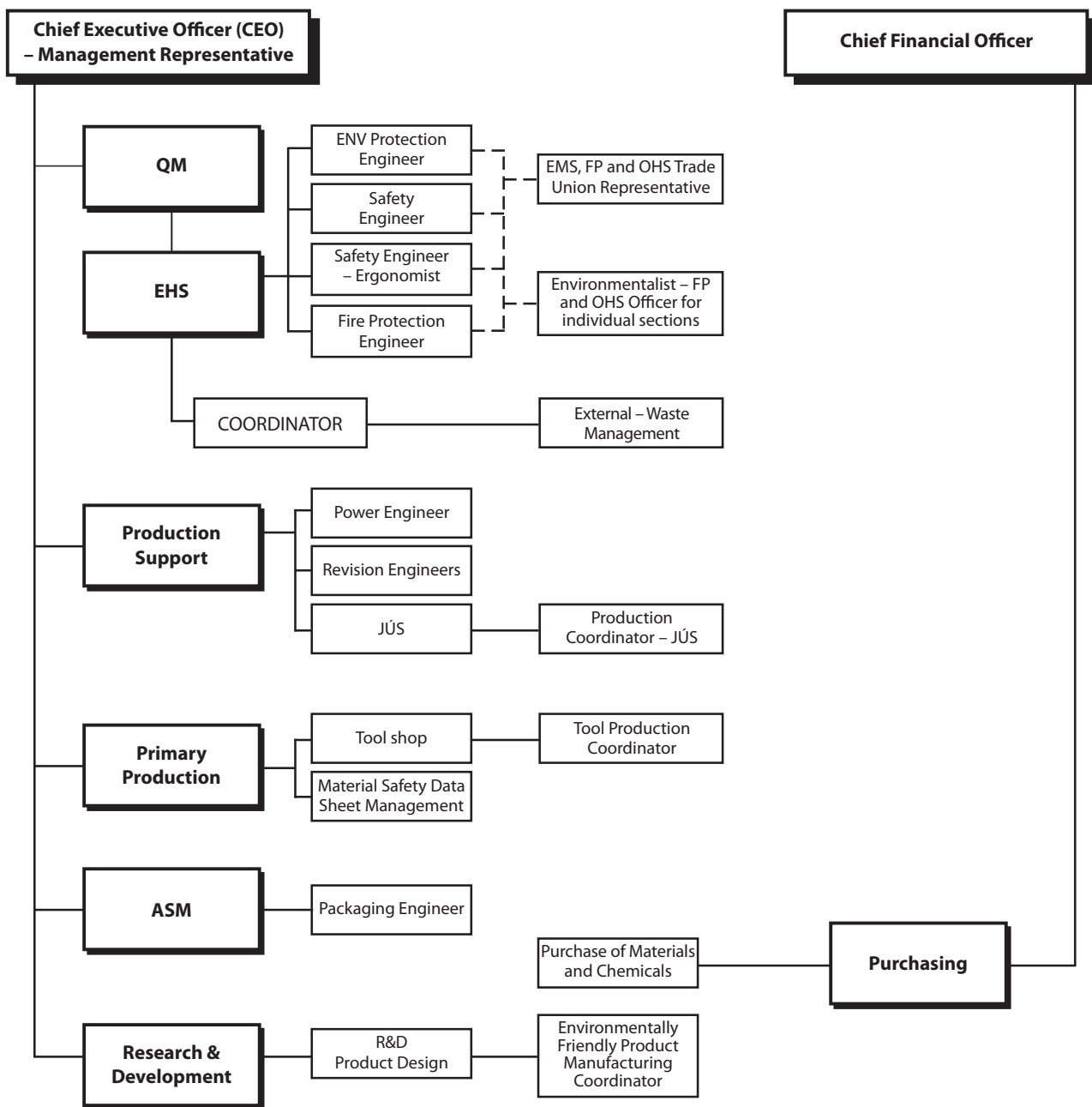
Occupational Health and Safety, Protection at Work, and Environmental Protection are subjects of long-term and regular attention at OEZ. The Occupational Health and Safety principles constitute an integral part of the work and competence of our employees at all levels.

Compliance with legal and other requirements is a priority for the entire integrated management system. Stricter rules that have emerged from new EU directives and from Siemens requirements are binding on us. The respective organisation unit managers are responsible for ensuring the highest quality

of our products, environmental protection, the occupational safety of employees, fire prevention, energy savings and the improvement of energy performance, and for the fulfilment of tasks and objectives in this area.

Qualified employees, mainly those integrated in the Environment, Health and Safety Department, are entitled to decide on and to perform interventions in order to protect the lives and health of employees, in the interest of environmental protection, and to prevent related damages. The organisational structure is given in the chart below.

### BASIC STRUCTURE AND COMPOSITION OF THE EHS AND EnMS STAFF



Legend: ——— direct subordination  
 - - - - - methodological management

## COMMUNICATION

In all of its activities, the Company Management uses the optimal forms of communication with its employees. Communicative means include the placement of information boards, notice boards and bulletin boards, and the information network. The IT portal is in operation, which carries all the necessary information and whose graphics and layout are excellent.

The "Employee Manual", formulating all basic information for employees, informs them about the basic principles of the integrated system. It aims to be a guide and advisory reference material in OEZ. It communicates the basic information and rules concerning the OEZ Integrated Management System, working and social life, and the goals towards which the efforts of all Company employees are directed. The Manual also serves as an information source for OEZ contractual partners.

Last but not least, information about events in the company is published in the Jobka application, regularly published Newsletters or in the company newspaper PULS, where we contribute monthly information from all areas provided by our department.

One of the basic obligations is to comply with legal requirements. The Integrated Prevention Act established the so-called "integrated pollution register", which aims to publish and monitor emissions of pollutants into the atmosphere, soil, water and waste. We meet legislative requirements in all areas of the environment. OEZ is an operator of a facility (the plating shop) that may be operated only based on an issued Integrated Permission and, at the same time, it is a listed air pollution source. For our operation, we hold Integrated Permission and we already performed the 11th update of this Permission in 2021. The change concerned new permission for the discharge of wastewater into surface water, as our previous permission had expired. We continually pay close attention to chemical management. The control of chemicals used throughout the company is already a permanent process, and the number of chemicals used, which we have reduced, is not increasing. We have all up-to-date safety data sheets from our suppliers and we have them compiled into "chemical cards". These are stored at the workplace where the substances are used. These documents are immediately available to the employees and tell them about the nature of the substance used, first aid, incident response, etc. They are currently replacing our rules for the safe handling of chemicals.

Based on legislative requirements, we measure risk factors according to the current conditions and changes at workplaces. Based on the measurement results, we set technical and organisational measures to minimise these risks. Our main aim is to focus on workplaces classified in risk category 3 and, if possible, to modify them so that the risk can be reduced and they can be re-categorised as category 2 workplaces.

An important task is to annually fulfil a large number of reporting obligations in the environmental field. This concerns the processing of the reporting agenda for the Summary Operating Records of Listed Air Pollution Sources in electronic form to the state administration bodies, the Fee Declaration, reporting of Waste Records, reporting to the Integrated Register of Pollution, and many others. We always comply with these work-intensive and time demanding tasks within the stipulated time limits.

The reporting of our generated emissions for 2022 was carried out by 31 March in accordance with the requirements of the legislation in force. This information concerning the environmental pollution produced by OEZ is available to the public from the public administration website.

Due to these reporting duties and other submissions, one of our objectives is the presentation of the developmental trends in the field of the individual components of Environmental Protection in the Environmental Statement – EMAS. These presentations concern the areas of raw materials and energy consumption, as well as the development of new products.



## HUMAN RESOURCES POLICY – EDUCATION

The Company's strategic development, innovations, and strengthening of competitiveness are based primarily on the expertise of OEZ specialised professionals. The aim of the Human Resources Policy is to continue developing the knowledge potential of the Company. Particular emphasis is placed on a strategic approach to education, and on the building of a strong and motivating corporate culture. One of the primary priorities of the Human Resources Policy is to continually improve the appropriate working environment and sanitary facilities, and to provide employee benefits through a targeted social programme. And even though we had some difficulties in finding qualified manpower, we were still able to secure the required staff resources. The table below shows the number of core staff, supplemented by agency staff. As at 31 December 2020, we employed 71 staff members of such a type.

Average number of OEZ employees

	2018	2019	2020	2021	2022
OEZ s.r.o.	2,170	1,978	1,703	1,790	1,806

To cover the requirements of the market and of our customers, a two- and three-shift operation has been introduced in a number of the plants. During the pandemic, the labour supply situation was often very challenging. In addition to a large number of employees who were either ill or in quarantine, we had to cope with various restrictive measures, such as closed borders and thus the impossibility of agency workers commuting from Poland, closed schools and nurseries, and thus the outflow of parents who had to take care of their children at home, and so on. Many practical training programmes were restricted due to bans on assembly or external visits to the Company. In spite of these adverse impacts, we did not lower our standards and we tried to cope with the arrangements as best and as efficiently as possible.

To ensure high-quality production and to reduce risks, newly recruited employees are trained in such a way that they can acquire proper working habits in the Company before placement in either production or non-production

operations or sites. A part of the above-mentioned education programme and the periodic training programme also covers the issues of Environmental Protection, Occupational Safety and Fire Protection. Courses and training sessions focused on first aid, drill-and-practice of activities in the case of leakage of harmful substances into waters, and in handling hazardous substances are organised for employees.

All managerial employees, specialised staff members, experts and professions in the area of Environmental and Safety Management are also included in the education system.

We pay great attention to the ergonomic aspect and the adaptation of workplaces to the employees in order to prevent health problems from an inappropriate workplace layout or subsequent occupational diseases. Our ergonomist is in sole charge of this area, cooperating with technology, development, design, and other competent staff.

Since 2020, we have been involved in the Healthy & Safe @ Siemens programme. We have set goals for employee health and follow-up programmes to meet the goals.

Another big topic for us is mutual communication. Some time ago, we set up different ways to achieve mutual improvement and to find ways to come together. By creating more "coffee" corners with interactive information screens, first aid corners, contributing to the company newspaper, and maintaining constant contact with employees, we are able to better communicate information, build closer relationships, and improve corporate culture. Many employees have the Jobka app, where they receive information about what is happening at OEZ very frequently, and at least once a week a newsletter is published that brings the latest news. The active involvement not only of managers but also of rank-and-file workers in the search for occupational hazards and their elimination continues to be practised with success. Thanks to the Safety Walk & Talk approach, rank-and-file employees are increasingly communicating with both the Company management and line managers.



## **QUALITY POLICY, ENVIRONMENTAL POLICY, OCCUPATIONAL HEALTH AND SAFETY POLICY AND ENERGY MANAGEMENT POLICY AT OEZ s.r.o.**

The Quality Policy, Environmental Policy, Occupational Health & Safety Policy and Energy Management Policy at OEZ s.r.o. are relevant for all OEZ s.r.o. sites and are in line with the long-term objectives of the organisation. Fulfilling our visions and objectives supports the development, production, trade and services provided in the field of circuit breakers and LV fuses, tools, moulds and single-purpose machinery and equipment.

We will focus our technical development on continuous innovation and modernisation of the production programme in accordance with our customers' requirements and the market situation. We will include the aspects of quality requirements, environmental protection, energy savings and occupational health and safety protection in all phases of the life cycle of our products from their development, production, and launch on the market, to their disposal.

We will ensure implementation of the European Community directives, Czech legal regulations and applicable Siemens's regulations into the policies of Company. We will meet the obligations set out by the European and Czech legislation and by applicable Siemens's standards in the whole area of Quality of Products and Services, Environmental Protection, Energy Management, and Occupational Health and Safety.

We will achieve maximum satisfaction of our customers by continuous improvement of quality of products and services, and quick execution of orders. Our commitment includes economical handling of raw materials, chemical substances, and energy. We aim to reduce their consumption. We will inform employees, the public and customers how to handle them so as not to endanger the environment and their health and safety at work and to ensure good energy performance.

We will complete the disposal of old ecological burdens.

We will manufacture in the top quality with minimum impacts on the environment, energy demands, and the health and safety of employees. We will reduce or prevent the release of pollutants into environmental sectors (air, soil, water). We will reduce the volume of waste produced and we will slow down the consumption of raw material resources by waste re-usage and recycling. We will eliminate hazards and reduce risks according to their specific nature, including the identification of new opportunities in the field of occupational safety. We will assign the same priority to the quality of products and services, the environment, energy savings, and occupational health and safety as to the economic factors. We will use data and information acquired by monitoring customer satisfaction to develop competitive advantages in the market.

We will identify significant aspects, resources, risks and opportunities that can influence corporate processes, quality of products, environment, energy resources, health and safety of employees. By planning and implementing appropriate measures, we will achieve the desired elimination or mitigation of adverse impacts and/or we will utilise their potential for the benefit of the Company.

We will ensure compliance with the requirements set out in Act No. 263/2016 Coll. the Atomic Act, and in Decree of the State Office for Nuclear Safety No. 408/2016 Coll.

We will optimise our portfolio of products and services. We will optimise the Company processes with the aim of being flexible, quick and healthy.

We will ensure expansion of the use and sale of our products through improvements to our technical and commercial services for customers.

