METAL TRADE COMAX, a.s.

Sustainability report 2023

CONTENT

FOREWORD 2

METAL TRADE COMAX, a.s. 3

PRINCIPLES FOR COMPILING A SUSTAINABILITY REPORT 4

MATERIALITY ASSESSMENT 5

ENVIRONMENTAL 7

E1 Climate change 9

E2 Pollution 13

E3 Biodiversity and diversity 13

E4 Biologická rozmanitost a diverzita 14

E5 Resource use and circular economy 14

SOCIAL 17

S1 Own employees 18

S2 Workers in the value chain 23

S3 Affected Communities 23

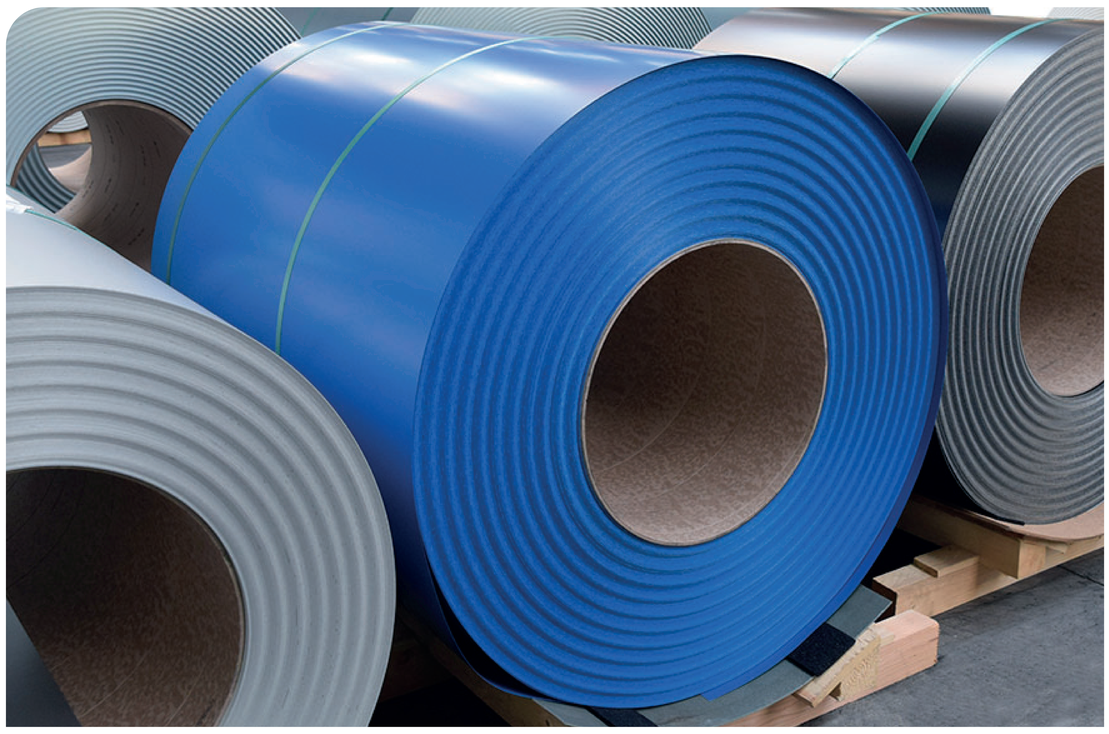
S4 Customers and end users 23

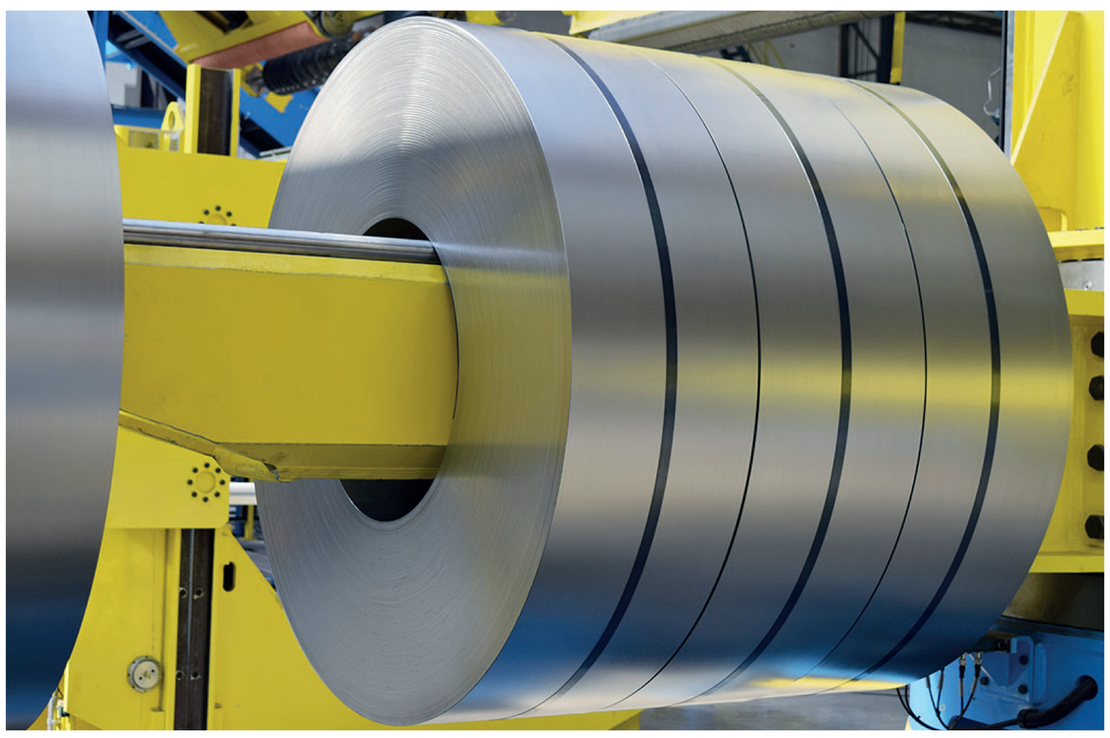
GOVERNANCE 24

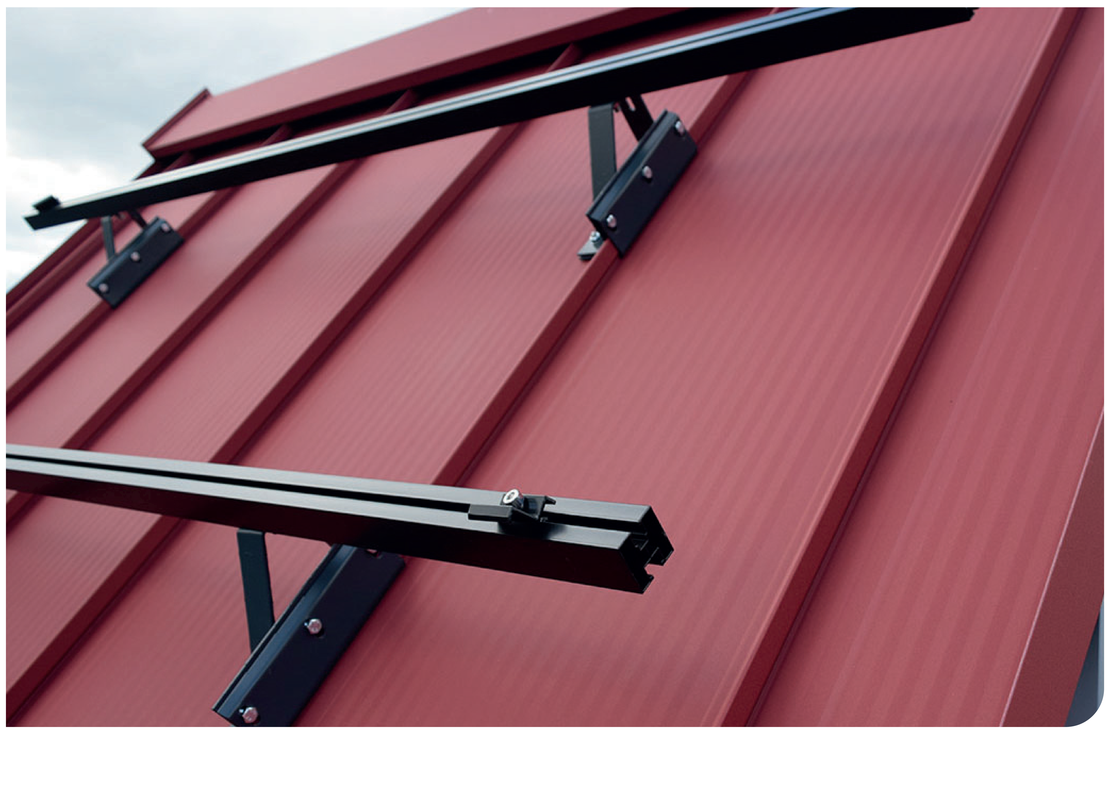
G1 Corporate governance, risk management and internal control 25

ANNEX 1 30

Decarbonization plan 30







FOREWORD

Dear readers,

I am delighted to welcome you to the introduction of this ESG report.

As a director of our company, METAL TRADE COMAX, a.s., it is my honor and pleasure to present to you our efforts and commitment to environmental, social and corporate governance responsibility.

Today, there is an increasing emphasis on how businesses contribute to a sustainable future. I am proud that our company recognizes the importance of ESG factors and is actively addressing them. Our commitments are not limited to words but are part of our everyday business.

This comprehensive report provides an overview of our achievements, our goals and the actions we are taking to achieve high standards in environmental, workplace and social performance. It aims not only to inform, but also to inspire and create room for further innovation and improvement.

In compiling this report, we have looked for ways to better adapt not only to today's challenges, but also to those of the future. We are committed to reducing our environmental footprint, increasing the diversity and inclusiveness of our teams and building strong relationships with our customers, not just being their supplier but also their partner in achieving their own goals.

This ESG report is not only a statement of our success to date, but also our company's commitment to continuous improvement. We understand that the road to sustainability and responsibility is a long one, but we are committed to doing everything we can to become a leading example in ESG.

Thank you for your support and interest in this ESG report. I believe that by working together we will achieve meaningful and significant change and create a world in which we can live and prosper with a sense of having contributed to a sustainable future.

Sincerely,

Ing. Lukáš Hanus
CEO

METAL TRADE COMAX, a.s.

The company METAL TRADE COMAX, a.s. (hereinafter also MTC) is a Czech company with a long history dating back to 1938, at that time as Dr. Werthaim's Works, operating in the Central Bohemian royal town of Velvary. Today it is a company engaged in the treatment and coating of metal strips (coil-coating), cutting metal strips into strips and sheets, production of roofing and corresponding components and production of profiles.

