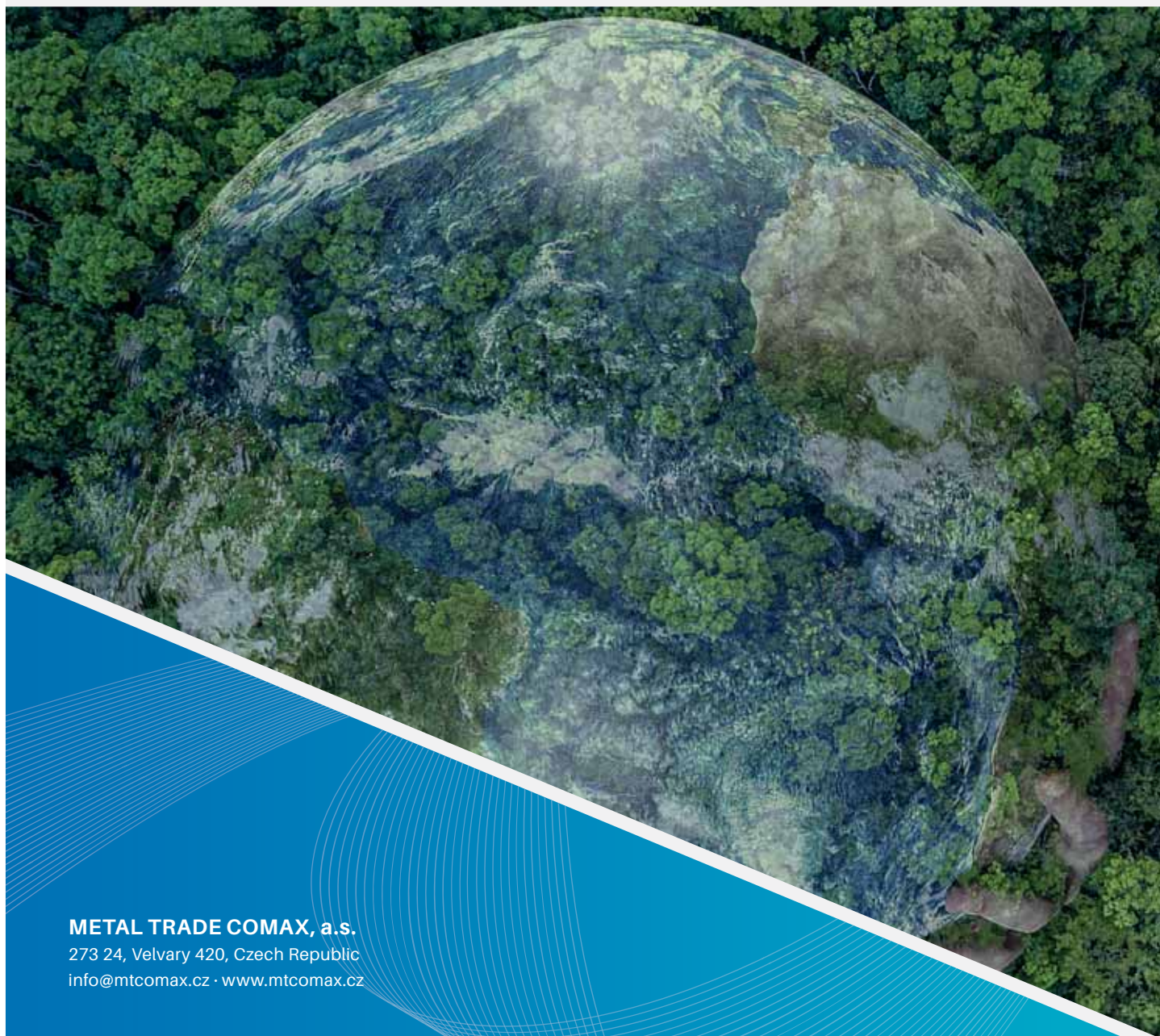




METAL TRADE COMAX, a.s.