We will enforce the implementation and compliance of systems according to ISO 9001, ISO 14001, EMAS, ISO 45001, ISO 50001 and the Safe Enterprise standards.

By achieving product certificates from independent testing laboratories and by improving the Quality, Environmental Protection, Energy, and Occupational Health and Safety Management Systems, we will guarantee the permanent functionality and reliability of our products to the customer, and this way we will also support the Company's image.

We will strengthen employee responsibility for product quality, environmental protection, and their own health, as well as for energy savings, and we will require their cooperation in increasing quality standards, Environmental Protection, Occupational Safety and reduction in energy consumption. We will inform our employees about the Company's intentions to elevate the standard of the Quality System, Environmental Protection, Energy Savings, Occupational Health and Safety, and of the social conditions of our employees. We will ensure safe and healthy working conditions relating to the prevention of occupational accidents and ill health that are appropriate to the size and context of the organisation. We will identify and establish conditions for increasing the level of satisfaction of Company employees with the work performed. Through the development of their expertise, improvement of the working environment, and appropriate motivation, we will strengthen employee loyalty to the Company. We will establish conditions for further development of the employee knowledge capital.

Using the implemented integrated system complying with the ISO 9001, ISO 14001, ISO 45001 and ISO 50001 standards, and the requirements for a Safe Company, we monitor quality costs, Key Performance Indicators of quality, pollution produced, energy consumption, the safety risks and threats to the health of the employees, and we identify the root causes of their occurrence in production technologies. Through the appropriate selection of measures and methods of operation, we will exercise the prevention of pollution, energy consumption, safety risks and threats to the health of

employees directly at the source. We will reduce the negative impact of the Company on the environment and energy performance, and we will increase the safety and health of our employees.

In Letohrad on 1. 3. 2023



**Ing. Roman Schiffer**  
Chief Executive Officer,  
Executive Manager of the Company



**Franz Girschick**  
Chief Financial Officer,  
Executive Manager of the Company

## SIEMENS

### QUALITY POLICY, ENVIRONMENTAL POLICY, OCCUPATIONAL HEALTH AND SAFETY POLICY, AND ENERGY MANAGEMENT POLICY IN OEZ s.r.o.

The OEZ s.r.o. Quality Policy, Environmental Policy, Occupational Health and Safety Policy, Safe Enterprise Policy, and Energy Management Policy is communicated to all levels of society and is in agreement with the long-term intentions of the organization. We support development, production, trade and services in the field of NN circuit breakers and fuses, tools, moulds and single-purpose machines and devices by fulfilling our visions and objectives.

We will focus our technical development on continual innovation and modernization of the production program in agreement with the technical requirements for products according to relevant standards and laws, in agreement with the requirements of customers and the situation on the market. We will include the requirements for quality, environment, energy saving the occupational health and safety into all stages of the life-cycle of our products, from the development, production and introduction on the market to their disposal.

We will ensure that directives and regulations of the European Union, Czech law and respective Siemens regulations are. We will meet obligations established by the European and Czech legal regulations and the relevant Siemens standards in the entire area of products quality services, environment, energy management and the occupational health and safety protection.

We will maximize satisfaction of our customers by continually improving quality of our products and services and by promptly executing job orders. We set ourselves objectives, which lead to a commitment to include economical management of raw materials, chemical substances and energies. We seek to reduce their consumption. We provide information to employees, general public and customers how to use them without posing any risks to the environment, their health and the occupational safety and to increase energy efficiency.

We will complete liquidation of old environmental loads.

We will produce the highest quality with minimal impact on the environment, energy performance, safety and health of our employees. We will reduce or prevent discharge of pollutants into the environment (atmosphere, soil, water). We will reduce the volume of the produced waste and by their utilization and recycling we will slow down drawing on raw material resources. We will eliminate hazards and reduce risks according to their specific nature including the identification of new opportunities in the field of occupational safety. We will assign the same priority to the quality of products and services, the environment, energy saving and to occupational safety and health as we assign to economic aspects. We will use the data and information acquired from monitoring of customer satisfaction to create our competitive advantage on the market.

We will identify important aspects, sources, risks and opportunities that may influence business processes, quality of the products, the environment, energy resources and occupational safety and health. By planning and implementing appropriate measures we will eliminate or mitigate unwanted impacts and/ or use their potential for the benefit of the company.

We will ensure compliance with the requirements of Atomic Act 263/2016 Coll. and Decree No. 408/2016 Coll.

We will optimize offers of our products and services. We will take into account the organization's context in optimizing business processes in order to be flexible, fast and healthy.

By improving the quality of technical and commercial services to our customers we will ensure a broader use and sale of our products.

We will cooperate with interest groups, state administration bodies, our partners, customers and suppliers of material, goods and services. We request that their approach to quality of products and services, the environment, energy consumption and saving and the occupational safety and health is in agreement with our principles. Efficient and rational advertising will ensure continual improvement of presentation of our company, products and services.

We pursue implementation of the systems under the standards ISO 9001, ISO 14001, EMAS, ISO 45001, ISO 50001 and Safe Enterprise.

By obtaining product certificates from independent testing laboratories and by improving the management system of quality, environment, energy management and the occupational health and safety we will guarantee the customers the continual functionality and reliability of products and thus support the company image.

We increase responsibility of employees for the quality of products, environmental protection, protection of their own health, energy saving and we request their cooperation in order to increase the level of quality, environmental protection, reduction of energy consumption and the occupational health and safety. We inform the employees about the company plans to improve the quality system, environmental protection, energy saving, the occupational health and safety and social conditions of the employees. We identify and create conditions for improvement of satisfaction of company employees with the performed work. We increase loyalty of the employees to the company by developing their professional knowledge, by improving the working environment and by their suitable motivation. We create conditions for the development of the employees' knowledge capital.

Using the integrated management system under the standards ISO 9001, ISO 14001, ISO 45001, ISO 50001 and the Safety Enterprise requirements we will monitor the cost of quality, key indicators of quality, the produced pollution, energy consumption, safety risks, risks to employees' health and we identify causes of their occurrence directly within the production technologies. By suitable selection and operation of the production technologies we apply prevent pollution, energy consumption and the occupational health and safety risks directly at their sources. We reduce the negative impact of the company on the environment and the energy demands and we increase occupational safety and health of the employees.

In Letohrad, on 1<sup>st</sup> March 2023



**Ing. Roman Schiffer**  
Chief Executive Officer



**Franz Girschick**  
Chief Financial Officer

## IMPLEMENTATION OF THE INTEGRATED MANAGEMENT SYSTEM AND EVALUATION OF THE FULFILMENT OF THE MOST IMPORTANT OBJECTIVES AND OF THE EMS, OHS AND EnMS PROGRAMMES

The principles of the Integrated Management System Policy adopted by the Company, which were presented to all Company employees, are implemented by means of the Quality Management, Environmental, Energy, and Safety Management Systems.

The strategy of inspection and control of the set limits and end technologies is substituted by the "proactive approach". This means that the Company itself looks for ways to continuously reduce the impact of its activities. By implementing system measures and by ensuring the financial means for implementation of particular measures, the Company manages to meet the objectives that it has set out.

Most Company employees have understood the intentions of the system, and are able to put them into practice. This has also been achieved thanks to the continuous improvement process, i.e., through the "improvement suggestions scheme". Employees themselves often come up with ideas that will significantly contribute to environmental prevention and safety at work. In order to make improvements more active and supportive, we announce targeted actions such as the storage of personal protective equipment, saving electricity or saving water. The best suggestions for improvement are awarded with very valuable prizes.

### MOST IMPORTANT EMS AND OHS OBJECTIVES ACHIEVED IN 2020 – 2022

Altogether, 23 programmes (tasks) were included in the **EMS programme for 2022**. All defined programmes were implemented, some only partially due to the Covid-19 pandemic and restrictions, while others were fully implemented.

No special environmental programme has been launched within the framework of the new product development; the development section works in cooperation with Siemens employees. A total of CZK 10,494,234 was invested in programmes to implement EMS tasks, paid for by the Company, while CZK 4,106,479 was invested in remediation work paid for by the Ministry of Finance.

### The most important projects which have been implemented in the field of the environment:

- ▶ Regular measurement of emissions of exhaust outlets enabling us to meet legal requirements and to prove conformity with required limits,
- ▶ Taking back of products from customers for the purpose of preventing undesirable deposition of recyclable parts of products in landfill areas,
- ▶ Separation (desoldering) of recyclable and separately upgradable parts from disassembled electrical waste.

As far as 2023 is concerned, 23 tasks have been included in the EMS programme for this year. The estimated Company's own resources are estimated at around CZK 11,097,000. It is planned to spend CZK 2 million on remediation work paid for by the Ministry of Finance.

### MOST IMPORTANT EMS AND OHS OBJECTIVES PLANNED FOR 2022 – 2024

We are implementing the projects set up and it is a matter of course that, when implementing these projects, we observe the principles of modularity of our products, and of deployment of low-energy technologies, technologies with low energy demands, and the maximum use of resources, materials, and waste. Our most crucial objectives are:

- ▶ To design products with the aim of easy dismantling with regard to the subsequent recycling of the products after their degradation (the duty to report the method of product disposal after the expiration of its lifetime). To cooperate with designers during the design of products with the aim of selecting production technologies that do not significantly burden the environment.
- ▶ To prevent the unwanted landfill disposal of recyclable parts of products by taking back used products from customers.
- ▶ To continue in the cleaning up of existing ecological burdens.

The eco-design of our products is based on systematically taking into account the environmental requirements during the design of new products. In this way, the compatibility with the protection of the environment to the maximum extent is ensured for every product for the course of its whole lifetime, including the final disposal. The economic and environmental improvement of our products is achieved in particular using the energy efficiency of products, reducing harmful and toxic materials and substances, and reusing and recycling materials, parts, and products. It is also cooperation with our colleagues from Siemens within the framework of R&D that guarantees the use of materials which meet the requirements of the standards and of European legislation.

The impact on the environment is limited by optimising the design and construction of products. The product life cycle assessment procedures by means of inventory analyses, and comparison of replaced and new products with the aim of obtaining information on the environmental impact related to the life cycle input and output of the assessed products must be included in the Company's corporate documentation.





## EVERY MODERN PRODUCT ARISES IN ENVIRONMENT-FRIENDLY CONDITIONS

Since its establishment in 1994, OEZ has devoted considerable attention to its impact on the environment and thanks to that, it has undergone substantial development. Over the course of those years, the impact of a technological process on the environment and the effort to find a process with a lower impact on the environment than the impact of the previous technology became an integral part of the process of searching for solutions involving technological changes.

### MATERIAL

Only materials with a low adverse environmental impact and materials not containing prohibited substances are used for the design of products. Modularity of devices is consistently observed in the development of circuit breakers and in other technical development tasks. To the maximum extent, moulded plastic parts are used, which means that the number of required metal parts, including their machining and necessary surface finishes, is reduced to a minimum. This represents a reduction in the burden in terms of metal waste, cutting and lubricating liquids, wastewaters, and consumption of paints and thinners. The product packaging is made of recyclable material. No PVC or other hazardous substances are used. We are capable of producing moulded plastic parts by ourselves – we operate our own press shop for plastics. We do not produce single-use plastic products within the meaning of the Waste Act.

### MANUFACTURING PROCEDURES

The design of OEZ products takes into account the demands imposed on modern manufacturing procedures, which must be environment-friendly. Our cooperation has resulted in modern operations – SnG press shop, injection moulding shop for plastic materials, assembly shops – which meet the strictest criteria. During the manufacturing processes of the products, the negative impact on both the environment and the health of employees is reduced as much as possible.

#### Basic activities and direct and indirect environmental aspects

The context of the organisation includes external and internal issues, including environmental conditions. Within the framework of the Company's operations, we consider internal and external aspects that affect ISM and its strategic focus.

The nature of the Company's production also imposes a certain environmental burden and has an impact on employees' work safety and energy consumption. The range of environmental issues facing our Company can be divided into several areas. These include the protection of surface water and ground water, protection of the atmosphere, waste management, the management of chemical substances, old environmental burdens on the sites of the OEZ Main Plant, and the former landfill sites situated in Písečná and Dolní Třešňovec.

We continuously identify all important environmental aspects or elements of activities, products and services that we are able to control and influence and that affect the environment. We assess their significance in relation to the importance of their impact and the associated environmental impact, as well as considering the life cycle of products.