(Headquarters and main production plant)

At the same time, since its foundation, it has expanded from Velvary into several subsidiaries operating in the Czech Republic, Slovakia, the UK and Germany with an extensive network of customers across Europe. In 2023, metallurgical operations were spun off into a new company called OETINGER CZ s.r.o..

Despite this, the heart of the company remains in the Central Bohemian town of Velvary, where MTC employs many residents and ensures prosperity and good relations with the local population.

METAL TRADE COMAX, a. s., is a company that is aware of its responsibility towards people and the environment. MTC operates technologies with relatively high energy consumption. The considerate treatment of human capabilities and the natural resource of this world is an important challenge for us. Therefore, MTC focuses on the use of technologies and production methods that ensure this respectful treatment of people and energy. One of the company's strategic goals is to become an environmentally and energy friendly industrial enterprise. The means are an integrated company policy, the introduction of an energy management system and the setting of definable targets. MTC's management proclaims MTC's commitment to reducing energy consumption, with a conscious responsibility and with the aim of making both the company's employees and the public aware of MTC's very concrete efforts to address energy consumption and environmental protection as a core priority and value of the company.

MTC's policy in all areas of company management and activities is based on the long-term application of legal obligations, compliance with regulations and requirements of the relevant government authorities.

We work in accordance with the Integrated Prevention Act No. 76/2002 Coll. within the legislative framework of the European Union's laws and regulations on industrial emissions Industrial Emissions Directive 2010/75/EU (IED). Environmental protection is an integral part of our corporate policy - since 2005 we have been certified according to ISO 14001 Environmental management.

The Environmental Management System (EMS) follows the requirements of the ISO 14001 management system standard. Within the EMS we identify environmental risks, create conditions for their prevention and elimination.

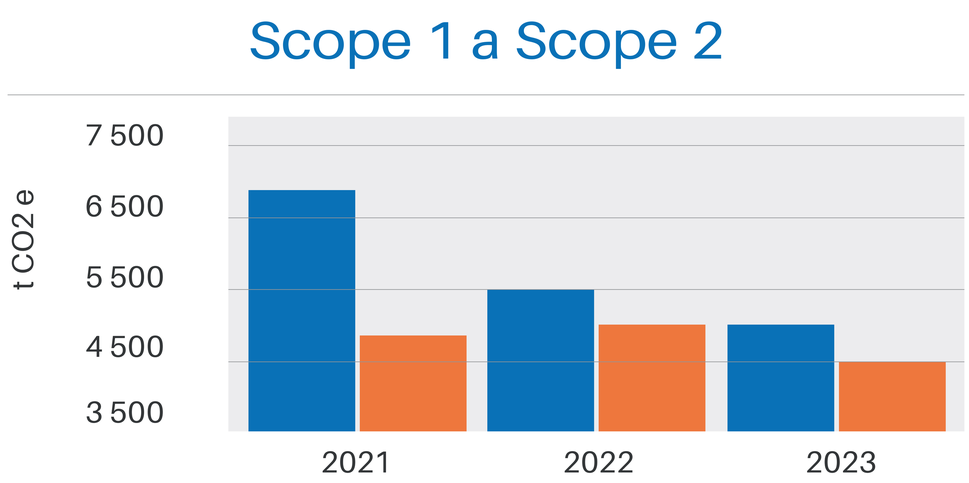
We promote an integrated management system approach. We work in accordance with the principles and rules applied by the Quality Management System (ISO 9001). In addition, the Occupational Health and Safety Management System ISO 45001 and the Energy Management System ISO 50001 are implemented in our management system.