# ESG REPORT

## 2023



**METAL TRADE COMAX, a.s.**  
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Member of

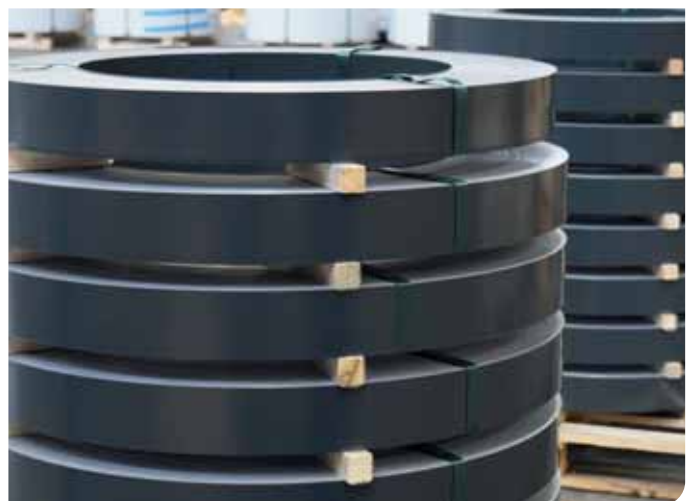




(Headquarters and main production plant)

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# FOREWORD

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Dear readers,

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

*As a director of our company, METAL TRADE COMAX, Inc., 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,