CORE ACTIVITIES AND DIRECT ENVIRONMENTAL ASPECTS	
Activities	Direct aspects
<b>Electroplating shop</b>	
Controlled discharge and cleaning of rinsing waters from surface finishes the plating shop	Pollution of surface waters Water consumption
Exhausting of gases from the baths	Possible emissions into the work environment
Heating of baths and drying of parts	Emissions into the air
Blasting of parts	Creation of hazardous waste
Disposal of concentrates	Consumption of raw materials and energies Noise Possibility of leakage of hazardous substances
<b>Machining</b>	
Machinery and equipment operation	Consumption of raw materials and energies
Preservation and lubrication of semifinished products before pressing and machining	Possibility of leakage of hazardous substances Creation of metal and hazardous waste
Maintenance and oil changing	Consumption of raw materials and energies Emissions into the air Noise
<b>Welding of metallic materials</b>	
Resistance welding (spotting) of metal with metal (without or using flux)	Consumption of raw materials and energy Emissions to air
<b>Other surface treatments</b>	
Degreasing and tumbling of parts	Consumption of raw materials and energies
Varnishing and spraying of paints and varnishes	Possibility of leakage of hazardous substances Creation of waste Emissions into the air
<b>Pressing</b>	
Operation of presses	Possibility of leakage of hazardous substances
Blasting of moulds and finishing of pressed products	Creation of waste
Blasting of parts	Consumption of raw materials and energies (pressing/moulding materials) Emissions into the air (styrene)
<b>Assemblies - Letohrad, Bruntál</b>	
Printing on products	Emissions into the air
Bonding and curing of adhesives	Consumption of raw materials and energies
Brazing/soldering and resistance welding	Possibility of leakage of hazardous substances
Machinery and equipment operation	Creation of waste
<b>ACB production</b>	
Box foaming	Consumption of raw materials and energies
Foaming device cleaning	Possibility of leakage of hazardous substances
Bonding	Creation of waste
Lubrication	Emissions into the air
Packaging	
<b>Material warehouses:</b>	
Handling materials and hazardous substances	Possibility of leakage of hazardous substances
Operation of mechanisation and transport means	
<b>Waste management</b>	
Handling of dangerous waste	Possibility of leakage of hazardous substances
<b>Hot-water gas boiler plant, steam generators</b>	
Gas combustion	Consumption of raw materials and energies
Operation of boiler burners	Emissions into the air Creation of exhaust gas during boiler operation
<b>Machinery maintenance</b>	
Changing and pumping of oils	Creation of waste
Machinery and equipment lubrication	Possibility of leakage of hazardous substances
<b>Tool shop</b>	
Grinding of materials, machining of tools and moulds	Consumption of raw materials and energies Possibility of leakage of hazardous substances
Machinery cooling and lubrication	Creation of waste and hazardous waste
Use of adhesives/fluxes	Emissions into the air
Material blasting	
<b>Electrical Maintenance</b>	
Handling of fluorescent lamps	Creation of hazardous waste

Environmental aspects are identified, recorded, and assessed with the help of the environmental aspects register. If there is a need for a new activity within the Company, the environmental aspects resulting from such an activity must also be included in the environmental aspects register. The environmental aspects register is maintained in an electronic form by means of a table. It describes the environmental aspects of individual activities in terms of actual or potential environmental impacts. The evaluation of the environmental aspects is carried out by the head of the site being evaluated, by the technologist and by a member of the EHS department according to predefined evaluation criteria. In the evaluation, the group members focus on activities, products and services that have an immediate impact on individual environmental components (atmosphere, water, soil, noise, waste, raw materials, hazardous substances, energy). After evaluation of the importance of each aspect, the overall importance of the aspect is calculated according to the importance of individual criteria. The maximum score for an aspect is 93 points. If the evaluation of an environmental aspect shows a significant severity of the aspect above 41 points, measures are taken to reduce the significance of the impact or a task is proposed in the EMS and EnMS objectives and programmes.

In the area of occupational safety, we address noise, vibration and temperature stress at some workplaces. Currently, the Company's premises are located in the industrial part of Letohrad and we have no reports of any negative impact on its surroundings.

In March 2018, the MCCB assembly production was launched on the leased premises owned by OSRAM in Bruntál. Now there are about 200 employees working in the material warehouse and on the MCCB production lines.

In the table below, we provide a list of all significant direct and indirect environmental aspects.

<b>OTHER ACTIVITIES AND INDIRECT ENVIRONMENTAL ASPECTS</b>	
<b>Activities</b>	<b>Indirect aspects</b>
<b>Activities of service providers</b>	Consumption of raw materials and energies Possibility of leakage of hazardous substances Creation of waste Noise
<b>Cooperation with a sheltered workshop</b>	Recycling of raw materials Reduction in energy consumption
<b>Transport of goods and products</b>	Consumption of raw materials and energies Possibility of leakage of hazardous substances Creation of waste Noise Emissions into the air
<b>Design of products and packaging materials for final products</b>	Consumption of raw materials material selection
<b>Packaging of goods and products</b>	Consumption of raw materials and energies Creation of waste
<b>Creation of internal documentation</b>	Consumption of raw materials and energies
<b>Natural influences</b>	Possibility of leakage of hazardous substances Creation of waste and hazardous waste Emissions into the air
<b>Transport of employees to work</b>	Emissions into the air



## KEY PERFORMANCE INDICATORS

The key performance indicators are specified for significant direct environmental aspects in individual areas. The key performance indicators are focused on the impact of the Company activities in environmental areas such as:

- ▶ Energy efficiency
- ▶ Material efficiency
- ▶ Water management
- ▶ Waste management
- ▶ Biodiversity
- ▶ Emissions

A key performance indicator ( $R_x$ , where x is the index of the given area) consists of overall annual input/impact in the given area (A) related to the total annual gross value added (PH) expressed in EUR millions.

$$R_x = \frac{A}{PH}$$

The evaluation and development of key indicators over the past 5 years is presented for individual areas in the following sections of the Environmental Statement.

We have assessed direct and indirect aspects, individual activities and areas, and considered the use of possible benchmarks. We have set priorities and a corporate culture to improve the environmental performance of our operations. For many years, the Company's management has been guiding its employees towards environmental loyalty and adherence to occupational health and safety principles.

### ENERGY PERFORMANCE

# ENERGY

#### Energy sources can save both money and nature

OEZ contributes to the improvement of atmospheric conditions and to reductions in the consumption of energy sources through the consistent improvement of the energy efficiency of its production. Thermal insulation of buildings associated with the replacement of windows, renovation of skylights and roofs, renovation of offices, and other building repairs have been gradually underway since 1995, and policies leading to the reduction of heat losses in distribution systems and buildings, control measures, increases in the effectiveness of heating, and last but not least, the helpful behaviour of employees towards saving heat and other energy have always been preferred.

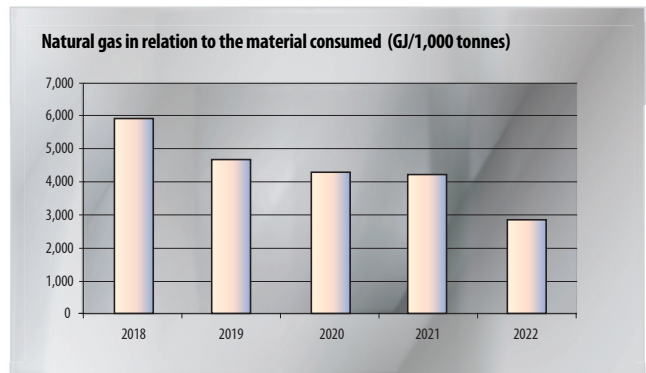
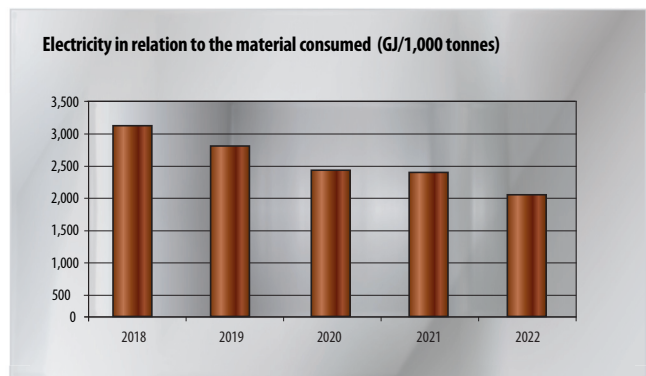
The company's system of sensors and heat detectors has been renewed to optimise the temperature settings in the workplace. We are now able to map temperatures at workplaces throughout the company on an online basis.

Year	Electricity GJ/year	Natural gas GJ/year	Compressed air GJ/year
2018	24,540	46,347	0
2019	23,317	38,941	1,773
2020	23,646	41,829	6,657
2021	24,038	42,256	11,821
2022	24,627	33,988	12,991

The table shows the actual consumption of electricity, natural gas and compressed air (compressed air is purchased only in the Bruntál locality) from 2018 to 2022 at OEZ s.r.o. Although the Company itself does not produce energy from renewable resources, it uses such energy. We have a certificate from Pražská energetika a.s., which confirms the supply of electricity produced in an environment-friendly manner within the framework of the product known as "EKO Gold Energy OEZ s.r.o.". This was the case in 2022 and now the Certificate confirms that: "In the period from 1 January 2023 to 31 December 2023, 100 % of the electricity produced from renewable sources will be supplied to OEZ s.r.o."

Electricity consumption in relation to the material consumed in 2022 was 14.6 % lower than in 2021, and natural gas consumption in relation to the material consumed was 33 % lower.

In the following charts, we can see the amount of individual energy types related to the amount of material consumed - mostly metals and plastics.



Electricity is used for:

- ▶ Lighting
- ▶ Technologies, especially driving systems for presses and lines
- ▶ Air-conditioning.
- ▶ Compressed air production.

Natural gas is used for:

- ▶ Hot service water preparation
- ▶ Heat production
- ▶ Some technologies, such as soldering.

Today, more and more people and companies are focusing on the energy transition towards renewable Resources. This trend has also been accelerated by a significant increase in energy prices, which has hit most of the crowds, especially in the last year households and businesses. Currently, most attention is turning towards solar energy. Solar photovoltaic panels have been the fastest growing renewable energy technology in the world since 2000. Thanks to increasing availability, falling prices of solar cells and increasing competition from manufacturers on the market, solar energy is becoming more and more affordable. The data shows that solar cells will become the most common source of green energy in the near future.

In the context of Siemens' commitment to becoming carbon neutral by 2030 and in the face of the sharp increase in energy prices, we are looking at further ways to save energy and reduce our carbon footprint. In 2022, among other things, we focused on the use of solar energy. On the roof of the warehouse on the company premises, we installed photovoltaic panels with an output of 388.8 kWp. The operation was launched in February 2023 and we are already planning to expand and increase the output to 1 MWp.

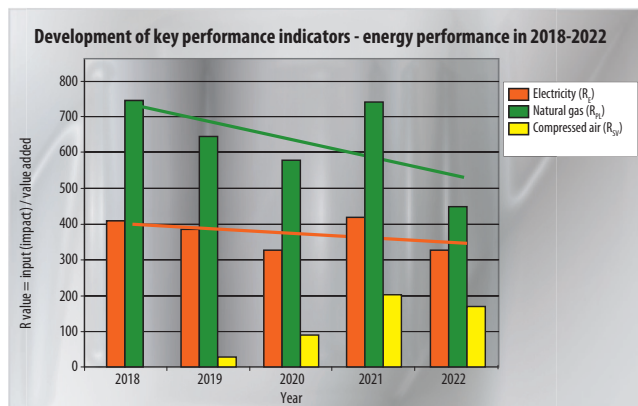
We calculated the energy efficiency  $R_{Er}$ ,  $R_{PL}$  and  $R_{SV}$  for 2018 to 2022 as the amount of electricity, natural gas consumed and compressed air expressed in GJ in relation to the value added expressed in EUR million:

$$R_{E(2022)} = \frac{24,627}{75.5} = 326.2 \quad R_{PL(2022)} = \frac{33,988}{75.5} = 450.2$$

$$R_{SV(2022)} = \frac{12,991}{75.5} = 172.1$$

Year	Electricity in relation to PH* [GJ/ EUR mil.]	Natural gas in relation to PH* [GJ/ EUR mil.]	Compressed air in relation to PH* [GJ/ EUR mil.]
2018	409.0	746.2	0
2019	384.1	641.5	29.2
2020	325.7	576.1	91.7
2021	419.5	737.5	206.3
2022	326.2	450.2	172.1

\*PH – gross value added



MATERIAL PERFORMANCE

MATERIAL

Strategy of technical development in the area of the environment and OHS

The strategy represents a conceptual approach to the production and development of products. It consists, on the one hand, in a voluntary commitment to the continuous improvement of products in terms of environmental protection, natural resources, and safety of products, and on the other hand, in the necessity of compliance with all legislative requirements.

We transfer the focus from the production process to the product. The Company promotes its environmental product policy.

In the development of new products for the Company's portfolio, we try to reduce both the material and energy demands during production. After the end of the product lifetime, we attempt to recycle as many parts as possible, and to dispose of the products/ parts only as a last resort. For these reasons, we attempt to use the largest possible ratio of recyclable materials. This task is continually carried out in the scope of the individual technical development tasks that are implemented. The character, composition, and safety of new materials used in models and prototypes are assessed according to the individual Safety Data Sheets in the design preparation phase. Comparison of new and replaced products enables documentation of not only the total savings on materials and energies used in production, but also documentation of a wider use of recyclable materials, facilitation of product dismantling after the end of its lifetime, and elimination of hazardous substances from products.

We are one of the producers of electrical equipment who are obliged to take back electrical equipment. We address the obligation by engaging in the collection of this electrical equipment in conjunction with experts who have extensive experience in this area.

Thanks to development using ECODESIGN elements and requirements, our modern devices meet all known requirements for features and parameters. Our circuit breakers are smaller, they save space in the switchboards, and they have a higher capacity – they are able to switch off higher electrical currents in the case of a short circuit. This is also associated with higher mechanical and electrical endurance, which ensures that they are able to withstand more switching cycles without damage and without wear and tear. By implementing this commitment, OEZ seeks to offer its customers economically interesting products, which meet challenging technical, safety, and quality requirements with an optimum impact on the environment.