Principles for compiling a sustainability report

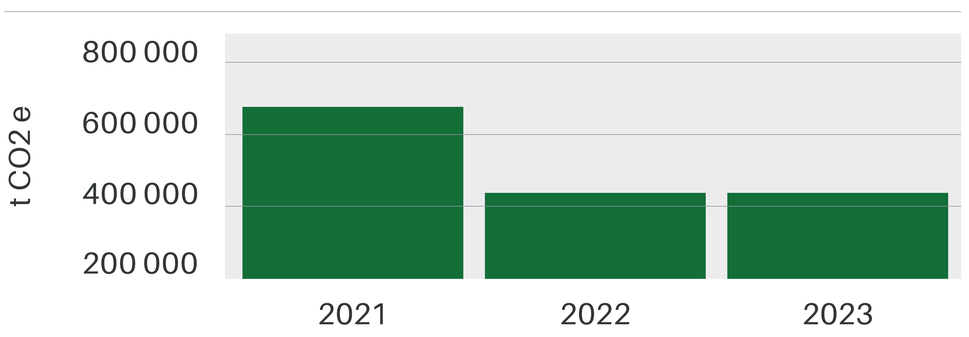
We report this report for METAL TRADE COMAX, a.s., but full data for 2023 was not available for some subsidiaries. In subsequent years, we will work to collect data as widely as possible within the CSRD.

For ESG reporting, a working group consisting of the heads of the respective departments and senior management has been set up for the widest possible range of views and insight. It is important that ESG permeates the entire company, and this link makes this possible. In this way, we obtained the views of experts and addressed possible improvements and strategies with them.

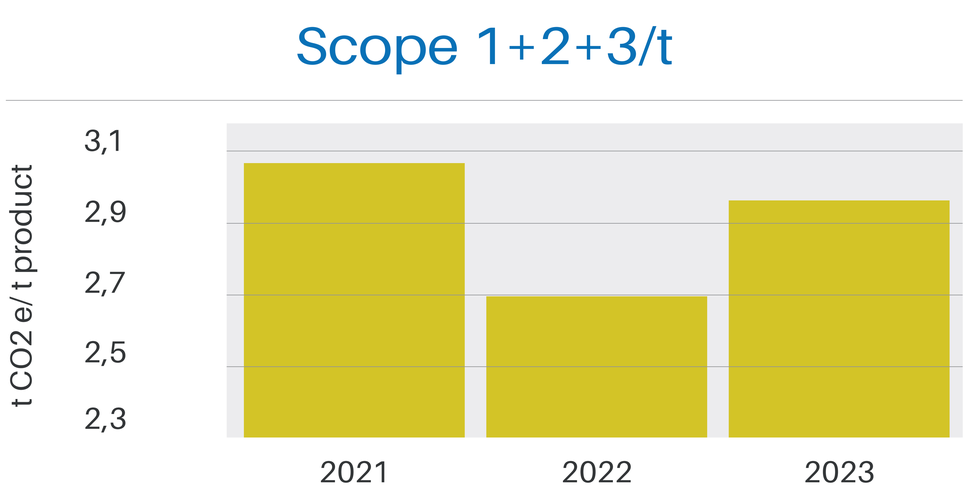
As we are aware of the significant contribution our company makes to the overall carbon footprint, we have decided to track the company's carbon footprint in Scope 1 and 2 as early as 2019. And from 2021 onwards, we have extended the calculation of the company's carbon footprint to Scope 3 and are tracking the trend in all three areas



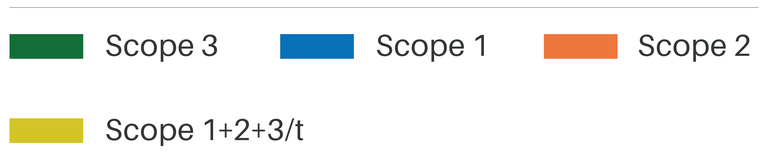
(Figure Evolution of the carbon footprint of the company in Scope1 and Scope2 from 2021 to 2023)



(Figure Development of the carbon footprint of the company in the Scope3 area from 2021 to 2023)



(Figure Development of the carbon footprint of a company per ton of product from 2021 to 2023)



The trend chart shows that the largest share of the company's carbon footprint is accounted for by the input material for production. Specifically, steel and aluminum coils (strip), which are used in all production processes. Both materials are purchased from reputable companies that have a long history of sustainability. Most of our suppliers come from the EU and some from Turkey. By carefully selecting our suppliers we try to minimize the risks arising from transport from distant countries and from different legislation in non-EU countries.

As part of these findings, we have developed a Decarbonization Plan, which is attached to this report as Appendix 1. (page 30)

Materiality assessment

For 2023, we have developed a sustainability materiality assessment to meet the requirements of the European Sustainability Reporting Standards (ESRS), which are contained in Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU as regards sustainability reporting standards.

The objective of this assessment was to identify topics of importance to the company, in accordance with ESRS1, Annex A (AR16). Their sustainability impacts, risks and opportunities in the context of the company's operations and value chain. A sustainability issue is material in terms of impact if it relates to the actual or potentially significant (positive or negative) impact of the company on people or the environment in the short, medium or long term.

The process of assessing dual significance consists of three stages:

Phase 1: Preparation of the background (identification of relevant topics and sub-topics according to ESRS1, Annex A, AR16)

Phase 2: Dual materiality assessment with stakeholders, including our ESG working group mentioned above (impact and financial materiality assessment)

Phase 3: Identification of significant sustainability themes.

During this assessment, a shortlist of defined themes was selected, and these were further analyzed in more detail regarding both society and sustainability. This ESG working group discussed the selected themes and their broad perspective enabled them to evaluate important topics and identify strategies for continuous improvement.

Table Summary of material topics.

Topic	Impact				Risk			Opportunity		
	Intensity	Scope	Correctability	∑	Probability	Fin. impact	∑	Probability	Fin. impact	∑
E1 - Climate change				X			X			X
E2 - Pollution				X			X			X
E3 - Water and marine resources				X			X			X
E4 - Biodiversity and ecosystems										
E5 - Resource use and circular economy				X			X			X
S1 - Own workforce				X			X			X
S2 - Workers in the value chain										
S3 - Affected communities				X			X			X
S4 - Consumers and end-users										
G1 - Governance, risk management and internal control				X						X

As part of the identification of materiality themes for our company, we assessed materiality themes after discussions with our working group and concluded that all the themes identified by the CSRD are material to us except biodiversity and ecosystems (E4), workers in the value chain (S2) and consumers and end users (S4). This dialogue also resulted in several strategies for the themes that can be subsequently developed in process improvement and innovation. The materiality will be reviewed annually to ensure that we truly capture all relevant themes and areas of our influence.

We have found that due to the location of our production facilities, we do not negatively impact biodiversity and ecosystems (E4), and when expanding we try to make the most of the existing areas and not encroach on the surrounding landscape. To reduce our dependence on purchased electricity, we have decided to build photovoltaic plants on the roofs of existing buildings, which also provides a large area for the creation of solar power plants without burdening the landscape.

Another theme that was not evaluated as material is the theme S2 Workers in the value chain. Our largest suppliers are companies that already report and behave responsibly, and we do not have a direct impact on their employees. All our suppliers as well as our customers are familiar with our Code of Conduct and have an obligation to follow it. We conduct audits of our suppliers.

Since our company is a manufacturer of materials that are purchased in most cases for further processing, we evaluated the S4 Consumers and end customers' theme as non-material.

To evaluate the materiality of the selected themes we decided to evaluate their impacts, risks and opportunities on a scale of 1 to 3, broken down see Table 1 and Table 2.

Temporal categorization - short term, medium term 2030, long term 2050 compared to 2021, 2022 and 2023

We assessed the selected themes in terms of intensity and magnitude of impact see Table 1.