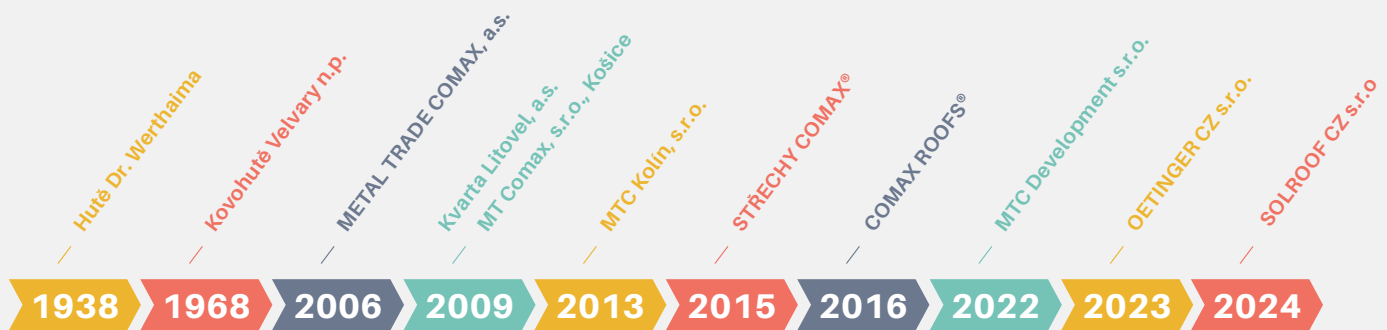


**Ing. Lukáš Hanus**  
CEO

# ABOUT METAL TRADE COMAX, a.s.

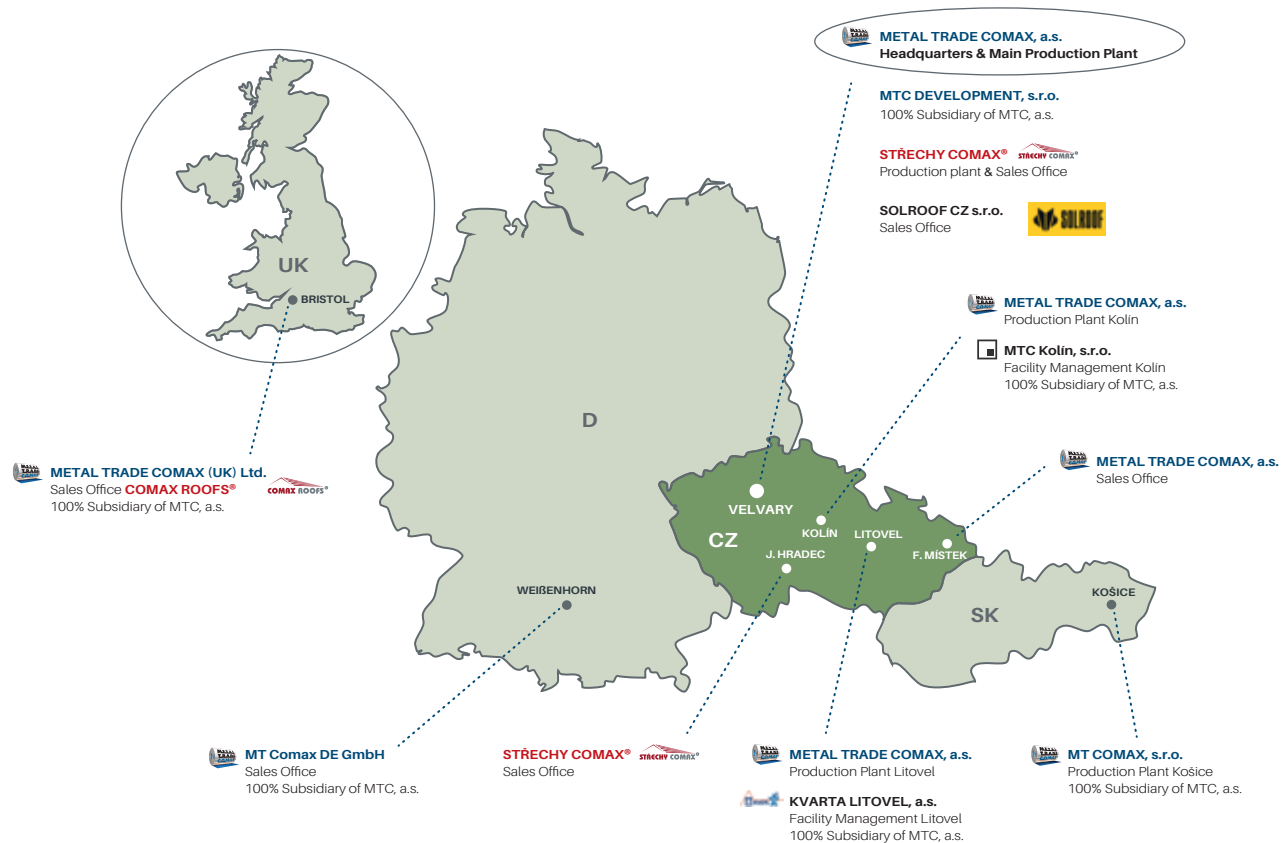
The company METAL TRADE COMAX, a.s. (hereinafter also MTC) is a Czech company with a long history dating back to 1938, at that time as Dr. Werthaim's Works, operating in the Central Bohemian royal town of Velvary.

Today it is a company engaged in the treatment and painting of metal strips (coil-coating), cutting metal strips into strips and sheets, production of roofing and corresponding components and production of profiles.



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, the metallurgical operations were spun off into a new company called OETINGER CZ s.r.o..