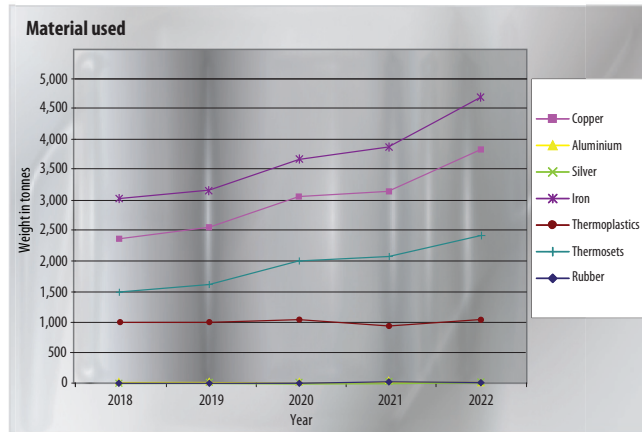
Since 2006, design solutions have been introduced, according to individual tasks, into repeated production not containing hazardous substances in the materials used in terms of the EU Regulation on the restriction of hazardous substances in electrical equipment and electronic products (RoHS). This change required considerable effort, especially in the case of the fuse production programme, where the lead and cadmium solders in the fuse conductors were replaced. At the same time, hexavalent chromium was also replaced in the whole product range by a change in passivation of the galvanic treatment of components.

**Consumption of individual components (metals and plastics) in t**

Year	Copper	Aluminium	Silver	Iron	Thermoplastics	Thermosets	Rubber
2018	2,361.6	0.084	26.7	3,016.9	982.3	1,513.5	0.097
2019	2,559.3	0.115	28.9	3,160.3	989.2	1,614.1	0.109
2020	3,036.3	0.187	32.3	3,672.3	1,044.9	1,999.0	0.133
2021	3,142.5	0.049	33.9	3,854.9	922.8	2,081.4	0.027
2022	3,830.3	0.000	35.9	4,695.5	1,055.2	2,422.8	0.000

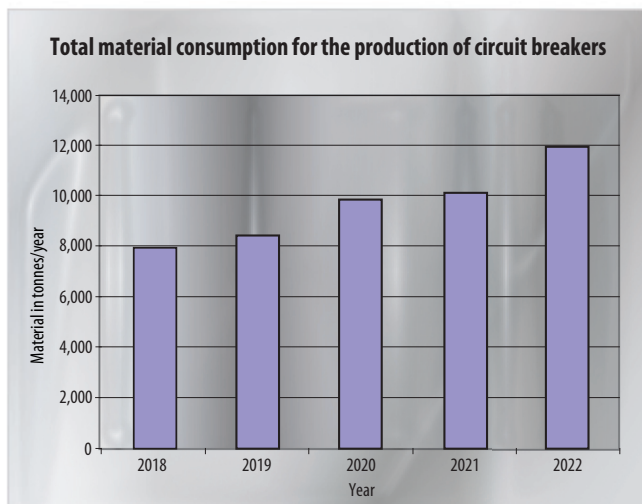
Familiarity with the whole product life cycle in terms of impacts on the environment provides marketing personnel with the necessary information to decide about the product concept and selection of product materials and technologies, and it enables them to identify the major sources of negative impacts on the environment that can be controlled and systematically reduced.

The chart below shows the structure of the materials used and their weight. In the following chart, you can see that over the last 5 years, the material consumption expressed as material performance  $R_M$  has gradually increased.



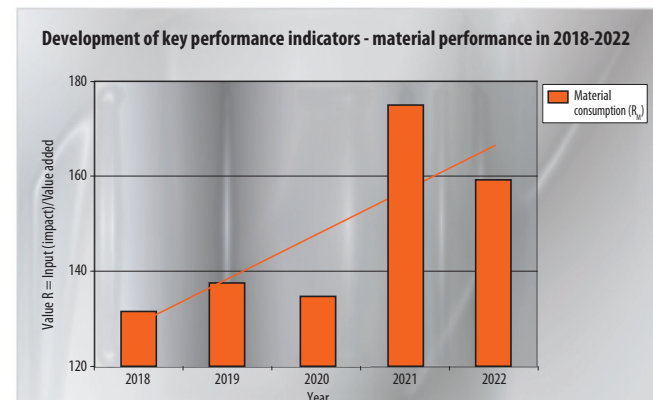
Material performance  $R_M$  was calculated as the quantity of material consumed expressed in tonnes (t) in relation to the gross value added expressed in EUR millions

$$R_{M(2022)} = \frac{12,039}{75.5} = 159.5$$



Year	Material consumption in relation to PH* [t/EUR millions]
2018	131.7
2019	137.6
2020	134.8
2021	175.1
2022	159.5

\*PH – gross value added



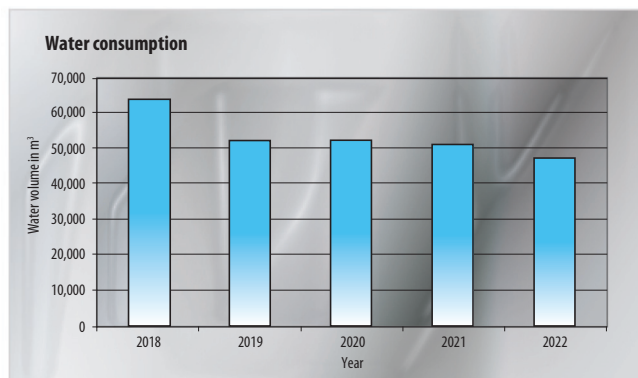
## WATER PROTECTION PERFORMANCE

# WATER

In OEZ, we use mains water for technological purposes, and in social and sanitary facilities. We purchase water on the basis of a contract from Vodovody a kanalizace Jablonné nad Orlicí a.s. and we use it throughout OEZ in Letohrad, for the Bruntál locality we buy water from VAK Bruntál a.s.

The table below shows the consumption of drinking water in the past years, and it is clear that the fluctuating development of water consumption within the Company is mainly dependent on the volume of production.

Year	Water [m <sup>3</sup> /year]
2018	63 976
2019	52 276
2020	52 323
2021	51 157
2022	47 406

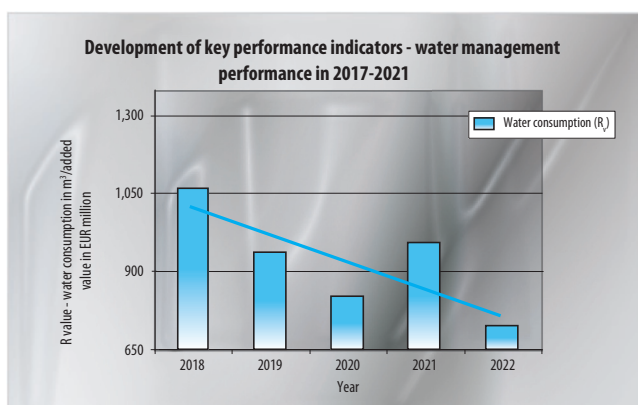


Water management efficiency  $R_v$  was calculated as the amount of water consumed expressed in m<sup>3</sup> in relation to the added value expressed in EUR millions:

$$R_{v(2022)} = \frac{47,406}{75.5} = 627.9$$

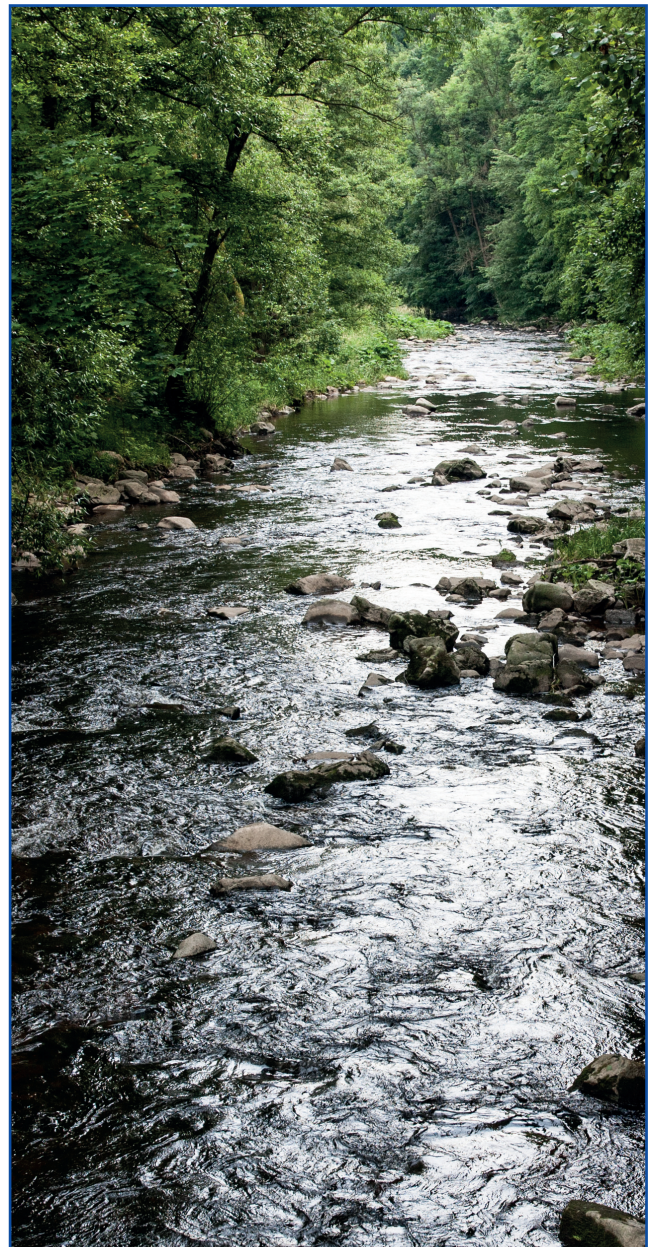
Year	Water consumption in relation to PH* [m <sup>3</sup> /EUR millions]
2018	1,066.3
2019	861.2
2020	720.7
2021	892.8
2022	627.9

\*PH – gross value added



Due to the different uses of drinking water, the way in which it is discharged from the Company's area and the way in which it is disposed of are different. Wastewater is divided into industrial wastewater - water from the (electro)plating shop, and sewage wastewater, which is wastewater from sanitary facilities and rainwater from the built-up areas of the site. The latter is discharged to the OEZ sewerage system connected to the public sewerage system of the town and then to the Letohrad waste water treatment plant (WWTP). Payment for the discharge of this wastewater is determined by the amount of water and sewerage charges set by VaK Jablonné nad Orlicí a.s. We also operate our own kitchen and canteen and to ensure that we meet the criteria of sewerage regulations, the wastewater from the kitchen is treated in a grease trap. Water quality is regularly checked by an authorised laboratory. The results are sent to the VaK Jablonné nad Orlicí a.s. municipal sewerage manager.

Most of the technological water is used in the electroplating shop, then for cooling during spot welding, and in the tool room during boring.



From the electroplating shop, industrial process wastewater is discharged to a neutralisation station, where it is physically and chemically treated. Industrial wastewater free of heavy metals and other pollutants leaves the neutralisation station through our industrial sewerage system into the Lukavský river.

We operate the neutralisation station including the pumping station through authorized and trained employees using technological equipment so that the quality requirements for the wastewater discharged into the Lukavský river watercourse under the management of the Elbe River Basin are met and the environment is not endangered.

Year	Amount of industrial wastewater [m3/year]
2018	31,336
2019	25,779
2020	27,815
2021	28,817
2022	25,272

We make sure that technological discipline is strictly observed in the electroplating shop, as well as in the neutralisation and pumping stations. A designated employee keeps a record of the consumption of water treatment chemicals, and we keep records of the quality and quantity of wastewater discharged downstream of the neutralisation station technological equipment. We also dispose of water from other production processes, such as the tumbling of parts, washing of printed circuit boards, cooling of spot-welding machines, etc.

The equipment of the neutralisation station is maintained in a proper technical and operational condition to maximise the cleaning effect.

The frequency of quality control of the discharged water is carried out according to the requirements of the integrated permit.

In particular, the use of technologies that completely eliminate the source of this type of pollution can have a positive impact on the quality of wastewater and can reduce the content of hazardous substances in wastewater. Copper plating technology, which is the pre-treatment of the surface before further plating, has been identified as one of the sources of water pollution by nitrates and nitrites. For a large proportion of parts, we already use blasting or tumbling technology - suspension and drum blasting. By using these technologies, we have greatly reduced pollution of the wastewater, which does not have to be disposed of in a neutralisation station, and at the same time we have rapidly reduced the release of NO<sub>x</sub> into the atmosphere. Several years ago, we abolished phosphating, hot-dip tinning, etc., and the extraction from individual workplaces was upgraded.