Table Impact analysis evaluation

Intensity	**Scope (market share)**	**Reparability**
1 Negligible – no one perceives it negatively	1 0-1 %	0 Correctable
2 Perceptible, but within legal limits	2 1-10 %	1 Irreparable
3 Exceeding limits common in the EU	3 10-100 %	

For the impact analysis, a topic was rated as material if the sum of the scores was 4 or more.

Table Risk and Opportunity Assessment

Probability	**Financial impact**
1 The situation is unlikely to occur	1 0-1 %
2 The situation is more likely to occur	2 1-10 %
3 The situation is almost certain to occur	3 10-100 %

For the risk and opportunity analysis, a topic was rated as material if the product of the scores was 4 or more.

ENVIRONMENTAL

Making a positive contribution to the climate and the environment has been an integral part of our corporate strategy and policy since 2005 when we were certified to ISO 14001 Environmental Management. MTC's activities comply with the Industrial Emissions Directive 2010/75/EU (IED).

METAL TRADE COMAX, a.s. HAS IDENTIFIED SEVEN SUSTAINABILITY-RELATED AREAS FOR WHICH IT HAS DEFINED SPECIFIC TARGETS:

1. We aim to reduce greenhouse gas emissions through investment and technology innovation.
2. We want to achieve a gradual transition to clean energy sources.
3. Optimizing the waste management system, recycling.
4. Managing our water consumption and ecological recycling, efficient water use.
5. Focusing on input materials. Moving towards environmentally friendly materials with a low carbon footprint.
6. Maintaining a safe and healthy workspace.
7. Caring for our employees and their opportunities for personal and professional development.

These objectives have been set in line with the UN Sustainable Development Goals.

WE PLAN TO ACHIEVE THESE GOALS THROUGH THE FOLLOWING STEPS:

Transitioning to clean energy by analyzing green energy purchasing options; in particular for electricity, we will focus on increasing the share of low and zero carbon electricity.

Investment in new technologies in upcoming projects offers further room for improvement. For example, investment in the construction of a new coil-coating line.

We intend to reduce our energy dependence by using renewable sources by installing photovoltaic panels on the roofs of existing buildings. Since last year, preparations have been underway to install 2.6 MWh.

A project to use waste heat from the production facilities to heat the administration building and the sanitary facilities has now been implemented. The reduced consumption of natural gas in the boiler rooms of these buildings was replaced by the waste heat supply and amounted to 30%.

Another cost-saving measure is the installation of LED lighting sources in the Service Centre's lobby in place of the old lighting sources, which will save 8% on lighting in these areas. Subsequently, it is planned to replace the light sources in other premises as well.

The environmental impact of our company's production programs is quite significant, which is why we are already using environmentally friendly technologies in our operations that are in line with the circular economy.

Because we know that the company's carbon footprint is significant, we are also working to reduce it within our sub-processes, and in 2023 we tested electric vehicles as a possible alternative to the internal combustion engines commonly used in our fleet.

We are optimizing our raw material input by intensifying our supply chain cooperation with carbon-neutral and responsible manufacturers in the circular economy.

We tested the use of steel with a lower carbon footprint, so-called green steel. The use of this material could lead to a significant reduction in the carbon footprint of our products, but at a higher cost for the material purchased. Therefore, it depends mainly on customer demand for this product.

The data obtained was evaluated using a carbon calculator using the GHG protocol methodology. Unfortunately, not all the required data is currently available, but we are trying to collect the data as accurately as possible in the coming years and automate the data collection as much as possible for easy and accurate collection.

E1 Climate change

MTC's current environmental policy is based on the long-term application of legal obligations. We operate in accordance with the Integrated Prevention Act No. 76/2002 within the legislative framework of the European Union's Industrial Emissions Directive 2010/75/EU (IED) laws and regulations. Environmental management and protection according to the ISO 14001 international standard provides for the effective implementation of environmental aspects in systems, activities and products. It enables the reduction of environmental impacts associated with the company's operations.

The most environmentally and energy intensive operation of all our production facilities is the production of painted material on the coil-coating line. This is where coatings are applied to the metal strip and then fired at high temperatures. This technology is widespread worldwide, although in the Czech Republic we are the only company using it. During the application of the coating system on the metal substrate and its subsequent firing, combustion gases are eliminated by recuperation of diluent fumes. This prevents hydrocarbons from escaping into the air. The energy recovered is used in the production process for the firing of the paints, for heating the rinse water and for heating the production area. Innovations in the production process make use of the latest available techniques for the highest possible efficiency and quality of processing.

For our products from the coil-coating line operation, we have prepared an LCA (Life Cycle Assessment) study according to the rules of the international EPD system for the product category EPD-PCR - Building Products. The output of this study is the development of an EPD (Environmental Product Declaration) for the coil-coating material in accordance with ISO 14025:2006 and EN 15804:2015+A2:2019. The LCA and EPD studies are based on a cradle to gate system boundary with the inclusion of an end of life cycle phase and the potential for reuse and recycling. These documents can be found in the database www.environdec.com. We are now producing a 2023 EPD study for our molded products (profiles). This information is increasingly requested by our customers when they enquire about the material.

The first studies for Scope 1 to 3 have been developed based on the data collection for 2021. This will be the baseline data for the evaluation of the environmental impact of products when introducing new technologies or optimizing resources.

Below are the values obtained according to the GHG protocol.

In previous years we used electricity and gas according to the energy mix of the Czech Republic. We have not yet purchased green energy with a lower carbon footprint. This option would lead to some reduction in the company's carbon footprint. We have focused on building photovoltaic plants on the roofs of existing buildings and using the energy from them.

Table Energy consumption E1-5

	Amount (MWh)	**Share (%)**
Fossil energy consumption	3 207,0	55,1
Energy consumption from nuclear sources	2 617,2	44,9
Energy consumption from renewable sources	–	0,0
Total energy consumption	5 824,2	100

Table Energy mix E1-5

	MWh
Fossil resources	3 207,0
Coal and coal products	–
Petroleum and petroleum products	3 207,0
Natural gas	20 141,0
Other fossil resources	–
Purchased electricity, heat, steam and cold	–
Nuclear resources	2 617,2
Renewable resources	–
Renewable fuels	–
Purchased electricity, heat, steam and cooling from RES	–
Own produced energy from RES	–

Table Energy performance

	Consumption (MWh)	Per unit
By turnover	1,0154	mil. CZK

Greenhouse gas emissions E1-6

The base year for tracking greenhouse gas emissions is 2021. From this year we derive the evolution of our company's carbon footprint.

Table Total greenhouse gas emissions

	Basic year (t CO2e)	Previous reporting period (t CO2e)	Reporting period (t CO2e)
Scope 1	6 776	5516	4 947
Scope 2 market	4 935	5003	4 564
Scope 2 location	4 552	4615	4 206
Scope 3	670 560	456 491	467 274
Total market emissions	682 271	467 010	476 785
Total emissions location	681 888	466 622	476 427

Table Emissions outside Scope 1, 2, 3

	t CO2e
Biogenic CO2 direct emissions	0
Biogenic CO2 indirect emissions from energy input	Unavailable
Biogenic CO2 emissions indirect other	Unavailable

Table Emission Scope 3

	t CO2e
Purchased goods and services	461 415
Capital assets	81
Fuel and energy activities not included in Scope 1&2	1 808
Transport to the company and distribution	3 939
Waste generated	30
Total	467 274

Table Emissions value chain

	t CO2e
Direct emissions of the company	4 947
Purchased energy	4 564
Supply chain	463 334
Indirect transport	3 939

Information on the amount of CO2 emissions was obtained using a carbon calculator that evaluated the input data according to the GHG protocol. We currently have limited data but are working to improve and if possible, automate all data collection. Our suppliers are also working on reporting their carbon footprint and this is resulting in a few new EPDs and more accurate data for our carbon footprint as we can enter accurate data instead of data obtained from a database. Unfortunately, EPDs are now not available for newly purchased technologies and equipment, so they have not been included in the carbon footprint calculation.