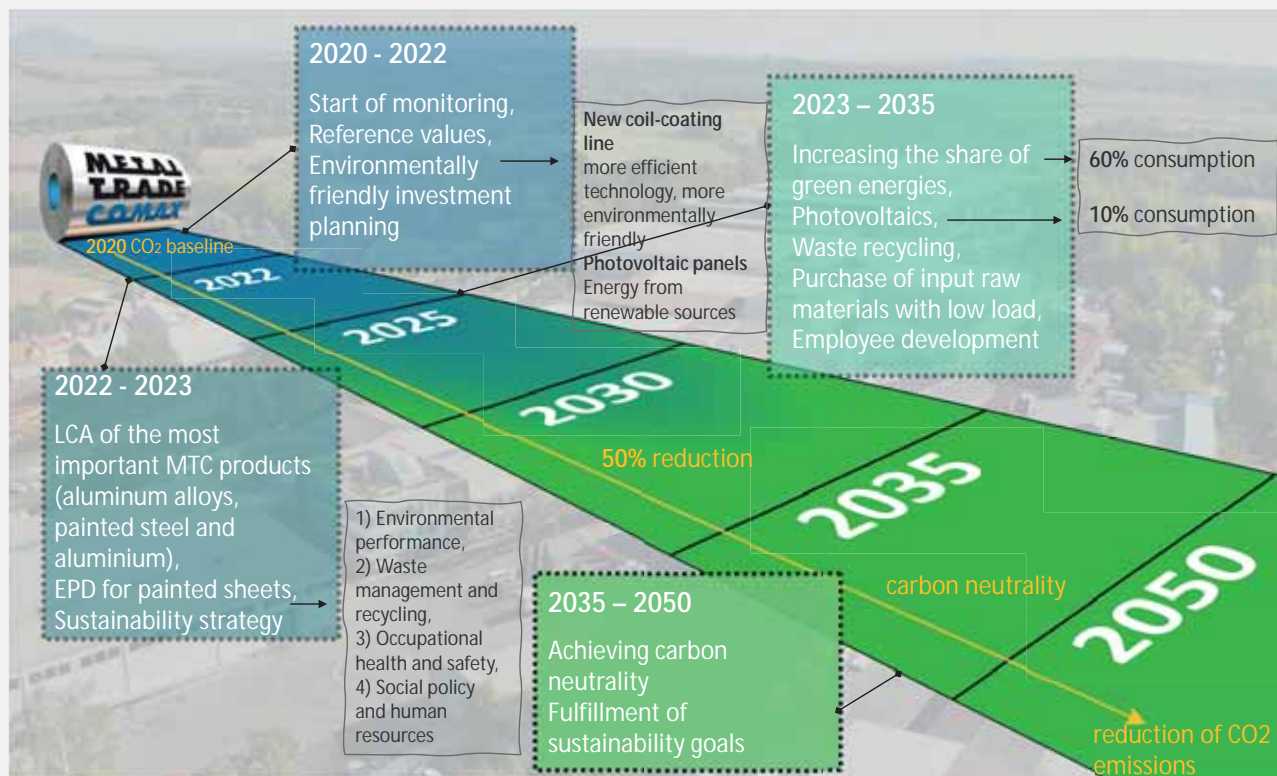
Despite this, the heart of the company remains in the Central Bohemian town of Velvary, where MTC employs many residents and ensures prosperity and good relations with the local population.

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.

# VISION

At METAL TRADE COMAX, a.s. we have taken responsibility for reducing the impact of climate change. We have set up a sustainability strategy to reduce the environmental impact of our production, which is an integral part of our way of doing business.



We are already taking steps towards sustainability, circular economy and carbon neutrality. We are committed to **reducing our carbon footprint by 50% by 2035 and becoming carbon neutral by 2050.**

COMPANY METAL TRADE COMAX, A.S. HAS DEFINED SEVEN AREAS RELATED TO SUSTAINABILITY FOR WHICH IT HAS DEFINED SPECIFIC OBJECTIVES:

1. We want to reduce greenhouse gas emissions through investment and technological innovation.
2. We want to achieve a gradual transition to clean energy sources.
3. Optimising the waste management and recycling system.
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.

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).

WE PLAN TO ACHIEVE THE FOLLOWING GOALS:

**Transitioning to clean energy** by analysing green energy purchasing options; for electricity, we will focus on increasing the amount of low and zero carbon electricity.

**Investing** in new technologies in upcoming projects offers further scope for improvement. For example, investment in building a new coil-coating line.

**Installation of photovoltaic panels - 2.6 MWh**

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

**Utilization of waste heat from coil-coating line furnaces and melting furnaces for heating of buildings**

A project to **use waste heat** from production plants to heat administrative buildings has now been implemented. The reduced consumption of natural gas in the boiler rooms of these buildings was replaced by the supply of waste heat.

Another cost-saving measure is the **installation of LED** lighting sources in the Service Centre operations hall instead of the old lighting sources, which will save electricity for lighting in these areas. Subsequently, it is planned to replace the light sources in other premises as well.

**Cooperation with responsible suppliers**

We optimise raw material inputs by intensifying supply chain collaboration with carbon neutral and responsible producers in the circular economy.