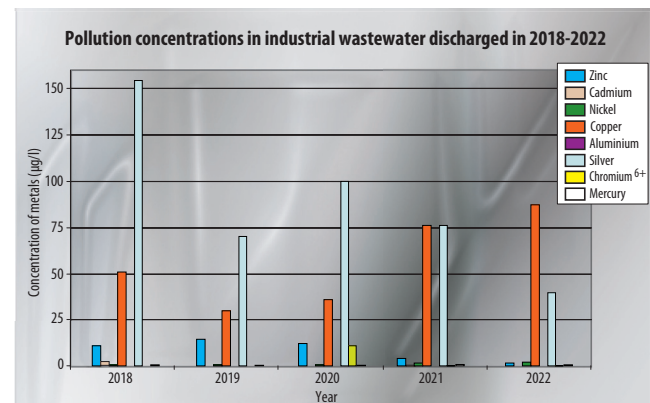
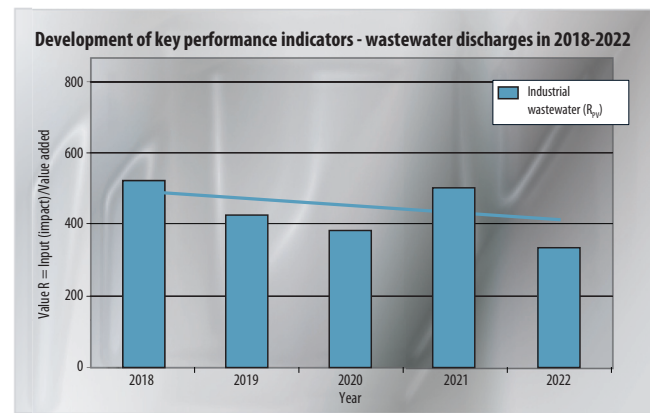
The chart below shows that the use of new technologies and materials has led to a decrease in heavy metal and inorganic acid emissions. From the chart, we can see that the values of pollutants have a decreasing trend, especially for Cr<sup>6+</sup>. (Hexavalent chromium has not been used in the company since 2004). Cu values are proportional to the production volume.

Industrial wastewater treatment efficiency R<sub>PV</sub> was calculated as the quantity of wastewater treated (discharged) expressed in m<sup>3</sup> in relation to the gross value added expressed in EUR millions:

$$R_{PV(2022)} = \frac{25,272}{75.5} = 334.7$$

Year	Emission into water in relation to the PH* [t/EUR millions]
2018	522.3
2019	424.7
2020	383.1
2021	502.9
2022	334.7

\*PH – gross value added



## WASTE MANAGEMENT PERFORMANCE

The waste produced is continuously recorded, sorted, and deposited in the des-

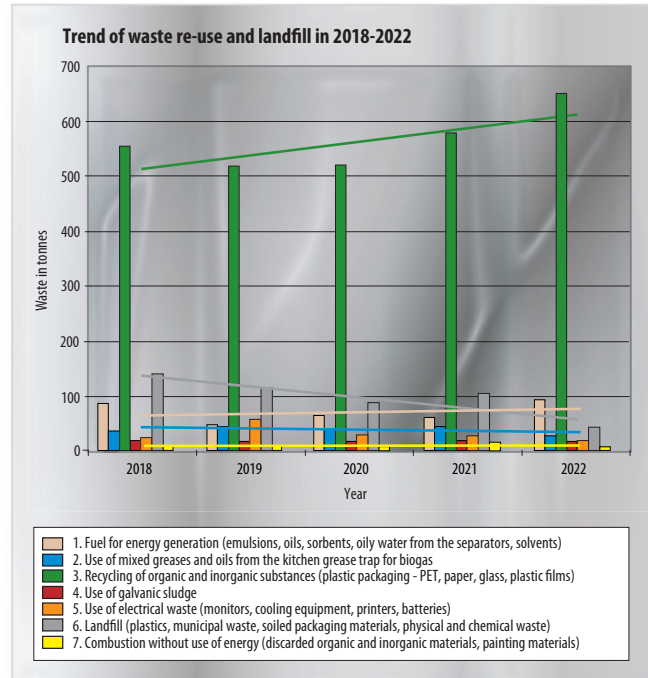
# WASTE

ignated and marked waste collection bins. The aim of sorting is not only to comply with the legislative requirements, but mainly to enable maximum use of the waste produced. We hand over waste to a specialised firm which provides comprehensive waste management. Thanks to this cooperation, we manage to reuse waste materials with the main aim of reducing the volume of landfill. We have started to sort other types of commodities, made of mixed municipal waste, and in this way, we have contributed to reducing landfill again.

A positive trend in the re-use of waste can be seen in the summary and chart below. For clarity, the following table provides for the comparison of waste production:

2021 Quantity [t]	Waste type	2022 Quantity [t]
25.70	Municipal waste	17.61
42.45	Plastics	24.76
0.80	Clothing	0.70
35.67	Mixed packages	36.12
3.28	Sorption materials	3.32
73.47	Plastic packaging	95.13
2.34	Glass	2.72
39.32	Sludge from the oil/water separator – kitchen	24.86
0.00	Contaminated metal packages	0.00
0.003	Metal packages	0.26
0.02	Composite packages	0.00
0.00	Contaminated plastic packages	0.00
3.45	Contaminated packages	1.66
4.10	Waste machining emulsions	2.00
4.30	Oily water from separators	4.02
0.00	Solvents	0.07
6.55	Discarded inorganic chemicals	3.55
8.81	Discarded organic chemicals	1.76
0.00	Alkaline batteries	0.00
0.34	Used activated carbon	0.30
18.75	Galvanic sludge	16.99
16.25	Alkaline pickling solutions	0.00
43.9	Degreasing waste containing dangerous substances	48.0
2.30	Waste oils	1.20
254.23	Paper and cardboard packaging materials	260.0
4.01	Office paper	0.00
2.30	Glass packaging materials	0.00
244.99	Wooden packages	292.35
803.57	Metal waste – ferrous	715.80
339.57	Copper, bronze, brass	373.82
3.869	Non-ferrous metal swarf	6.16
3.98	Aluminium	1.09
0.00	Tin	0.00
0.00	Ferrous metal swarf	0.00
0.41	Silver	0.19
30.51	Electrical waste	19.64
7.95	Mixed metals (hard metals)	14.19
14.16	Construction waste	1.70
0.93	Edible oil	1.03
2.82	Biologically degradable waste	3.31

## Trend of waste re-use and landfill



The comparison of waste type production clearly shows an increasingly high proportion of sorted recyclable waste materials. The figures stated show a high increase not only in cardboard waste but also in wood waste. This is due to the fact that all components are imported, individually packed in cardboard packaging and on wooden pallets. The balance of sorted metal waste continues to be very favourable for us.

In comparison to the growth of production volumes, the total volume of waste produced is growing and we are able to sort a major share of recyclable waste from the general waste.

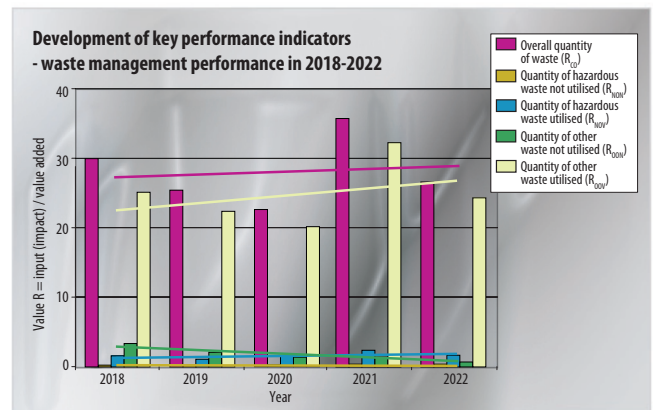
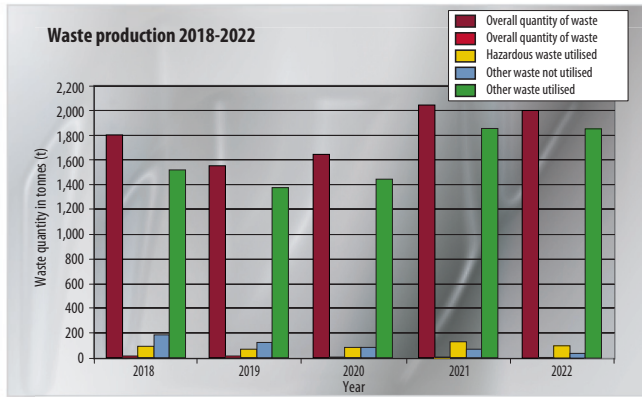
Since the beginning of 2019, we have had a contract with Asekol to take back our electric equipment and a contract with Ecobat to take back batteries.

Every year, we receive a "Recycling Charter" award from WRC World Resources Company GmbH for galvanic sludge handed over for recycling for the complete economic recovery of metal-containing waste by WRC. Several tonnes of copper, chromium, nickel and zinc are thus returned to the metallurgical industry for reprocessing.

We list hazardous and other waste separately in the following table.

Year	Overall quantity of waste produced [t]	Hazardous waste		Other waste	
		Not utilised [t]	Utilised [t]	Not utilised [t]	Utilised [t]
2018	1,793.42	13.23	98.05	174.44	1,507.70
2019	1,537.13	14.75	59.17	108.15	1,355.06
2020	1,634.80	0.00	90.24	87.48	1,457.08
2021	2,045.10	0.00	125.85	68.15	1,851.10
2022	1,998.90	0.42	106.82	42.37	1,849.29





We have stated the waste efficiency R<sub>o</sub> as R<sub>CO</sub> – the overall quantity of waste, R<sub>NON</sub> – the quantity of hazardous waste not utilised, R<sub>NOV</sub> – the quantity of utilised hazardous waste, R<sub>OON</sub> – the quantity of other waste not utilised, and R<sub>OOV</sub> – the quantity of other utilised waste. We calculated all the R<sub>x</sub> parameters as quantities of waste expressed in tonnes in relation to the gross added value expressed in EUR millions:

Year	Overall quantity of waste in relation to PH* [t/EUR millions]	Quantity of hazardous waste in relation to PH* [t/EUR millions]		Quantity of other waste in relation to PH* [t/EUR millions]	
		Not utilised	Utilised	Not utilised	Utilised
2018	29.9	0.2	1.6	2.9	25.1
2019	25.3	0.2	1.0	1.8	22.3
2020	22.5	0.0	1.2	1.2	20.1
2021	35.7	0.0	2.2	1.2	32.3
2022	26.5	0.0	1.4	0.6	24.5

\*PH – gross value added

$$R_{CO(2022)} = \frac{1,998.9}{75.5} = 26.5$$

$$R_{NON(2022)} = \frac{0.42}{75.5} = 0.0$$

$$R_{OON(2022)} = \frac{42.37}{75.5} = 0.6$$

$$R_{NOV(2022)} = \frac{106.82}{75.5} = 1.4$$

$$R_{OOV(2022)} = \frac{1,849.29}{75.5} = 24.5$$

## ATMOSPHERE PROTECTION PERFORMANCE

# ATMOSPHERE

OEZ keeps records of and imposes charges on air pollution sources. We implemented a new Act on air protection, and according to the Act we have defined several sources of air pollution, such as the plating shop, the hot-water gas boiler plant and steam generators, degreasing plant, welding – spot welding, pickling plant, shot blasting, press shop for plastics and neutralisation station. Our duty is to meet the specified limits of released emissions from these sources, to perform measurements of emissions according to the defined periods, to keep operating records and to evaluate them. Charges for discharged pollutants do not reach CZK 50 thousand/year, so they are waived by law. Despite this statement in the Integrated Permit that we are not obliged to measure all the vents of the electroplating shop, we determine the ability of individual sources to meet and comply with emission limits and we perform measurements on individual vents in a period of three years.

The non-listed sources then include all other sources of air pollution, such as grinders with a total power input of less than 1,000 kW, gas resources up to 300 kW, painting shop and printing on devices.

In the **plating shop**, surface treatments are carried out by electroplating of metal materials in the form of nickel plating, zinc plating, copper plating, silver plating, and tin plating. The basic materials that are surface-treated are iron, copper, brass, and aluminium.

The air pollution sources – the pickling plant and shot blasting – form a part of the plating shop building. The exhaust of emissions directly from the burning vats, including disposal of these emissions (nitrogen oxides emissions) by means of an absorber with fibrillary contact filling, is installed in the pickling plant.

Other listed sources, by which we perform surface treatment of parts, is blasting. In the electroplating shop we perform blasting with steel bodies, in the pressing and plastics processing plant with plastic bodies, in the primary production with dry ice and in the tool shop with sand.



Within the framework of the EEP2 project, **local heating stations** were gradually built up in individual buildings of the Company, and the last stage of the project was to build a hot water boiler house with 4 smaller gas boilers, which are used to heat auxiliary plants and the plating shop. In addition to this boiler room, container-type steam generators were put into operation, where 2 gas boilers are located and produce steam for the technological purposes of the plating shop. From the implementation of the project specified, we expect to save not only natural gas but also raw material resources, as we expect that due to the use of local heating plants, there will be almost zero heat losses in the transfer of media from the boilers to the user. The project is already now proving to be beneficial.

The catering services building has a gas boiler room which is used for heating and for kitchen technologies. In the boiler room, there are 5 small boilers connected to 2 vents. This boiler room is currently a non-listed source of atmospheric pollution due to its low power input.

The company uses flat grinders, centreless grinders, cylindrical grinders, disc grinders and shape grinders for metalworking **technologies**, and grinding of products and tools, which are classified and kept as non-listed sources of atmospheric pollution.