SIGNIFICANT CHANGES FROM THE PREVIOUS PERIOD:

- Purchase of production technology for more efficient production of profiles.
- Testing and application of new coatings on the coil-coating line. Response to legislative requirement (replacement of PVdF).
- Preparation for the application of solar panels.

EVALUATION OF CATEGORIES AS IRRELEVANT:

- Refrigerants - are only used in air conditioning in cars and in some spaces. Their quantity is not significant, but in the future, we would like to obtain this data as well to make the company's carbon footprint as comprehensive as possible.
- Technological emissions - our technological emissions are not greenhouse gases and are therefore not reported within the carbon footprint but are reported in the report in section E2 Pollution, Pollutant Emissions. All emissions are within legal limits.
- Heat abstraction - we use gas for heating and waste heat from the manufacturing process. Gas consumption is already accounted for in energy consumption.
- Purchase of data services
- Use of products and services - our products do not consume electricity, so have not been included in the requirements for the carbon calculator calculations.

Table Change in emissions to base year

	Change (%)
Scope 1	-27,0
Scope 2 market	-7,5
Scope 2 location	-7,6
Scope	-30,3
Total market emissions	-30,1
Total emissions location	-30,1

Offsets E1-7

We did not purchase offsets or emission allowances in 2023 or prior years.

E2 Pollution

Pollutant emissions E2-4

As part of the legislative obligation, regular emission control measurements are carried out at our production facilities. These data are reported to the ISPOP of the Ministry of the Environment. For the year 2023, a GWP of 159.3 kg/year has been reported.

Table Pollutants

Name of the substance	Amount (kg)	Type of emissions	Method of determination
Total organic carbon (TOC) (as total C or COD/3)	790,8	Air	Regular measurements
Carbon monoxide (CO), 630-08-0	7 795,5	Air	Regular measurements
Oxides of nitrogen (NOx/NO2)	3 000,9	Air	Regular measurements
Sulphur oxides (SOx/SO2)	15	Air	Regular measurements

E3 Water and marine resources

As mentioned above, water is a very essential component in the operation of production. In fact, it is used in the production process itself, mainly for cooling and rinsing, into which it enters after prior treatment to the required values of conductivity and hardness necessary for their use. This water is treated to the required value before entering the sewerage system. Continuous investment in this process results in better water recovery and more efficient removal of waste substances from the water. In January 2023, an investment was made in the automation of the neutralization plant (wastewater treatment), which allows for a reduction in the number of operators from five to three and a more efficient process.

Water consumption E3-4

Table Water consumption

	Amount (m^3)
Total water intake	22 353
Water supply line	22 353
Surface water	0
Groundwater	0
Total water discharge	22 353
Sewage	22 353
Discharged to the environment	0
Discharged to third parties	0
Total water consumption	22 353

E4 Biodiversity and diversity

We have not assessed this topic as material to us during the dual materiality assessment as we have no significant impacts, risks or opportunities. As mentioned above, we have determined that we do not have a negative impact on biodiversity and ecosystems (E4) due to the location of our manufacturing facilities and we seek to maximize the use of existing areas and not encroach on the surrounding landscape when expanding. To reduce our dependence on purchased electricity, we have chosen to build photovoltaic plants on the roofs of existing buildings, thus making use of a large area for the creation of solar power plants without burdening the landscape.

E5 Resource use and circular economy

With a significant volume of materials and raw materials purchased and products sold, packaging and packaging materials are an important issue for us. Packaging and individual packaging components are recorded in the system and materials are reused or at least better recycled. A number of customers have special requirements for the packaging of products for further processing in their companies. These requirements are consistently observed and processed in a systematic way.

Some time ago, we decided to replace some of the materials purchased in 200 l metal drums with IBC containers. This meant a reduction in transport costs and the possibility of selling the containers to a specialist company for cleaning and reuse. IBC containers have a capacity of 1000 liters and are transported on one pallet, whereas the same amount of material in 200 liters metal drums needs a pallet and a quarter.

As part of the operation, we also recycle 100% of the diluents. The contaminated diluent is reclaimed by vacuum distillation and the clean diluent is returned to production. As part of our efforts to make the best use of waste, we plan to approach CYRKL Zdrojová Platforma, s.r.o. to expand our expertise in waste management and improve the circular economy of our business.

We are aware of the significant amount of recycled waste that comes from packaging materials. That's why we are launching a more efficient system for recording and managing packaging materials, which will help us to better separate packaging waste and then recycle it more efficiently. Within the company, we are working on sorting and reusing packaging and components. Due to the amount of raw materials and our own products, the circular economy is a significant issue for us.

Entrances to the company E5-4

We are a manufacturing company and therefore the main input to our carbon footprint is the input material we process. The largest amount of material is aluminum and steel coil, which is further processed by painting, cutting and profiling. These products are destined for further processing. Our contribution to the overall carbon footprint of the product is minimal compared to the carbon footprint, but we are addressing that as well. We have chosen to reduce our reliance on purchased energy by building solar power plants on the roofs of our buildings, as well as upgrading our production facilities and making other small improvements that enhance the manufacturing environment.

Table Total material inputs

	Total quantity (kg)	**Of which recycled material (kg)**	**Percentage of recycled material (%)**
Total	166 516 761	29 400 414,33	18

Table Main material inputs

	Total amount (kg)	Of which recycled material (kg)	Percentage of recycled material (%)
Paper	87 992	87 992	100
Cardboard	18 504	18 504	100
Plastics	38 500	–	–
Steel coil	155 618 309	26 455 112,53	17
Aluminium coil	9 462 686	2 838 805,8	30
Coatings	1 181 748	0	–
Foils	27 624	0	–
Bonderite	54 748	0	–
Thinner C 6000	26 650	0	–

Outputs from the company E5-5

The life of the product depends on the specific alloy and surface finish. According to the customer's requirements, the best option for the application is found depending on the conditions of use.
An inappropriate choice of material can significantly reduce product life. For coating material, it is possible to repair local damage with a repair coating. However, the application should be made as soon as possible after the damage has occurred to prevent corrosion of the material associated with loss of adhesion.

Our other products are not susceptible to damage that would reduce their service life. Should major damage occur, the product will need to be replaced.

Product repairability - Our products do not have an EU repairability score. In most cases, the material is intended for further processing. No special spare parts, tools or unusual procedures are required to repair the products we supply, and we do not restrict repairability in any way.

Table Product lifetime

Products	Unit lifetime	Company product lifetime	Sector average
Painted aluminum coil	years	–	Unavailable
Painted steel coil	years	–	Unavailable
Steel profile	years	–	Unavailable
Aluminium strip /tabs	years	–	Unavailable
Steel tape/tab	years	–	Unavailable
PUR/PA coated aluminum roofing (55micron)	years	75	Unavailable
PUR/PA coated steel roofing (55micron)	years	40	Unavailable

Table Recyclability of product

Products	Percentage of recyclability (%)
Aluminum sheet	100
Steel sheet	100

Some packaging that can be reused without compromising the quality of the product is reused after agreement with customers. These include, for example, wooden pallets or iron crates.