We have started purchasing green steel, which will lead to a significant improvement in the carbon footprint of our coil-coating products and thus their environmental performance.

# VALUES



## MODERN TECHNOLOGIES

- It is essential for us to keep up with other manufacturers, which is why we are constantly innovating and improving our production process so that we can offer our customers new products, make better use of resources and also reduce the energy intensity of the process or find new ways to use waste products and energy. And they also give us a greater ability to meet customer demands, which is one of the most important points of a thriving business.

## KEY EMPLOYER, SOCIAL TIES WITH THE LOCAL POPULATION

We are a company with several production facilities in different locations. In all locations we employ mainly people from the surrounding area, whether it is a THP or a worker position. We care about our employees and are interested in their input. Often entire families work for us. We maintain good relations with local authorities and residents, which contributes to the satisfaction of all parties involved.

**Without prejudice** - We employ people in our company regardless of their gender, race or colour, as well as the disabled and foreigners. What determines us are the qualifications for the position. We value every employee equally and actively promote a zero discrimination, equal opportunity work environment.

## COMPLIANCE WITH LAWS AND REGULATIONS

We monitor and comply with national and international legislative developments to ensure that our company and its activities are responsible to the environment in which it operates. The environmental activities of METAL TRADE COMAX, a.s. comply with the Industrial Emissions Directive 2010/75/EU (IED). MTC has an integrated management system in place, which includes environmental management according to ISO 14001.

**Health and Safety** - complies with the health, safety and hygiene standards set by the Labour Code and related legislation. It is essential for us to have healthy and satisfied employees; therefore, we work according to the principles of ISO 45001 international standard, which sets out the requirements for an occupational health and safety management system. Our employees can visit the company doctor at the place of work.

## COOPERATION WITH RESPONSIBLE SUPPLIERS

We prefer to work with responsible suppliers who adhere to our own principles. And they are geographically close to us, reducing the risks of long-distance transport and the burden on the environment.



## ESG

Sustainability is one of the essential parameters in business. Whether it is a human, social, economic or environmental component. There is a need to address all these parameters and ensure their mutual balance.

With the passage of time, there has been a modernization of technology and hence a reduction in the burden on the environment. This has reduced the impact on the environment, the population and has also led to new opportunities in energy optimised production. The same is true for the construction of new buildings, where the aim is to build energy-efficient buildings in line with the trend towards modern

construction technologies, making the best use of the areas already in use at the same time. Replacing old energy-intensive buildings with new ones or at least reducing the energy consumption of existing ones. As this is a manufacturing plant, energy is always a major issue, as these production technologies are very energy intensive and even with constant modernisation, consumption is very high. Whether it is energy or water needed for the production processes.

As well as water recycling and the installation of solar panels on the roofs of existing buildings, which avoids taking land and reducing its usability.

## ENVIRONMENT

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 demanding production of painted material is on a coil-coating line, where the paint is fired at high temperatures.

During the application of the coating system to the metal substrate and its subsequent firing, exhaust gases are eliminated by recuperating the solvent fumes, thus preventing the release of hydrocarbons into the air. The energy recovered is used back in the production process for firing the paints, for heating the rinse water and for heating the production area.

For our products from the coil-coating line we have prepared a 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 painted coils

### LCA and EPD study based on the cradle-to-gate system boundary in 2021 for the products from the coil-coating line

in accordance with ISO 14025:2006 and EN 15804:2015+A2:2019. The LCA and EPD studies based on 2021 data are based on a cradle to gate system boundary with the inclusion of an end of life phase and the potential for reuse and recycling.

The studies have been developed based on 2021 data collection and from this date onwards the development of all the results based on the study will be monitored, especially the carbon footprint of our products. This will be the baseline data for assessing the environmental impact of products when introducing new technologies or optimising resources.

Our company's production programmes have a relatively significant environmental impact, which is why we are already using environmentally friendly technologies in our operations that are in line with the circular economy.

We also recycle 100% of diluents within our operations. Contaminated diluent is reclaimed by vacuum distillation and clean diluent is returned to production.