For **degreasing** metals and electrical components, El-extra, a 100 % evaporative degreaser, is used in primary production. Due to the designed capacity and consumption of degreasing agents, the source is classified as a listed source of air pollution.

For other degreasing operations, we use washing tables filled with the biological product Bio-circle, while the surfactants contained in this product comply with the biodegradability criteria of Directive (EU) No. 648/2004 on detergents.

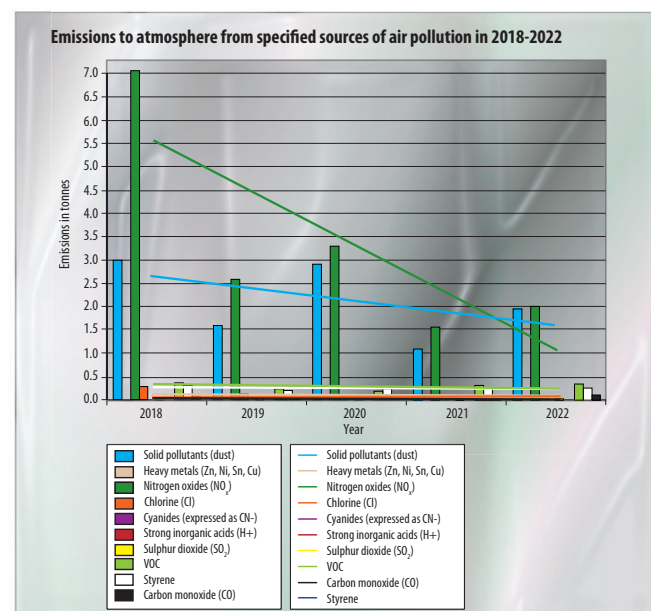
**Wastewater** from the plating shop is conducted separately into containers in the neutralisation station, where chemical cleaning/neutralisation is performed. Neutralisation is also classified as a listed air pollution source.



The welding of metal materials is performed by using spot welders. This technology involves resistance welding (spot welding) of a metal with another metal **without the use** of flux, which creates a conductive connection, or soldering of two metals **with the use** of flux, usually silver solder and fluxes for soldering. As part of the implemented projects, the technology of welding metal materials (scoring) has been concentrated in the modified Minia hall in recent years. This is the only facility where this classified (listed) source is operated on the basis of a permit from the Regional Authority of the Pardubice Region.

In the **press shop for plastic materials**, we use material with a styrene content on four presses. The consumption of materials and the time load are rather high. The plastic material press shop is a classified (listed) air pollution source.

In spite of the fact that the **measurements** carried out at the above-mentioned sources of atmospheric pollution demonstrated that the equipment complied with the established limits for pollutants emitted, the emissions produced in 2018 were much higher than in other years, probably due to a high increase in production.

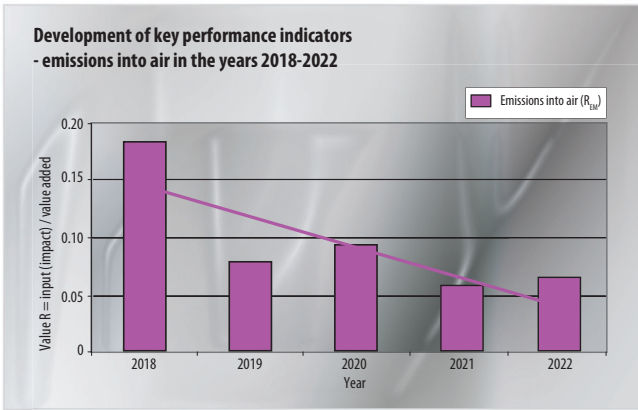


The  $R_{EM}$  value for emissions into the air was calculated as the quantity of total emissions expressed in tonnes in relation to the gross added value expressed in EUR millions. This is the sum of emissions of solid pollutants (SP), heavy metals (HM), nitrogen oxides ( $NO_x$ ), chlorine (Cl), cyanides (CN), inorganic acids ( $H^+$ ), sulphur dioxide ( $SO_2$ ), organic carbon as VOC, styrene, and carbon monoxide (CO):

$$R_{EM(2022)} = \frac{4.612}{75.5} = 0.06$$

Year	Emissions into the air in relation to PH* [t/EUR millions]
2018	0.18
2019	0.08
2020	0.09
2021	0.06
2022	0.06

\*PH – gross value added



**Biodiversity**

OEZ is aware of the impacts of its activities on its surroundings. On a regular basis, we perform reviews of environmental aspects and their impact.

The developed area only concerns the actual premises at Letohrad and the rented premises in Bruntál.

The Company’s facility in Letohrad has a total surface area of 97,851 m<sup>2</sup>. This area includes the built-up part of the buildings (43,817 m<sup>2</sup>), the paved part (hard surfaces) used as pavements and roads (17,586 m<sup>2</sup>), and last but not least the other area, which is green space (36,448 m<sup>2</sup>). There are adult trees, shrubs and a grass areas, which is looked after by an external firm. One of the tasks we took on was to build insect hotels.



**Specific indicators**

COMMISSION DECISION (EU) 2019/63 of 19 December 2018 on the sectoral reference document on best environmental management practices, sector environmental performance indicators and benchmarks of excellence for the electrical and electronic equipment manufacturing sector under Regulation (EC) No. 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) has been in force since 19 May 2019.

As far as the best practices listed in this document are concerned, the following practices and associated indicators are relevant to our activities.

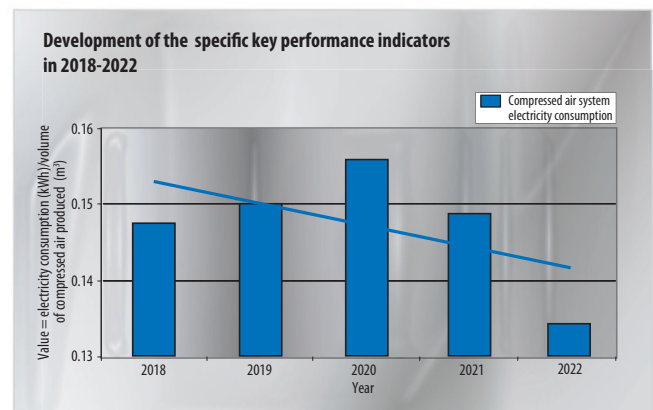
**Rational and efficient use of compressed air**

Specific indicator	Performance figures in 2018 – 2022	Comparison criterion (benchmark)
<b>Compressed air system electricity consumption</b>	0.156 kWh/m <sup>3</sup>	The compressed air system electricity consumption shall be less than 0.11 kWh/m <sup>3</sup> of compressed air delivered for large equipment operating at a specific overpressure of 6.5 bar, with a normalised volume flow rate at a pressure of 1,013 millibars and a temperature of 2°C, with pressure variations not exceeding 0.2 bar.
	0.148 kWh/m <sup>3</sup>	
	0.150 kWh/m <sup>3</sup>	
	0.134 kWh/m <sup>3</sup>	

**The criterion is not met**

<b>Air leakage coefficient</b>	Currently undetermined, the Company is engaged in monitoring it.	When all air consumers are switched off, the mains pressure remains stable and the compressors (in standby mode) do not switch to the load state.
--------------------------------	--	---

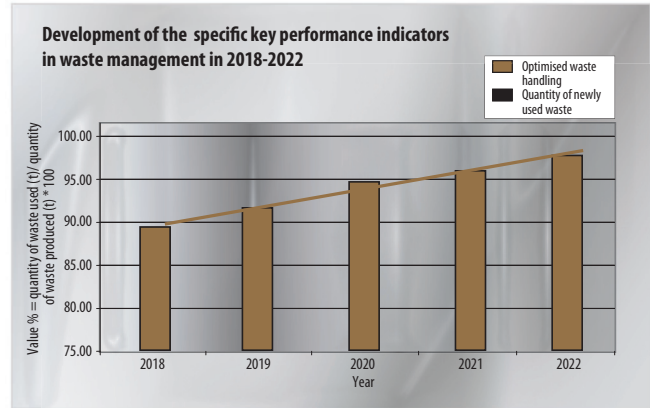
The trend of the specific indicator development is shown in the following chart.



**Optimised waste handling in production facilities**

Specific indicator	Performance figures in 2018 – 2022	Comparison criterion (benchmark)
<b>Development and implementation of an effective waste management strategy</b>	Yes	"The Company has an established waste management strategy"
<b>Percentage of manufacturing sites where a waste management strategy is applied</b>	100 %	<b>The criterion is met</b>
<b>Recycling rate of waste generated in production plants</b>	Letohrad 89.54 % Bruntál 92.00 % 94.65 % 96.67 % 97.86 %	"The Company achieves an average substitution rate of 93 % across all of its manufacturing facilities for the disposal of waste through treatment or recycling."
<b>Rate of substitution of treatment or recycling for the mere disposal of waste generated in production plants</b>	0.14 % 0.31 % 1.90 % 1.94 %	<b>The criterion is met</b>
<b>Waste generation rate per metric tonne of product or another appropriate functional unit for a specific product or range of products</b>	Currently undetermined, the Company is engaged in monitoring it	

The trend of the specific indicator development is shown in the following chart.



It is clear from the data that not all of the specific indicators which we are monitoring meet the given criterion. In the current technical state, it is not possible to achieve the benchmark values. The organisation is considering further improvements. However, these investments are not a priority matter at this time due to the costs and benefits of the large-scale investments.



## OTHER EVALUATION FACTORS

### SOIL AND GROUND WATER PROTECTION

The OEZ production programme used to feature and still includes the production of heavy-current electrical engineering components. In the past, volatile chlorinated hydrocarbons (hereinafter referred to as CIH), colloquially known as trichloroethylene and later perchloroethylene, were used as degreasing media in production for the manufacturing process.

The process of degreasing in chlorinated hydrocarbon vapours was prohibited by the administrative authority in the early 1990s and was replaced by environmentally friendly degreasing technologies.

Since that time, several surveying and remediation works have been carried out **on the factory premises** and in their vicinity.

Ground water remediation pumping and venting has been in operation since 2006.

At present, post-remediation ground water quality monitoring has been completed at the main plant site, as the results of the analyses show that there is no spread of contamination outside the plant site. A project to backfill the boreholes to prevent misuse has been agreed and this will bring the remediation work at the main plant site to a complete end.

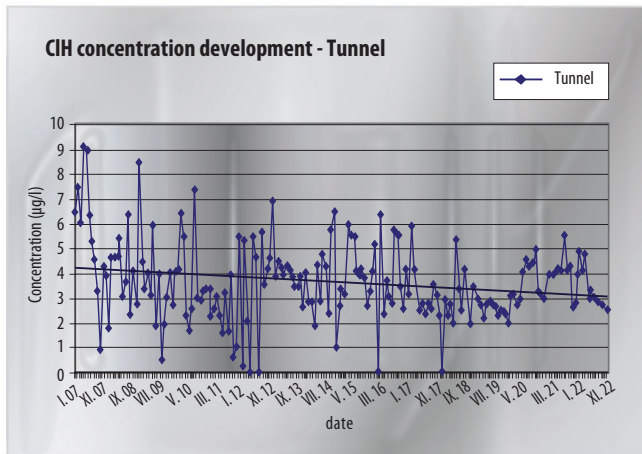
The former **Písečná landfill facility** is situated to the left of the Letohrad – Písečná road. The landfill was established in a former quarry. Sludge from the Plating Shop and waste degreasing baths containing chlorinated hydrocarbons

were deposited at the landfill. Based on the survey works performed, it was found that the landfill is the main cause of pollution of ground water utilised within water management in the Letohrad region and in its vicinity.

Therefore, the recommendation to displace (remove the landfill content) and then re-cultivate and safeguard the landfill area was subsequently accepted in 1996 - 1997. At present, the remediation intervention includes remediation pumping of contaminated ground waters, their subsequent cleaning at remediation stations, and venting operation (cleaning of soil air). Due to the combined pollution in part of the site, where - besides the pollution caused by volatile chlorinated hydrocarbons - pollution by NEL (petroleum products) was also detected, it was necessary to include a separate remediation station to ensure the elimination of NEL from the pumped ground water as opposed to the classic stripping (cleaning of the pumped water). To make the cleaning even more efficient, "infiltration of purified waters into the rock environment" is performed with the aim of speeding up the washing of contamination. Furthermore, preparatory works for intensification of the remediation action using chemical reduction in-situ by nano-iron, consisting in particular in drilling works and preparation of the remediation system, were performed. The first nano-iron application took place at the end of 2009, followed by another two applications later on. Every application of nano-iron significantly contributes to the reduction of the concentration of contamination in the given site. Besides, other monitoring boreholes were built up there, providing a further increase in the intensity of the remediation intervention as well.



The unsatisfactory trend in the development of CIH concentration at a location where drinking water is pumped (TUNNEL - Letohrad) resulted in the launch of the next phase of remediation works. Equipment for cleaning ground water, which ensures that concentrations in the drinking water source are below 50 % of the prescribed limits of chlorinated hydrocarbons (5 µg/l) and concentrations of harmful substances at the outlet from the remediation equipment are under the limit of determination, is installed directly at the pumping source for drinking water.



Since the initiation of remediation pumping in 2004, approximately 668 kg of chlorinated hydrocarbons and almost 87 kg of petroleum products had been extracted in Písečná by the end of 2021. Concentrations of harmful substances in the boreholes in the vicinity of the landfill area decreased by about 20 %.