Table Recyclability of packaging

Products	Percentage of recyclability (%)
Plastic tape	100
Steel tape	100
Wooden pallet	100

Waste E5-5

Due to the number of materials we purchase, packaging that comes with inputs is an important issue for us. Since one of the inputs to the carbon footprint is the waste that comes from these inputs, we try to manage them as best as possible and see if they could be recycled with better sorting or otherwise used. Our suppliers are also thinking along these lines, and they are changing the packaging regulations for their products (e.g. steel and aluminum strip) and trying to package them more environmentally friendly to generate as little incoming waste as possible but still maintain the protection and quality of the product that is essential for everyone. If the quality of the goods delivered is compromised, other packaging options should be sought.

Another high-volume input material is paint, where we also try to minimize incoming waste. The material is normally supplied in 200 liters steel drums with plastic liners, which are then disposed of, but the drum remains clean so it can be reused. These drums can be purchased by employees for further use. The IBCs are handed over for cleaning and further filling.

Table Waste

	Hazardous (kg)	Other (kg)	Total (kg)	Value (%)
Total waste generated	242 905	1 125 082	1 367 987	100
Retrieved	242 905	1 100 774	1 343 679	98
Preparation for reuse	–	–	–	0
Recycling	–	1 100 774	1 100 774	80
Other recovery	242 905	–	242 905	18
Retrieved for disposal	–	24 308	24 308	2
Incineration	–	–	–	0
Landfill	–	17 149	17 149	1
Unknown disposal method	–	7 159	7 159	1

SOCIAL

S1 Own employees

MTC strives to create attractive jobs in a safe and healthy environment. We provide access to personal and professional development for all employees and support open and respectful communication within the company.

We are bound by the Constitution of the Czech Republic and the Charter of Fundamental Rights and Freedoms, which prohibits discrimination on the basis of sex, race, skin color, language, faith and religion, political or other opinion, national or social origin, membership of a national or ethnic minority, property, birth or other status, prohibits forced labor and establishes the right of employees to fair remuneration for work and satisfactory working conditions.

It is important to take care of employees and their safety. The company and the applied occupational safety procedures and principles are certified according to ISO 45001. All employees are regularly trained and educated in the field of occupational health and safety, and we try to motivate them to comply with these rules. We try to develop the level of qualifications of employees through thematic training focused on specific needs.

Good relationships create a better working environment. That's why we organize corporate events and teambuilding several times a year to strengthen our relationships. These are sports or cultural events so that everyone can choose according to their taste. Teambuilding is always within the department to bring together the closest team and these events are always very positively evaluated by employees.

To improve the social environment in connection with the environment, we planted 150 trees behind the newly built hall for preparing input materials for metallurgical operation. We know that it is important to take care not only of the current situation, but also to think about the future, and trees are the right step towards the future and have a positive impact on the environment.

Because employees are important to us, we try to take care of them with the utmost care and their opinion is very important to us. Once a year, an evaluation questionnaire is filled out, both by the employee and the employer, so that the employee knows what his superior sees as potential for improvement and what has changed over the year. And also so that the employer knows the employee's opinion. Employees also know that they can contact their superiors with suggestions and questions at any time during the year and constructive comments are always welcome, as well as any problems that the employer always wants to solve as best as possible.

Number of employees, types of work hours S1-6

Among technical/office workers, we employ 47% women and 53% men, while among blue-collar employees the ratio is less balanced due to the heavy work on production lines. We do not exclude anyone's needs and are able to provide a pleasant working environment for people with disabilities. We currently employ 8 employees with disabilities. See the tables for more information.

Table Number of employees, types of work hours S1-6

	Men	Women	Others	Not stated	Unknown	Total
Total	**385**	**160**	**–**	**–**	**–**	**545**
Permanent employees	350	144	–	–	–	494
Temporary employees	35	16	–	–	4	55
Full-time employees	263	139	–	–	–	402
Part-time employees	122	21	–	–	4	147

Methodology:

- The number of total employees is given by the number of people.
- The number of total employees is given at the end of the period.
- The number of employees in the Czech Republic and Slovakia.

Table Age distribution of employees

	Under 30 years old	30-50 years old	Over 50 years old	Total
The number of employees	59	248	156	308 men + 155 women

This information falls under ESRS requirement S1, S1-9. Diversity is included only in the Czech Republic and Slovakia. Other data are unavailable.

Table Disability

	Men	Women	Others	Total
Proportion of employees with disabilities	4	4	-	8

This information falls under ESRS requirement S1, S1-12. Diversity is included only in the Czech Republic and Slovakia. Other data are unavailable.

Diversity in management

Since equal access to all is important to us, the company's management consists of 57% men and 43% women. We are experts regardless of gender.

The company's supervisory board consists of three members, one man (33%) and two women (67%).

By 2025, we aim to increase the number of women on the supervisory board to at least 80%.

The board of directors consists of three members, all of whom are male.

Table Diversity Management

	Men	Women	Others	Total
Number of management members	8	6	-	14
Share in management (%)	57	43	0	100

Table Age distribution of governance

	Under 30 years old	30-50 years old	Over 50 years old	Total
Amount	-	7	7	14

This information falls under ESRS requirement S1, S1-9

Turnover rate S1-6

Table Employee turnover

Number of employees who left the company during the reporting period	55
Employee turnover rate for the period	11,9

Workforce outside of employees S1-7

In addition to our own employees, we also use freelancers and agency workers, see the following table.

Table Non-employee workers

Non-employees	Amount
Self-employed	20
Agency workers	5
Others	0
Total	25

Collective agreements S1-8

Our company has not concluded a collective agreement with its employees.

Adequate wages S1-10

All employees have a wage greater than or equal to an adequate wage S1-10.

Social protection S1-11

Table Coverage of all employees by social protection in the following topics

Country	Illness	Unemployment	Work-related injury or acquired disability	Parental leave	Retirement
Czech Republic	YES	YES	YES	YES	YES
Slovakia	YES	YES	YES	YES	YES

Health and safety S1-14

The work and working environment comply with the health, safety and hygiene standards set by the Labor Code and related legislation. It is essential for us to have healthy and satisfied employees, which is why we work according to the principles of ISO 45001, an international standard that sets out requirements for a system for ensuring health and safety at work. Our employees can visit a company doctor directly at the workplace.

Occupational health and safety are regulated by the Labor Code and the Act laying down additional requirements for occupational health and safety (Act No. 309/2006 Coll., as amended), as well as by special regulations issued by the Czech Occupational Safety and Health Authority. This system applies to all our employees. All employees regularly undergo training in occupational health and safety, as required by law.

Table Percentage of own workers covered by the health and safety management system

Total share (%)	100

Table Occupational accidents

Number of work-related injuries	11
Work-related injury rate (per million hours)	23

Table Occupational diseases

	Employees	Workers who are not employees	Former employees and other workers
Number of cases of work-related illnesses	1	0	0

Table Work absence

Number of days of absence from work due to work-related injury or illness.

	Employees	Workers who are not employees
Calculation by calendar days	663	0

Table Work-related deaths

Number of deaths due to	Own workforce	Suppliers working at the company's workplace
Workplace accidents	0	0
Work-related illnesses	0	0
Total	0	0

Differences in remuneration

Regarding human resources, the wage policy has changed since January 1, 2022. As part of the restructuring of remuneration, tariff classes were introduced, where each employee was classified according to their qualifications and length of time worked into the corresponding categories and tariff classes. This adjustment was made for better employee motivation, for transparent career progression and wage increases, increasing qualifications in all employee positions, reducing fluctuation in some problematic positions and the resulting stabilization of work teams and increasing the competitiveness of the employer MTC in the labor market.