## Innovation

As we are a manufacturing company, innovation is key for us. Innovation ensures better competitiveness and also better use of resources, but most importantly, a greater ability to meet customer demands, which is one of the most important points of a thriving business.



## Product life cycle

We are also currently tracking the carbon footprint of some of our major products, and we are going to track the carbon footprint of the whole company to make the decarbonisation process and the whole production process as efficient as possible.



## Water

As mentioned above, water is a very significant component in the production operation. Indeed, it is used in the production process itself, into which it enters after prior treatment to the required values of conductivity and hardness necessary for their use. Continuous investment in this process results in a better use of water and more efficient removal of waste substances from it. 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.



## Waste management

We are aware of the significant amount of recycled waste that comes from packaging materials. Therefore, we are launching a more efficient system for recording and managing packaging materials, which will help us to better separate and then more efficiently recycle packaging waste.

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.



## Transport and shipping

Due to the volume of materials and raw materials purchased, transportation is a significant part of the carbon footprint. Some of the input materials have long been transported by rail. A railway siding leads directly to MTC's premises in Velvary, located next to the train station, and it is possible to use train transport directly to the warehouse to reduce the congestion on the road infrastructure. For further transport of products, road freight transport is mainly used, partly provided from own resources. The advantage of train transport can also be used in the premises of the company's branch in Kolín, where a significant amount of steel coils is transported for further processing by cutting or the production of profiles in the construction industry.

## Materials and packaging

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 a 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.

## Compliance with laws and regulations

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

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 protection is an integral part of our corporate policy - we have been certified to ISO 14001 Environmental Management since 2005.

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 therefore work in accordance with the principles and rules applied by the Quality Management System (ISO 9001). Furthermore, the Occupational Health and Safety Management System ISO 45001 and the Energy Management System ISO 50001 are implemented in our management system.



# SOCIAL

MTC is committed to creating attractive workplaces in a safe and healthy environment. We provide access to personal and professional development for all employees and encourage open and respectful communication within the company.

Among technical/office staff, we employ 47% women and 53% men, while the ratio is less balanced among

blue-collar employees due to the heavy work on the 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.

|              | Technical / office staff |    | Workers    |    |
|--------------|--------------------------|----|------------|----|
|              | persons                  | %  | persons    | %  |
| <b>Total</b> | <b>207</b>               |    | <b>376</b> |    |
| <b>Women</b> | 98                       | 47 | 56         | 20 |
| <b>Men</b>   | 109                      | 53 | 218        | 80 |

| Employees with disabilities |         |   |
|-----------------------------|---------|---|
|                             | persons | % |
| <b>Total</b>                | 8       | 2 |

| Foreigners   |         |   |
|--------------|---------|---|
|              | persons | % |
| <b>Total</b> | 16      | 3 |

It is important to take care of employees and their safety. The company and the work safety procedures and principles used are certified according to ISO 45001. All employees are regularly trained and educated in occupational health and safety, and we strive to positively motivate them to comply with these rules. We strive to develop the skill level of our employees through topic-specific training.

Good relationships create a better working environment. That is why we organise company events and teambuilding several times a year to strengthen our relationships. These are sporting or cultural events

so that everyone can choose according to their taste. Teambuilding events are always within the department to bring the closest team together and these events are always very positively evaluated by the employees.

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

## COMAX Gardening



We plan to create a "relaxation zone with gardening" in the vicinity of the COMAX Roofing Plant, where employees will be able to relax with their families. Relaxation is an integral part of work, and only a satisfied employee can perform well and drive the process and innovation.

In such an environment, employees can relax not only physically but also mentally.



### FEEDBACK FROM EMPLOYEES

Because employees are really 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 where his or her supervisor sees potential for improvement and what has changed in the year. And also, so that the employer knows the employee's opinion. Employees also know that they can contact their supervisors at any time during the year with suggestions and questions, and constructive comments are always welcome, as are any problems that the employer always wants to resolve as best as possible.