In the **Dolní Třešňovec** site, protection pumping took place in 2012, since the financial resources were almost exhausted during past project implementations. Since March 2013, no pumping has taken place. At the Dolní Třešňovec site, only the monitoring of boreholes has taken place and, as soon as the increased guarantee is authorised, the works will continue in accordance with the approved current project.

The system of remediation boreholes has been supplemented with monitoring objects. The boreholes are fitted with submersible pumps and interconnected by piping for pumping of contaminated water and also by piping for exhausting of soil air. The boreholes are further equipped with **bonded sand filters** for exhausting of soil air, which is led into the remediation station.

Waters are led into a container that serves for the settling of fine sediment (fine sand and mud). They are pumped from the container to a tank located in a cell, and then they are cleaned

using three-stage remediation equipment. Operation of the system modified in this way was commenced in November 2007.

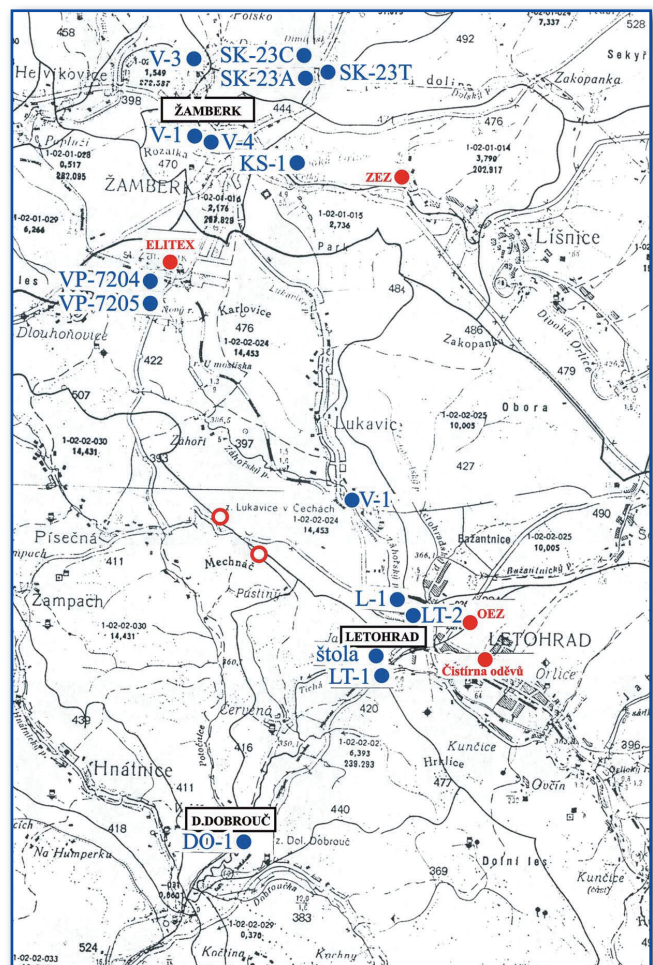
In total, approximately 2,894 kg of chlorinated hydrocarbons have been separated from the ground water since the beginning of decontamination in 2007.

During 2017, an underground sealing wall was constructed around the entire former closed landfill facility. It is a way to prevent the spread of chlorinated hydrocarbons outside the landfill body and possible displacement of these substances into the surrounding area.

Based on this big change, it was possible to resume the remediation work according to the implementing projects and to perform them according to requirements of the administrative decisions of the Czech Environmental Inspectorate.

The investment expended and, at the same time, the positive development in the reduction in the concentrations of chlorinated hydrocarbons in ground waters are an indication that the problem of the contamination of Letohrad water resources will be solved in the near future.

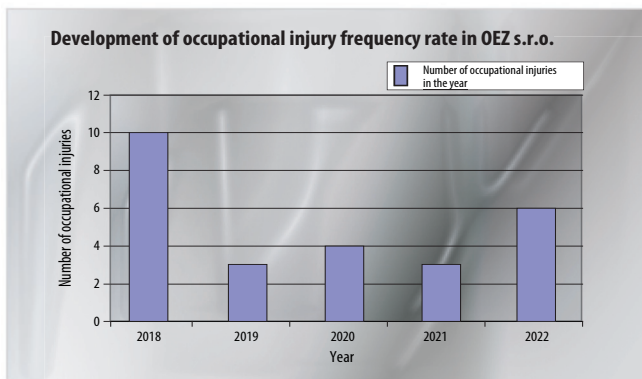
- Legend:
- Písečná landfill facility
  - Collecting area
  - Collecting and monitoring boreholes
  - Sources of ground water pollution by volatile chlorinated hydrocarbons



## INJURY FREQUENCY RATE EVALUATION

A safe working environment is assured by investment in technologies, modernisation of production equipment, and modernisation of sanitary and hygiene facilities. Such modernisation also brings positive developments in the area of sanitation background, hygiene and occupational safety.

A motivational programme intended for management-level employees and focused on the evaluation of the safety standards and injury frequency rate has been implemented. Company employees are motivated with the aim of reducing the number of injuries. We hold the Safe Enterprise award and fulfil the conditions of the Health Promoting Enterprise programme.



## LTIFR – LOST TIME INJURY FREQUENCY RATE

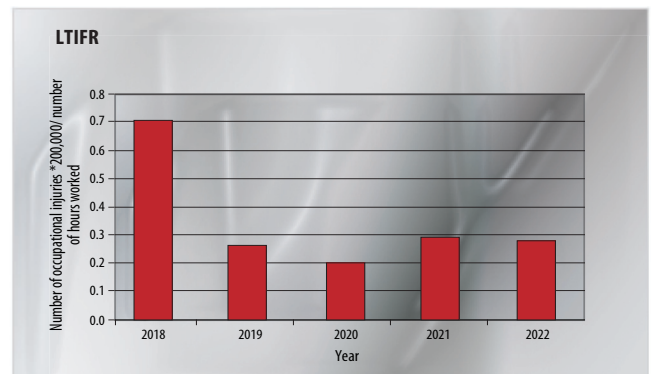
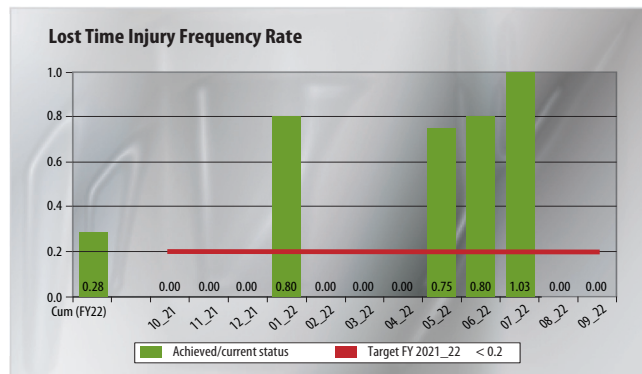
The LTIFR (Lost Time Injury Frequency Rate) is the ratio of the number of incapacitating occupational injuries in relation to the number of hours worked, multiplied by 200,000. It is one of the Company's key performance indicators and managers are evaluated according to its result.

For 2022, the value was set at 0.20. We reached a value of 0.28. **The KPIs for 2022 were not met.**

For 2023, the value was set again at 0.20.

### LTIFR development

We have been tracking the LTIFR indicator since 2017, and the following chart shows the development trend achieved. It goes without saying that the value is dependent on the number of injuries and hours worked by employees.



## INSPECTIONS AND AUDITS IN THE AREA OF THE ENVIRONMENT AND OHS

We regularly check and evaluate the impact of the Company production process on the environment and OHS. In 2022, no claim or complaint in the area of the environment and OHS was issued against the Company.

From the point of view of legal and other requirements applicable to the Company in the field of the environment, all the sectoral environmental laws and legal regulations are essential for us. First and foremost, it is the Water Act that sets the rules for all those who, for example, discharge wastewater into surface waters. The Waste and Waste Management Act, which applies to absolutely everyone, because everyone is bound to have a surplus at some point that they intend to dispose of. And whether we want to or not, with so much technology and so many employees that we operate and employ, we cannot help producing waste. We use many chemicals and mixtures for our technological operations and processes. The Chemicals and Mixtures Act and the Public Health Protection Act govern the ways we handle, label and dispose of them so that we do not endanger either our employees or the environment. The REACH Regulation (an abbreviation for the chemical policy of the European Union, which is based on its content - registration, evaluation (evaluation), authorisation (authorisation) and restriction of chemicals), which stipulates the obligation to provide consumers with information on the presence of more dangerous substances included in the candidate list and the Act on the Protection of Public Health. An overview of the most important legal requirements is provided in the table below:

In the area of water protection, we carry out inspections of emergency tanks and pipelines twice a year. In May 2019, 5-year review inspections were carried out by an external company, we updated the Non-Classification Protocol in accordance with the Act on Serious Accident Prevention.

In the area of waste management, we set up a waste management system with Recovera Use of resources a.s., which is our comprehensive service provider. This is definitely a step forward for us in this area, as we have thus reached a better and greater use of waste.

**Since the 2021 Environmental Statement for 2021**, an inspection was carried out at OEZ by the Czech Environmental Inspectorate on 5. 10. 2022. The Czech Environmental Inspectorate inspection focused on integrated prevention of industrial landfills Dolní Třešňovec and Písečná I for the period from 1. 1. 2021 to 5. 10. 2022. During the inspection, "no facts were found that the Czech Environmental Inspectorate would consider to be a violation of the Waste Act by the inspected person". No deficiencies were found.

The audits, as well as the established environmental, occupational health and safety, and energy management systems, form the basis for effective control and implementation of OEZ s.r.o.'s quality, environmental, occupational health and safety and energy management policies, objectives and programmes.

Legal requirement	Scope	Relevant in the area
<b>Water Act</b>	Discharging wastewater into surface waters	Plating shop, neutralisation station
	Permit to pump ground water	Remediation work
	Emergency action plan	The entire OEZ company
<b>Waste Act</b>	Waste sorting and disposal	The entire OEZ company
	Placing electric equipment on the market and its take-back	The entire OEZ company
<b>Packaging Act</b>	Placing packaging materials on the market	OEZ production sites
<b>Act on the take-back of electrical equipment</b>	Electrical equipment placed on the market	Sale of OEZ
<b>Chemicals and Mixtures Act</b> <b>REACH Regulation</b> <b>CLP Regulation</b>	Chemical substances and mixtures for the plating shop and neutralisation station	Handling of chemicals and mixtures in the plating shop and neutralisation station
	Chemical substances and mixtures for other manufacturing technologies	Production of MCCBs, ACBs, and MDS
<b>Act on the Prevention of Major Accidents</b>	Emergency plan for hazardous substances spill prepared	The entire OEZ company
<b>Act on the prevention and remediation of environmental damage</b>	Processing of ecological damage risk assessment for individual operations	The entire OEZ company
<b>Act on the protection of the atmosphere</b>	Atmosphere pollution sources – summary operating records, operating records	Listed atmosphere pollution sources
<b>Integrated Prevention Act</b>	Integrated permit	Plating shop – equipment with a plating bath content greater than 30 m <sup>3</sup>
<b>Energy Management Act</b>	Requirements for energy consumption sources	The entire OEZ company
<b>Ozone Layer Depletion Substances Act</b>	Fillings in refrigeration and air conditioning equipment	The entire OEZ company

In the area of chemical substances management, we have made a thorough assessment of the hazardous chemicals and mixtures used to increase awareness and safety in the management of chemicals and mixtures. We have replaced those hazardous chemicals that could be replaced with less hazardous ones and we have also reduced the total number of chemicals and mixtures used in OEZ. We maintain a reduced number of chemical substances and mixtures.

Evaluation of compliance with identified legal and other requirements is ongoing through the implementation of internal audits.

**OEZ has a system for conducting regular internal audits.** At an interval of 3 years, all significant aspects, activities, processes and the implementation and fulfilment of all legal requirements concerning OEZ in the field of EMS, OHS and



EnMS are audited by qualified auditors. The EMS, EnMS and OHS system has been audited according to the developed audit plan based on the audit map, and it is possible to state that it is being implemented according to this plan. A total of 14 integrated IMS audits were planned. 10 internal audits took place within the planned deadlines, 4 audits were carried out in the postponed deadline and 1 audit was postponed due to illness to 2023.

Concerning all the internal audits, 9 findings were defined in the environmental area.

Compliance of the environmental management system with the established criteria of the ISO 14001 and 45001 standards is verified annually by the CQS certification body.