Employee training

Employees are regularly trained in various areas to better develop and improve their skills. This includes mandatory training as well as advanced training. Many employees also attend courses and seminars that contribute to improving their skills and deepening their knowledge in the field. Whether it is mandatory regular annual training, regular teaching or consultations, or organized seminars and conferences.

Work-life balance (Family leave) S1-15

Table Number of employees who applied for leave for family reasons

	Men	Women	Others	Not specified	Unknown
Share of employees	67,0	33,0	–	–	–

Incidents and Complaints

In our company, we offer work to everyone, without unlawful discrimination or harassment. Regardless of gender, race, nationality, religion, age, disability, or marital status, but always considering the requirements of a specific job position. The same applies during the work process, when decisions are not influenced by the above parameters, even during development and career advancement.
We did not record any incidents in the past year.

Discrimination, working conditions S1-17

There were no cases of discrimination and harassment reported in 2023 in accordance with S1-17 according to the CSRD. There were also no complaints regarding social issues. There were no human rights incidents this year.

S2 Workers in the value chain

We did not assess this topic as significant in our dual materiality assessment. Our suppliers are reputable companies, primarily within the EU, which already report and comply with the established legislative requirements with respect to the environment and affected communities, with an effort to mitigate their impacts and prosperity.

S3 Affected Communities

We are a manufacturing company, and we know that there may be a burden on the surrounding communities. We are open to discussion and always try to find the best solution for everyone. As a company, we have a long history of supporting the needy and talented in our region, our employees and their children.

Since the main activity of the operator is the processing of metal coils, which are transported by truck or train, excessive noise and dust are generated in the premises and the surrounding area. The employer tried to alleviate this situation by moving the freight gatehouse to the other place of the production plant in Velvary. This new freight gatehouse is located on the other side of the company, closer to the edge of the village and further from the residential area. This gatehouse is used both for the arrival of input materials and for the transport of materials to customers.

This information falls under ESRS requirement S3, ESRS 2 SBM-3.

We monitor dust and noise levels ourselves to keep track of our impact on the environment. We work with communities through discussions and their suggestions or potential requests for support or solutions to the situation.

S4 Customers and end users

We did not assess this topic as material, because our company is a manufacturer of materials that are purchased in most cases for further processing, and therefore we have a minimal direct impact on end users.

GOVERNANCE

G1 Governance

Corporate governance involves balancing the interest of many stakeholders of a company such as shareholders, executives, customers, suppliers, financiers, banks, and government.

MTC is governed by the joint stock company system with a statutory body of the Board of Management and a collective body of the Supervisory Board.

The Management Board governs the systems, policies and processes in all areas of our business. These processes are regularly reviewed through internal audits and external third-party audits.

MTC's management systems affecting quality, environmental, occupational health and safety and energy management are maintained and developed annually through a program of audits. Internal audits establish the objective status of internal system operations and seek to improve processes.

In 2023, 24 system internal audits of all implemented management systems, 3 internal process audits at operations with automotive quality requirements system certification were planned and conducted.

Another important control tool is the product audit, which verifies that the product meets the specifications and customer requirements. This helps to prevent unnecessary complaints. In 2023, 27 product audits were conducted at all sites.

Our systems are also audited by external organizations such as certification companies, government authorities or our customers. This year, the number of external audits rose to 31.

Our management approach is a priority because it provides the basis for effective corporate ESG management, corporate transparency and business efficiency.

Code of Conduct

We promote ethical values in all our business activities and working relationships. The principles of the Code set out the guidelines we must follow to comply with the law and act in accordance with ethical standards and provide tools to ensure compliance with legal obligations and ethical standards.

At our company, we are guided by the Code of Ethics, which supervises us as well as our suppliers.

It is essential for us that our suppliers also comply with these rules, whether they come from within or outside the European Union.

Both for internal organization and for the supply chain and the issues implemented in our systems and processes.

Ethical and well-intentioned with strict adherence to the law

- Honesty and equality towards customers
- Declared quality deadline accuracy
- Selection of suppliersaccording to the rules of commercial competition
- Confidential information about supplier relationships
- Respect and dignity towards employees
- No unlawful discrimination
- Interests of the wider community
- Truthful communication with government authorities
- Improving the quality of the environment
- Respect for standards for waste, emissions, etc.
- Competing vigorously but fairly
- Does not use restrictive business practices

Privacy, data protection and cybersecurity

The key idea of the Information Security Management System (ISMS) is to establish and maintain processes and tools for effective information security management based on measurement, evaluation and control.

The information security system establishes the basic organizational structure and responsibilities in information security management, rules in the areas of human resources, physical security, ICT security, supplier relations and meeting the requirements of legislation and standards.

By implementing ISMS, we identify potential risks and threats from information leakage and loss and minimize them in a controlled manner.
We work according to the VDA ISA system with the aim of achieving the TISAX label.

Customer satisfaction

Stakeholder feedback is considered in customer satisfaction management, and their needs and expectations are assessed and addressed.

With a wide network of sales representatives who are in constant contact with their customers to best provide customer support, as well as linking them with the manufacturing sector, which can respond to and complement the various customer requirements, we have established a wide and solid customer network. Thanks to customer enquiries and requests, the offer is continuously improved and expanded, whether it is for specific products or certifications and other legislative items.

MTC has a system in place that establishes policies and procedures for evaluations and defines responsibilities and authority in determining customer satisfaction ratings. Customer satisfaction surveys can assist in making decisions about the direction to take in improving company performance.

Business continuity

Within the complex context of the organization, business continuity management is important to the day-to-day operations of the company. It involves identifying and managing potential risks and threats, as well as planning, organizing and implementing strategies to protect the organization's critical processes, systems and resources.

Risk assessment and analysis helps us manage the impact of these risks on critical business processes and enables recovery planning. We plan the steps that must be taken to ensure continuity of functions during a disruption, and this includes defining roles and responsibilities and identifying alternative facilities. We regularly test and update the business continuity plan to ensure its effectiveness.

We continuously monitor the business environment for changes in risk and consider supply chain resilience because business continuity management is not a one-time activity; it is an ongoing process that evolves with the changing business environment and new threats.

Supplier selection

We work with responsible suppliers of raw materials and materials, mainly within Europe, thereby trying to eliminate supply chain risks, whether it is the complexity of transport or legislation regarding human resources. Our customers are also interested in these parameters from our side, and thanks to all this, we work on continuous improvement.

Supplier relationships are based on trust and mutual responsibility. Supplier selection has its own rules and principles. Before starting trading and establishing business relationships, a supplier approval process takes place, through which we assess whether our requirements and necessary criteria are met. We check their business credibility, working environment and production operations. Of course, we also assess whether the purchased products, processes and services meet the current applicable requirements of laws and regulations. And we continuously monitor and evaluate the performance and reliability of our suppliers during business cooperation.

Whistleblower Protection

The company is subject to the Whistleblower Protection Act.

The whistleblower system is activated for internal whistleblowers.

The whistleblower system is activated for external whistleblowers.