*(Plan for the construction of apartment buildings)*

### EMPLOYEE SUPPORT

Construction has now begun on apartment buildings in Velvary, which are located close to the company's premises, as well as near the school and the town center. The 84 flats are located on the company's land, which was no longer in use and was therefore a brownfield site. Here, too, we are also thinking about the environment. The new apartment buildings will have an energy certificate and solar panels of about 45 kWp per house placed on the roofs. These apartments offer new housing options in the city for employees and their families.



## Respect and trust

At MTC, we strive to create attractive workplaces in a safe and healthy work environment. We provide access to personal and professional development for all employees and encourage open communication.

Because we value people who have worked for MTC for a long time, we reward them for their loyalty and commitment to our company. Some employees are celebrating their 25th and 30th anniversaries with the company, which we consider to be the most significant evidence of their satisfaction with working for MTC.

We believe that much of our employees' happiness also comes from their ability to balance work and personal life. We also support our employees on parental leave and offer part-time work to better implement them into the workforce.



We know that it is very important to provide the best possible work-life balance.

## Transparency

As far as human resources are concerned, there has been a change in the pay policy as of 1 January 2022. As part of the restructuring of remuneration, pay grades were introduced, whereby each employee was classified according to his/her qualifications and length of service in the corresponding categories and pay grades. This adjustment was made to better motivate employees, to ensure transparent career

progression and pay increases, to increase qualifications in all employee positions, to reduce turnover in some problem positions and the resulting stabilization of work teams and to increase the competitiveness of the employer MTC in the labour market.



## Support for training

Employees are regularly trained in various areas for better development and improvement of their skills. These are mandatory trainings as well as above-standard trainings. Many employees also attend courses and seminars that contribute to improving their skills and deepening their knowledge in the field. Whether it is mandatory annual training, regular classes or consultations or organised seminars and conferences.

## Health and safety

The company has a H&S management system in place that meets the requirements of national legislation. We have a management system in place and certified to ISO 45001 Occupational Health and Safety System.

It is important for employers to have happy and healthy employees.

Employees can visit their occupational physician, now located on the company premises, whenever they need to.

Morbidity and accident rates are monitored on a long-term basis and corrective measures are taken. In 2023, 15 injuries are recorded, which is a 32% reduction from 2022, when 22 injuries were recorded. This has been achieved through corrective and safety measures. Unfortunately, not all circumstances can be predicted, but even from these situations new insights for safety management emerge that are very valuable.



## Discrimination and harassment

At our company, we offer jobs to everyone, without unlawful discrimination or harassment. Regardless of gender, race, nationality, religion, age, disability, or marital status, but always considering the requirements of the specific job. The same is true during the employment process, where development and career advancement decisions are not influenced by the above parameters.

# GOVERNANCE

Corporate governance involves balancing the interests and many stakeholders of a company such as shareholders, executives, customers, suppliers, financiers, banks, 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 organisations 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 governs 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 the internal organisation 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

Selection of suppliers according to  
the rules of commercial competition

Respect and dignity  
towards employees

Interests of the wider community

Improving the quality  
of the environment

Competing vigorously but fairly

Declared quality  
deadline accuracy

Confidential information  
about supplier relationships

No unlawful discrimination

Truthful communication  
with government authorities

Respect for standards for waste,  
emissions, etc.

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 is able to respond 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 organisation, 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 collaborate with responsible suppliers of raw materials and materials primarily within Europe, aiming to eliminate risks in the supply chain, whether related to transportation challenges or legislation concerning human resources. Similarly, our customers are interested in these parameters from our side, and thanks to all this, we are continuously working on improvement.

Relationships with suppliers are built on trust and mutual responsibility. Supplier selection processes have their own rules and principles. Before commencing trading and establishing business relationships,

a supplier approval process takes place where we assess whether our requirements are met, and necessary criteria fulfilled. We evaluate their business credibility, working environment, and production operations. Of course, we also assess whether the purchased products, processes, and services meet current applicable legal requirements and regulations. Throughout our business cooperation, we continuously monitor and evaluate the performance and reliability of our suppliers.

For METAL TRADE COMAX, a.s., both long-term good 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.



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