### The following audits were carried out in 2022:

- ▶ Supervisory audit: CQS - ISO 9001, ISO 14001, ISO 45001, ISO 50001
- ▶ Audit of the Environmental Statement, EMAS

The effectiveness of the management system is reflected in the evaluation of the last audit:

*"Throughout the audit, it was demonstrated that the senior management has taken responsibility for the effectiveness of the system and provides evidence of their personal commitment, their proactivity in developing and implementing the system, as well as continual improvement of its effectiveness.*

*Senior management sets out a positive example for other staff in terms of activity, attitudes, competence and decision-making. OEZ s.r.o. is gradually improving its integrated quality, environmental, occupational health and safety and energy management system.*

*The system is fully implemented and has high support from top and middle management staff and is fully accepted by employees. The relevant mandatory records confirm this fact. Mandatory requirements are complied with, changes in legislation are included in the register of legal requirements and implemented and complied with in a planned manner."*

### An overall summary has been provided by the auditors in the **2021 Environmental Statement Audit Report:**

*"The Environmental Statement incorporates the requirements of Regulation (EC) No. 1221/2009 of the European Parliament and of the Council as amended by Commission Regulation (EU) 1505/2017, including the identification of key performance indicators that are relevant to the evaluation profile and the identification of indirect aspects that are, however, of a minimum impact in terms of the Company's activities.*

*The Company monitors these indicators on a long-term basis, which means that the statement already demonstrates the evolution of these indicators over time.*

*OEZ s.r.o. maintains its environmental management system at a very high level, not only practically, but also in terms of maintaining and updating its key documents (registers of aspects, registers of legal requirements, operating rules, etc.). Communication with regional institutions and the public is also very good. New operation activities in Bruntál were launched in 2019. "*



## EVALUATION OF THE COMPANY IMPACT ON THE ENVIRONMENT

Throughout its existence dating back to 1994, OEZ has devoted considerable attention to environmental issues. Significant activities in this area are represented firstly by the reduction of airborne emissions ensured by the transition from a coal boiler room to a gas one (use of gas burners with higher combustion efficiency), followed by the building of local heating stations without heat losses during distribution and also by installation of extracting devices with emission-free filters for the areas around grinding machines. Another energy-saving achievement has been the building of small boiler plants directly next to the heated buildings, and the installation of hot air and gas engines, and the purchase of equipment with low-energy demands. We are thus able to minimise heat loss, which saves resources not only for our sake, but for mankind as a whole. Last year, we installed heat pumps in some places. In addition, the replacement and doubling of gates and doors in our long and wide corridors has significantly saved energy and heating costs. Even when a high-lift truck is in operation, at least one of the gates is always closed.

Due to the volume of the metal-plating baths, the plating shop is a significant listed air pollution source. Moreover, due to its high consumption of dangerous substances and production of hazardous waste, it is at the same time a location that places a heavy burden on the environment. Therefore, optimisation of the volume of the galvanic baths is always performed when building new plating lines, resulting in a reduction in the consumption of unsafe substances, the production of hazardous waste and the demands on energy consumption due to equipment. Thanks to this

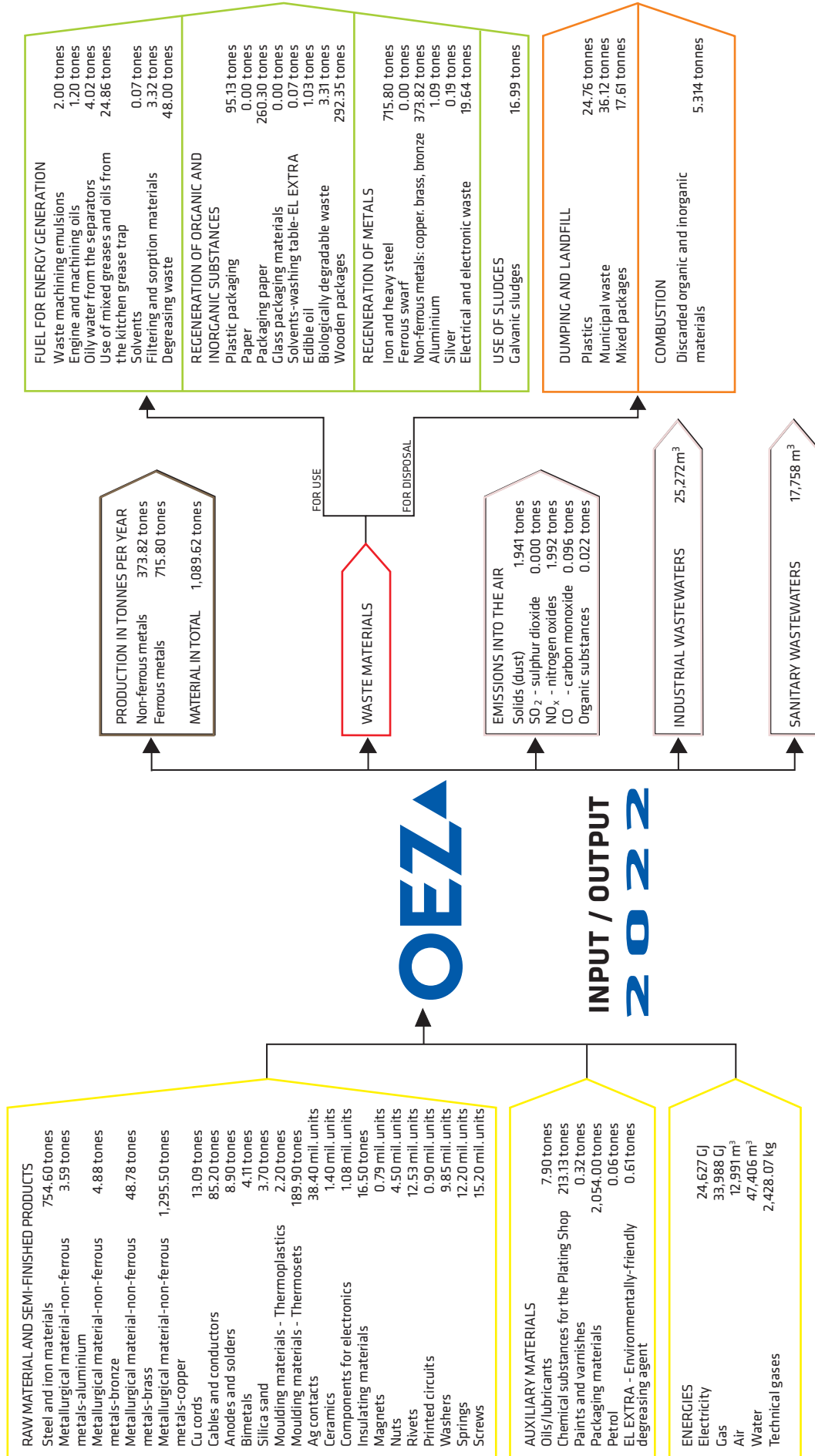
approach, volume reduction and the implementation of new technologies will always reduce the risk of emergency situations and the possibility of leakage of such substances. Continual optimisation of technologies for the surface treatment of metals also decreases the volume of wastewater in relation to the metal-plated area, the consumption of raw materials/chemicals. Another integral aspect of our policy involves maintaining the wastewater treatment technology at a permanently high level, to ensure that the prescribed limits are complied with (e.g., oily water disposal by means of ultra-filtration), usage of water-free technologies, replacement of burning in a mixture of acids by blasting. The introduction of this technology has led to a significant reduction in the content of nitrates in wastewater. The blasting technology can be used for suspended parts and even for minute parts that are subsequently metal-plated in bulk.

As the plating shop is a plant for the surface treatment of metals with a volume of metal-plating baths higher than 30 m<sup>3</sup>, it must comply with the requirements of the Act on Integrated Prevention and Reduction of Pollution, and the issuing of the Integrated Permission is also required. The Permission specifies not only the limits for wastewater discharge, but also limits for emissions into the air and waste production.

From the above, it is evident that OEZ spends considerable funds and effort on environmental prevention and protection. And the results of these efforts are perceived not only by the Company's employees, but by the general public as well.



# BALANCE SCHEME OF THE BASIC INPUTS AND OUTPUTS FOR 2022



**DECLARATION ON ENVIRONMENTAL VERIFIER'S ACTIVITIES**

**Environmental verifier:** Elektrotechnický zkušební ústav, s.p.  
(Electrotechnical Testing Institute, state-owned enterprise)

**Registration number of the EMAS environmental verifier:** CZ-V-5003

**accredited for the area (NACE Code):**..... C 27.12, C 27.33, C 27.9, C 25.73

**declares to have verified that the site or the entire organisation as indicated in the Environmental Statement for 2022**

..... Date: 1 March 2023

**with the registration number:** CZ – 17

**meets all the requirements of Regulation (EC) No. 1221/2009 of the European Parliament and of the Council of 25. 11. 2009 on the voluntary participation of organisations in an environmental management and audit scheme (EMAS).**

**By signing this declaration, I declare that**

- the verification and validation have been carried out in full compliance with the requirements of Regulation (EC) No. 1221/2009,
- the outcomes of the verification and validation confirm that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information given in the Environmental Statement of the organisation provide a reliable, credible and accurate view of all the organisation's activities within the scope mentioned in the Environmental Statement.

This document is not a substitutive document for EMAS registration. EMAS registration can only be issued by a competent body in accordance with Regulation (EC) No. 1221/2009. This document shall not be used as stand-alone information for communication to the public.

In Prague ..... on 28. 5. 2023 .....

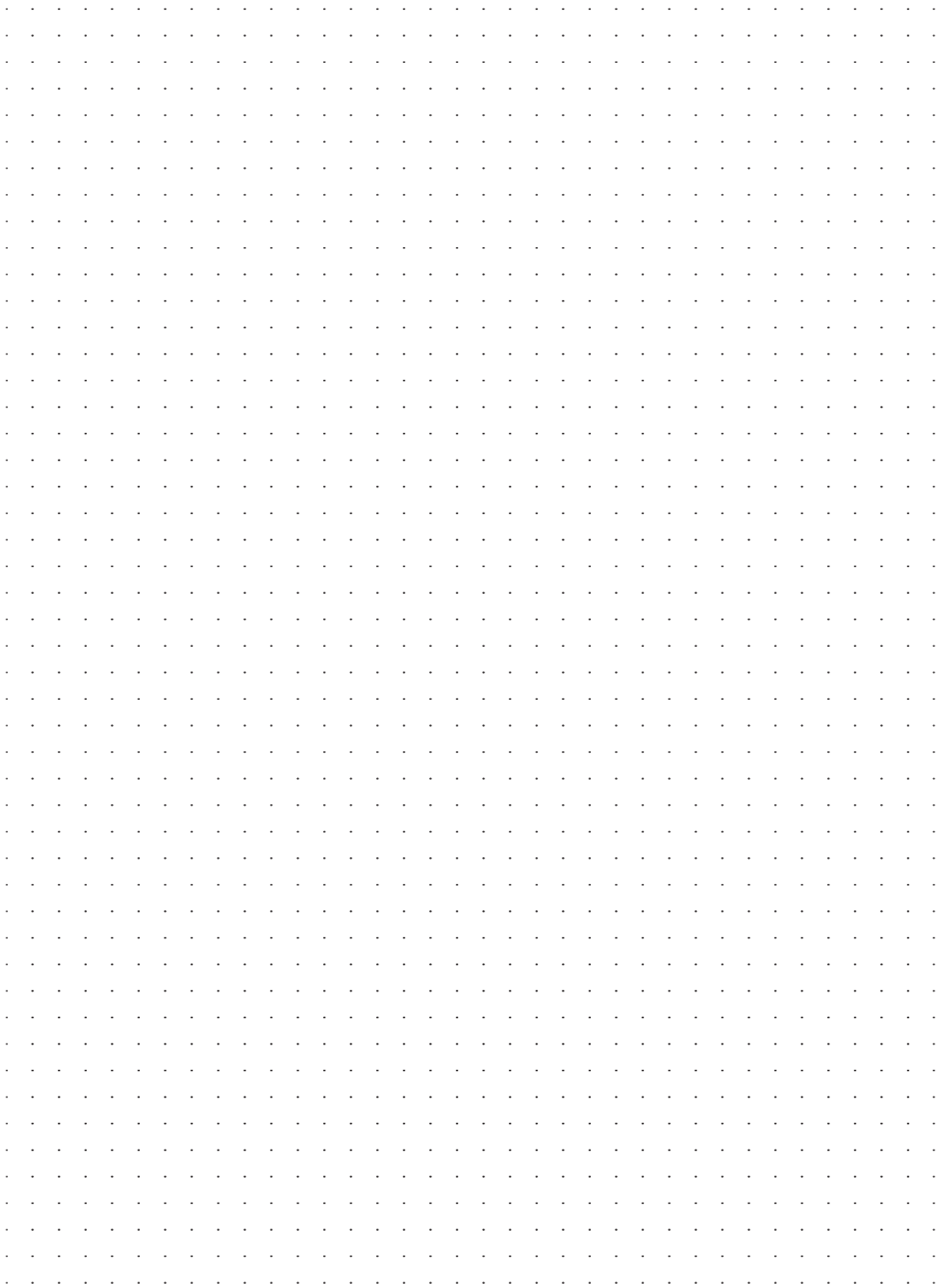
Signature:

  
**Ing. Radek Teufl**



A large grid of dotted lines for taking notes, consisting of approximately 25 columns and 40 rows of small dots.

---



OEZ s.r.o.  
Šedivská 339  
561 51 Letohrad  
Czech Republic

E [oeztrade.cz@oez.com](mailto:oeztrade.cz@oez.com)  
T +420 465 672 111  
W [www.oez.com](http://www.oez.com)

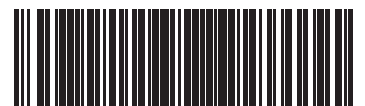




Any changes reserved

[www.oez.com](http://www.oez.com)

**OEZ** Modern technology  
and a personal approach. Of course.



ZP01-2023-EN