Whistleblowing.pdf

Within ESRS G1, G1-1, we have established a list of positions in risky functions at risk from the point of view of bribery, see the table below. The company does not provide training programs covering bribery topics falling under ESRS G1, G1-3. There were no confirmed cases of bribery in the given year (ESRS G1, G1-4)

Table Risk functions in terms of bribery

Position Title	Number of employees
Purchasing Manager	2
Sales Manager	8
Sales Representative	11
Purchasing Manager	1
Store Manager	1
Sales Manager	2
Director	15

Contributions were made for sports, cultural and youth education purposes for 2023. This information falls under ESRS requirement G1, G1-5. The amount was as shown on the table below.

Table Political and other contributions

	Financial donations and contributions (CZK)	Monetary value of in-kind contributions and services (CZK)
Contributions to other recipients	748 460,41	–

Within ESRS G1, G1-5, we report on the participation of members of administrative and management bodies in public administration.

Table Members of administrative and management bodies who held a comparable position in public administration in the last two years

Member of the administrative or management body of a company	Title of position in public administration	Position terminated
Blanka Vaigeltová	Representative of the municipality of Uhy	NEO

The processing of payments reported under ESRS G1, G1-6 is shown in the table below. The number of days for payment is determined by the payment terms. These are the following options: 14/30/45/60/75/90 days. The most common is 45 days.

Table The processing of payments

Average time to pay an invoice (days)	32
Number of days to pay specified by payment terms (days)	45
Percentage of payments paid within payment terms (%)	99
Number of pending legal proceedings related to late payments	0

For METAL TRADE COMAX, a.s., both good long-term relationships with business partners in the supply chain and relationships with public authorities are important, as well as employee satisfaction.

We believe that mutual synergies and cooperation can support our efforts in all areas of sustainable environment, and that together we can all progress faster.

Annex 1

Decarbonization plan

Due to the requirements of the 2019 Paris Agreement legislation, we have also decided to focus on gradually reducing the carbon footprint of our company and our products.

By innovating the technology of production facilities, we achieve improvement and streamlining of the production process, improving the quality of products and improving the compliance of products with increasing customer requirements and legislative requirements. As a result, the amount of technological waste is reduced.

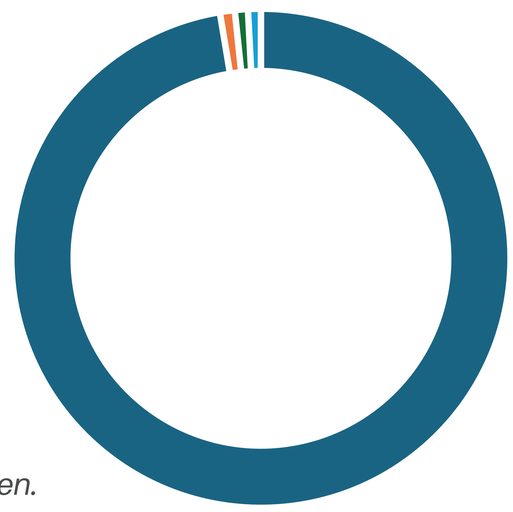
We also focus on improving the working environment. We strive to do this through ongoing modifications, repairs, building insulation or by implementing value-added energy-saving projects such as replacing light sources and using waste heat from production processes.

As we produce a large volume of waste, the issue of waste generation and disposal is important to us. Therefore, we are intensively involved in waste management issues with the aim of the best possible separation and recycling of the generated waste, ideally its recovery. We strive to reuse the materials obtained from packaging of input materials, possibly returning packaging materials from customers (e.g. crates for Karosa, pallets Kolín-Litovel). In 2024, we plan to have a circular waste scan done to map waste processing even better.

We strive to reduce our impact as much as possible, however, as our product portfolio is painted and formed aluminum and steel sheet, our carbon footprint is mainly due to the carbon footprint introduced by the input material with minimal contribution from manufacturing.

Our top four emission sources in 2023 include (tCO2e)

1.	Purchased goods and services	461 415
2.	Electricity market	4 563
3.	Natural gas	4 000
4.	Transportation to the company and distribution (upstream)	3 939



This is where the highest potential for possible reduction of the carbon footprint of the company can be seen.

The possibilities would be:

1. Our two main inputs in terms of purchases are steel coils and aluminum coils. These would therefore be purchases of inputs with a lower carbon footprint, such as 'green steel'. However, the market is important here. This lower carbon footprint steel is sold at a higher price and its availability is limited. This solution could be possible as part of strategic planning in line with customer requirements, but not as a programmatic solution.
For aluminum, a new supplier would need to be found to supply aluminum strip with a lower carbon footprint.

2. The second emission source is Electricity. We are already planning the construction of photovoltaic power plants on the roofs of our halls to reduce our dependence on purchased electricity. Another way to reduce the carbon footprint of this group would be to purchase electricity with a better energy mix.

3. The third significant item is the purchase of natural gas. The boiler house has been modernized for space heating, reducing gas consumption and using waste heat from the production processes. However, the main consumption of gas is in the production process itself during the firing of the coating system on the coil-coating line. This process has already been optimized in the light of current possibilities and gas consumption is therefore only dependent on the production volume. A changeover to electricity is not possible on the current coating line. We are therefore also planning to build a new coil-coating line that will offer new technological possibilities using BAT. In the case of a coil-coating line based on EB/UV technology, the carbon footprint could be reduced by up to 96%. In the case of a combination of UV for primer and conventional for finish, the carbon footprint could be reduced by 35% (see presentation ECCA Brussels 2024, 1.B Tatasteel). Using these technologies, solvent-free coatings are required, which would also reduce air emissions and the cooling of the coil is no longer necessary, therefore water consumption would also be reduced. However, this process requires the use of nitrogen. These data are rather hypotheses for the time being, as these methods are not yet widespread. However, with the new production technology, the waste heat generated on the coil-coating line will be reduced and this heat used for space heating will have to be replaced by other sources.

4. The next item to focus on is transportation to the company. We already try to make the most of rail transport and modern freight classes, but there is scope for reducing the carbon footprint by offering new technologies in freight transport or by increasing train services.

To inform our decarbonization plan, the company's carbon footprint has been calculated for Scope 1 and 2 from 2019 and for Scope 1, 2 and 3 from 2021. We are continually improving our data collection to give us the broadest possible view of the inputs to our carbon footprint and to identify new challenges and opportunities in reducing it. The decarbonization plan was set in line with the SBTi when we received this evidence base. We would like to achieve the values below by 2030.

The EPDs for our products have also been calculated and verified and show the significant influence of the input material, which forms a substantial part of the carbon footprint of the product.

Table 1 and 2 Data from SBTi target setting tool

	Base year (2021)	**Most recent year (2023)**	**Target year (2030)**	**% Reduction to date**	**% FLA Adjustment**	**% SBT reduction**
Scope1 emissions (tCO2e)	6 776	4 947	3 840	26,99 %	1,33 %	43,33 %
Scope2 emissions (tCO2e)	4 935	4 564	2 862	7,53 %	Not required	42,00 %
Scope1+2 emissions (tCO2e)	11 711	9 511	6 702	18,79 %	0,77 %	42,77 %

Scope 3	**Base year (2021)**	**Target year (2030)**	**SBT**
Physical intensity (tCO2/custom physical unit - t)	3,0	1,4	51,60 %

METAL TRADE COMAX, a.s.

273 24, Velvary 420, Czech Republic

tel.: +420 315 730 111 | e-mail: info@mtcomax.cz | www.mtcomax.cz

www.mtcomax.cz